



Oregon

Tina Kotek, Governor

AGENDA ITEM NO.

I.C.

**Notice of Agency
OREGON REAL ESTATE BOARD
Regular Meeting Agenda
Online
February 3, 2025**

Real Estate Agency
530 Center St. NE, Suite 100
Salem, Oregon 97301-2505
Phone: (503) 378-4170
www.oregon.gov/rea

- I. BOARD BUSINESS - Chair Warren**
 - A. Call to Order
 - B. Chair Warren comments/Roll Call
 - C. Approval of the Agenda and Order of Business
 - D. Approval of 12.02.24, regular meeting minutes
 - E. Date of the Next Meeting: 04.07.25 to begin at 10am, Location: Online
- II. PUBLIC COMMENT - Chair Warren**
 - This time is set aside for persons wishing to address the Board on matters not on the agenda. Speakers will be limited to five minutes.
 - The Board Chair reserves the right to further limit or exclude repetitious or irrelevant presentations. If written material is included, 12 copies of all information to be distributed to board members should be given to the Board Liaison prior to the meeting.
 - Action will not be taken at this meeting on citizen comments. The Board, however, after hearing from interested citizens, may place items on a future agenda so proper notice may be given to all interested parties.
 - If no one wishes to comment, the next scheduled agenda item will be considered.
- III. REQUESTS FOR WAIVERS - Chair Warren Waiver request log.**
 - A. None
- IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER - Chair Warren.**
 - A. None
- V. BOARD ADVICE/ACTION - Commissioner Strode**
 - A. None
- VI. NEW BUSINESS - Commissioner Strode**
 - A. 2025 Legislative Session – Michael Hanifin
- VII. ADMINISTRATIVE ACTIONS SUMMARY - Chair Warren**
- VIII. REPORTS – Chair Warren**
 - A. Commissioner Strode
 - B. Agency division reports-Deputy Commissioner Higley
 1. Regulation Division – Meghan Lewis
 2. Compliance Division – Liz Hayes
 3. Land Development Division – Michael Hanifin
 4. Licensing Division – Nenah Darville
 5. Administrative Services Division – refer to packet
- IX. ANNOUNCEMENTS – Chair Warren.** Next board meeting: 04.07.25 to begin at 10am, Online
- X. ADJOURNMENT – Chair Warren**

Interpreter services, auxiliary aids for persons with disabilities, and access to attend remotely by videoconference are available upon advance request.



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OREGON REAL ESTATE BOARD
Regular Meeting Minutes
Videoconference
December 2, 2024
10:00 a.m.

BOARD MEMBERS PRESENT:

LaTasha Beal
Michael Warren
Stacy Ellingson
Jose Gonzalez
James Komro
Debra Neal
Tom Tapia

BOARD MEMBERS ABSENT:

Jessenia Juarez
Dawn Duerksen

OREA STAFF PRESENT:

Steve Strode, Commissioner
Anna Higley, Deputy Commissioner
Mesheal Tracy, DEI, Communications & Policy Director
Elli Kataura, Regulation Division Manager
Liz Hayes, Compliance Division Manager
Nenah Darville, Licensing Division Manager
Reba Dunnington, Administrative Services Division Manager

- I. BOARD BUSINESS – Chair Beal
 - A. Call to Order
 - B. Chair Beal comments/Roll Call
 - C. Approval of the Agenda and Order of Business

MOTION TO APPROVE 12.2.2024 REGULAR MEETING AGENDA AS SUBMITTED BY JAMES KOMRO

SECONDED BY JOSE GONZALEZ

MOTION CARRIED BY UNANIMOUS VOTE

- D. Approval of 10.7.24, regular meeting minutes

MOTION TO APPROVE 10.7.24 REGULAR MEETING MINUTES AS SUBMITTED BY MICHAEL WARREN

SECONDED BY DEBRA NEAL

MOTION CARRIED BY UNANIMOUS VOTE

- E. Date of the Next Meeting: 2.03.25 to begin at 10am, Location: Online

II. PUBLIC COMMENT – Chair Beal

- A. None

III. REQUESTS FOR WAIVERS – Chair Beal

- A. None

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER –Chair Beal

- A. Annamarie Koonig

MOTION TO APPROVE ANNAMARIE KOONIG AS A CONTINUING EDUCATION PROVIDER AS SUBMITTED BY MICHAEL WARREN

SECONDED BY DEBRA NEAL

MOTION CARRIED BY UNANIMOUS VOTE



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B. New American Funding, Inc.

**MOTION TO APPROVE ANNAMARIE KOONIG AS A CONTINUING EDUCATION PROVIDER AS
SUBMITTED BY STACY ELLINGSON
SECONDED BY JAMES KOMRO
MOTION CARRIED BY UNANIMOUS VOTE**

C. Reliant 1031 LLC

**MOTION TO APPROVE ANNAMARIE KOONIG AS A CONTINUING EDUCATION PROVIDER AS
SUBMITTED BY STACY ELLINGSON
SECONDED BY JAMES KOMRO
MOTION CARRIED BY UNANIMOUS VOTE**

V. BOARD ADVICE/ACTION - Commissioner Strode

A. 2025 Board Chair/Vice Chair Nominations & Board Vote

**MOTION TO NOMINATE MICHAEL WARREN TO BOARD CHAIR BY LATASHA BEAL
SECONDED BY DEBRA NEAL
MOTION CARRIED BY UNANIMOUS VOTE**

**MOTION TO NOMINATE JESSENIA JUAREZ TO BOARD CHAIR BY JAMES KOMRO
SECONDED BY STACY ELLINGSON
MOTION CARRIED BY UNANIMOUS VOTE**

B. 2025 Board Meeting Location Agency Suggestion & Board Vote

1. February 3, 2025 – Online
2. April 7, 2025 – Online
3. June 2, 2025 - Eastern Oregon
4. August 4, 2025 – Salem
5. October 6, 2025 – Online
6. December 1, 2025 – Online

**MOTION TO APPROVE AGENCY SUGGESTED LOCATIONS FOR 2025 BOARD MEETINGS BY
MICHAEL WARREN
SECONDED BY DEBRA NEAL
MOTION CARRIED BY UNANIMOUS VOTE**

C. Initial Agency Disclosure Pamphlet, Fair housing – Chair Beal

VI. NEW BUSINESS - Commissioner Strode

A. None

VII. COMMUNICATIONS - ADMINISTRATIVE ACTIONS SUMMARY – Chair Beal

VII. REPORTS – Chair Beal

A. Commissioner Strode

B. Agency division reports-Deputy Commissioner Higley

1. Regulation Division – Elli Kataura
2. Compliance Division – Liz Hayes
3. Land Development Division – refer to packet
4. Administrative Services Division – Reba Dunnington
5. Licensing Division – Nenah Darville
6. Communications – Mesheal Tracy

VIII. ANNOUNCEMENTS – Chair Beal Next board meeting: 02.03.25 to begin at 10am, Online

IX. ADJOURNMENT – Chair Beal

83rd OREGON LEGISLATIVE ASSEMBLY--2025 Regular Session

House Bill 2373

Sponsored by Representatives BOSHART DAVIS, GOMBERG; Representative RUIZ, Senators MEEK, STARR (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act creates a license for timeshare sales agents. (Flesch Readability Score: 75.5).

Prohibits selling or offering for sale a timeshare without a license. Establishes a timeshare real estate license. Directs the Real Estate Agency and Real Estate Commissioner to regulate and issue timeshare sales agent licenses. Becomes operative January 1, 2026.

Declares an emergency, effective July 1, 2025.

A BILL FOR AN ACT

1
2 Relating to timeshare sales agents; creating new provisions; amending ORS 94.803; and declaring an
3 emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 94.803 is amended to read:

6 94.803. As used in this section and ORS 94.807 to 94.945:

7 (1) "Agency" means the Real Estate Agency.

8 (2) "Accommodation" means an apartment, condominium unit, cabin, house, lodge, hotel or motel
9 room or other private or commercial structure situated on real property and designed for residential
10 occupancy.

11 (3) "Assessment" means the pro rata share assessed from time to time against each owner of a
12 timeshare by the managing entity to pay for common expenses.

13 (4) "Blanket encumbrance" means a trust deed or mortgage or any other lien or encumbrance,
14 mechanic's lien or otherwise, securing or evidencing the payment of money and affecting more than
15 one timeshare, or an agreement affecting more than one timeshare by which the developer holds the
16 timeshare property under an option, leasehold, contract to sell or trust agreement.

17 (5) "Commissioner" means the Real Estate Commissioner.

18 (6) "Common expenses" means:

19 (a) Expenses of administration, maintenance, repair or replacement of the accommodations and
20 facilities of the timeshare plan;

21 (b) Expenses agreed upon as common by all the timeshare owners in the timeshare plan; and

22 (c) Expenses declared common by the timeshare instrument or bylaws of the timeshare plan.

23 (7) "Developer" means a person that:

24 (a) Creates a timeshare plan;

25 (b) Succeeds to the interest of a person that creates a timeshare plan; or

26 (c) Purchases a timeshare from a person described in paragraph (a) or (b) of this subsection for
27 the primary purpose of resale.

28 (8) "Exchange program" means any opportunity for a purchaser to exchange timeshare periods

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 among purchasers in the same or other timeshare plans.

2 (9) "Facility" means a structure, service, improvement or real property available for the owner's
3 use.

4 (10) "Fractional interest" means any undivided fractional ownership of real property which gives
5 each and every fractional owner full rights to unlimited use and possession of the real property
6 subject only to such limitation as the fractional owners may agree to among themselves.

7 (11) "Managing entity" means the person designated in the timeshare instrument or selected by
8 the owners' association board or by the owners to manage all or a portion of the timeshare plan.

9 (12) "Negotiate" means any activity preliminary to the execution of a binding agreement for the
10 sale of a timeshare, including but not limited to advertising, solicitation and promotion of the sale
11 of the timeshare.

12 (13) "Offering" means any advertisement, inducement, solicitation or attempt to encourage a
13 person to acquire a timeshare, other than as a security for an obligation. An advertisement in a
14 newspaper or other periodical of general circulation, or in any broadcast medium to the general
15 public, of a timeshare in property located outside this state is not an offering if the advertisement
16 states that the offering is valid only if made in compliance with the law of the jurisdiction in which
17 the offer is disseminated.

18 (14) "Owner" means a person, other than the developer, to whom a timeshare has been conveyed
19 other than as security for an obligation.

20 (15) "Project" means real property subject to a timeshare instrument. A project may include
21 accommodations that are not timeshare accommodations.

22 (16) "Purchaser" means any person, other than a developer, who by voluntary transfer acquires
23 an interest in a timeshare other than as security for an obligation.

24 (17) "Sale" means a transaction that conveys a timeshare other than as security for an obli-
25 gation, including, but not limited to a lease or assignment.

26 (18) "Timeshare" means a timeshare estate or a timeshare license.

27 (19) "Timeshare agreement" means an agreement conferring the rights and obligations of the
28 timeshare plan on a purchaser including but not limited to a deed, lease and vacation license.

29 (20) "Timeshare estate" means a right to occupy an accommodation during five or more sepa-
30 rated timeshare periods over a period of at least five years, including renewal options, coupled with
31 a freehold estate or an estate for years in the timeshare property.

32 (21) "Timeshare instrument" means a document creating or regulating timeshares.

33 (22) "Timeshare license" means a right to occupy an accommodation during five or more sepa-
34 rated timeshare periods over a period of more than three years, including renewal options, not
35 coupled with a freehold estate or an estate for years.

36 (23) "Timeshare period" means the period of time when an owner is entitled to possess and oc-
37 cupy accommodations or facilities of a timeshare plan.

38 (24) "Timeshare plan" means an arrangement, whether by membership, agreement, tenancy in
39 common, sale, lease, deed, rental agreement, license, right to use agreement or otherwise, in which
40 an owner receives a timeshare estate or a timeshare license and the right to use accommodations
41 and facilities that are part of the timeshare property. A timeshare plan does not include an exchange
42 program.

43 (25) "Timeshare property" means one or more accommodations subject to the same timeshare
44 instrument and any other real estate or rights appurtenant to those accommodations.

45 **(26) "Timeshare sales agent" means an individual licensed under section 3 of this 2025**

1 Act to offer to sell or sell timeshares.

2 **SECTION 2.** Sections 3, 4 and 5 of this 2025 Act are added to and made a part of ORS
3 94.803 to 94.945.

4 **SECTION 3.** (1) A person may not sell or offer to sell a timeshare without a license issued
5 under this section.

6 (2) The Real Estate Agency may issue a license to act as a timeshare sales agent to an
7 applicant who:

8 (a) Is at least 18 years of age;

9 (b) Submits an application;

10 (c) Pays a licensure fee;

11 (d) Submits sufficient proof, as determined by the agency, of:

12 (A) Completing at least 14 hours of instruction in:

13 (i) Ethics;

14 (ii) The applicable laws and rules relating to timeshares; and

15 (iii) Principles and practices of selling timeshares; and

16 (B) Having a reputation for honesty, trustworthiness and competence;

17 (e) Passes an examination approved by the agency; and

18 (f) Meets other qualifications specified by the agency.

19 (3) An application must include the following information:

20 (a) A statement whether or not the applicant has been convicted of any misdemeanor or
21 felony involving theft, fraud or dishonesty and whether or not the applicant has been en-
22 joined from, had any civil penalty assessed for, or been found to have engaged in any vio-
23 lation of any Act designed to protect consumers; and

24 (b) A statement describing the applicant's employment history for the past five years and
25 whether or not any termination of employment during the last five years was occasioned by
26 any theft, fraud or act of dishonesty.

27 (4) For the purpose of requesting a state or nationwide criminal records check under
28 ORS 181A.195, the agency may require the fingerprints of a person who is:

29 (a) Applying for a timeshare sales agent's license;

30 (b) Applying for renewal of a timeshare sales agent's license; or

31 (c) Under investigation by the agency.

32 (5) The agency may renew a license if the licensee:

33 (a) Pays the renewal fee;

34 (b) Submits an application for renewal before the license expires at the time determined
35 by the agency;

36 (c) Has not engaged in conduct that would subject the licensee to discipline under section
37 5 of this 2025 Act; and

38 (d) Satisfies any other requirement the agency establishes for renewing a license.

39 (6) A license expires on its expiration date unless it is renewed on or before its expiration
40 date.

41 (7) Unless the agency designates another date, a license expires on the last day of the
42 month in which the second anniversary of the initial issuance date of the license occurs, and
43 on the second anniversary following each renewal.

44 (8) If a timeshare sales agent fails to renew their license before it expires, the license
45 may be reinstated if the person submits the statements required under this section to the

1 agency and pays the renewal fee and the penalty specified by the agency within one year af-
2 ter the date the license expires.

3 (9) The agency shall adopt rules to carry out the provisions of this section, including but
4 not limited to establishing an application process and fees for obtaining and renewing a
5 timeshare sales agent license.

6 **SECTION 4.** (1) As used in this section and section 5 of this 2025 Act:

7 (a) "Associated with" means to be employed, engaged or otherwise supervised by, with
8 respect to the relationship between a timeshare sales agent and a principal real estate bro-
9 ker.

10 (b) "Principal real estate broker" has the meaning given that term in ORS 696.010.

11 (c) "Real estate broker" has the meaning given that term in ORS 696.010.

12 (2) A timeshare sales agent may work under the supervision of no more than one
13 supervising principal real estate broker at any one time at the location designated in the
14 agent's license.

15 (3) If the timeshare sales agent's employment is terminated, the supervising principal
16 real estate broker shall surrender the timeshare sales agent's license to the agency.

17 (4) A principal real estate broker shall give written notice to the agency of a change of
18 employment for any timeshare sales agent associated with the broker within 10 days after
19 the change.

20 (5) A timeshare sales agent shall apply for a corrected license if any of the following oc-
21 curs:

22 (a) The association with any principal real estate broker changes; or

23 (b) The location designated in the agent's license changes.

24 (6) The application for reissuance of the license shall include payment of a fee established
25 by the agency by rule. The agency shall issue a corrected license when the agency receives
26 the application and the fee. The corrected license is valid for the unexpired portion of the
27 original license term.

28 **SECTION 5.** The Real Estate Agency may suspend or revoke the license of any timeshare
29 sales agent, reprimand any timeshare sales agent or deny the issuance or renewal of a
30 timeshare sales agent license if a person has:

31 (1) Created a reasonable probability of damage or injury to another person by making one
32 or more material misrepresentations or false promises in a matter related to timeshare
33 sales;

34 (2) Represented, attempted to represent or accepted compensation from a principal real
35 estate broker other than the agent's supervising principal real estate broker with whom the
36 timeshare sales agent is associated;

37 (3) Knowingly or recklessly published materially misleading or untruthful advertising;

38 (4) Been convicted of a felony or misdemeanor substantially related to the timeshare
39 sales agent's trustworthiness or competence to engage in selling timeshares;

40 (5) Demonstrated incompetence or untrustworthiness in performing any act for which
41 the timeshare sales agent is required to hold a license;

42 (6) Violated a term, condition, restriction or limitation contained in an order issued by
43 the agency; or

44 (7) Committed an act of fraud or engaged in dishonest conduct substantially related to
45 the fitness of the applicant or timeshare sales agent to conduct professional real estate ac-

1 tivity, without regard to whether the act or conduct occurred in the course of selling
2 timeshares.

3 **SECTION 6.** (1) The amendments to ORS 94.803 by section 1 of this 2025 Act and sections
4 2 to 5 of this 2025 Act become operative on January 1, 2026.

5 (2) The Real Estate Agency may adopt rules and take any other action before the oper-
6 ative date specified in subsection (1) of this section that is necessary to enable the agency
7 to exercise, on and after the operative date specified in subsection (1) of this section, all the
8 duties, functions and powers conferred on the agency by the amendments to ORS 94.803 by
9 section 1 of this 2025 Act and sections 2 to 5 of this 2025 Act.

10 **SECTION 7.** This 2025 Act being necessary for the immediate preservation of the public
11 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect
12 July 1, 2025.

13 _____

House Bill 2438

Sponsored by Representative YUNKER (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act says that real estate agents may access the MLS and do not have to be a part of a group that represents real estate agents. (Flesch Readability Score: 77.8).

Prohibits a person from denying a real estate licensee access to the multiple listing service because the licensee is not a member of a professional real estate association or organization.

Punishes violation of the Act as an unlawful practice under the Unlawful Trade Practices Act.

A BILL FOR AN ACT

1
2 Relating to real estate professionals; creating new provisions; and amending ORS 646.608.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS chapter 696.**

5 **SECTION 2. (1) A person may not deny a real estate licensee access to, or membership**
6 **or participation in, any real estate multiple listing service solely because the individual is**
7 **not a member of a real estate brokers' organization or other organization or association**
8 **relating to professional real estate activity.**

9 **(2) A person who violates this section engages in an unlawful practice as described in**
10 **ORS 646.608 (1)(bbb).**

11 **SECTION 3. ORS 646.608, as amended by section 6, chapter 410, Oregon Laws 2023, is amended**
12 **to read:**

13 646.608. (1) A person engages in an unlawful practice if in the course of the person's business,
14 vocation or occupation the person does any of the following:

15 (a) Passes off real estate, goods or services as the real estate, goods or services of another.

16 (b) Causes likelihood of confusion or of misunderstanding as to the source, sponsorship, ap-
17 proval, or certification of real estate, goods or services.

18 (c) Causes likelihood of confusion or of misunderstanding as to affiliation, connection, or asso-
19 ciation with, or certification by, another.

20 (d) Uses deceptive representations or designations of geographic origin in connection with real
21 estate, goods or services.

22 (e) Represents that real estate, goods or services have sponsorship, approval, characteristics,
23 ingredients, uses, benefits, quantities or qualities that the real estate, goods or services do not have
24 or that a person has a sponsorship, approval, status, qualification, affiliation, or connection that the
25 person does not have.

26 (f) Represents that real estate or goods are original or new if the real estate or goods are de-
27 teriorated, altered, reconditioned, reclaimed, used or secondhand.

28 (g) Represents that real estate, goods or services are of a particular standard, quality, or grade,
29 or that real estate or goods are of a particular style or model, if the real estate, goods or services

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 are of another.

2 (h) Disparages the real estate, goods, services, property or business of a customer or another
3 by false or misleading representations of fact.

4 (i) Advertises real estate, goods or services with intent not to provide the real estate, goods or
5 services as advertised, or with intent not to supply reasonably expectable public demand, unless the
6 advertisement discloses a limitation of quantity.

7 (j) Makes false or misleading representations of fact concerning the reasons for, existence of,
8 or amounts of price reductions.

9 (k) Makes false or misleading representations concerning credit availability or the nature of the
10 transaction or obligation incurred.

11 (L) Makes false or misleading representations relating to commissions or other compensation to
12 be paid in exchange for permitting real estate, goods or services to be used for model or demon-
13 stration purposes or in exchange for submitting names of potential customers.

14 (m) Performs service on or dismantles any goods or real estate if the owner or apparent owner
15 of the goods or real estate does not authorize the service or dismantling.

16 (n) Solicits potential customers by telephone or door to door as a seller unless the person pro-
17 vides the information required under ORS 646.611.

18 (o) In a sale, rental or other disposition of real estate, goods or services, gives or offers to give
19 a rebate or discount or otherwise pays or offers to pay value to the customer in consideration of
20 the customer giving to the person the names of prospective purchasers, lessees, or borrowers, or
21 otherwise aiding the person in making a sale, lease, or loan to another person, if earning the rebate,
22 discount or other value is contingent upon an event occurring after the time the customer enters
23 into the transaction.

24 (p) Makes any false or misleading statement about a prize, contest or promotion used to publi-
25 cize a product, business or service.

26 (q) Promises to deliver real estate, goods or services within a certain period of time with intent
27 not to deliver the real estate, goods or services as promised.

28 (r) Organizes or induces or attempts to induce membership in a pyramid club.

29 (s) Makes false or misleading representations of fact concerning the offering price of, or the
30 person's cost for real estate, goods or services.

31 (t) Concurrent with tender or delivery of any real estate, goods or services, fails to disclose any
32 known material defect or material nonconformity.

33 (u) Engages in any other unfair or deceptive conduct in trade or commerce.

34 (v) Violates any of the provisions relating to auction sales, consignment sales, auctioneers,
35 consignees or auction marts under ORS 698.640, whether in a commercial or noncommercial situ-
36 ation.

37 (w) Manufactures mercury fever thermometers.

38 (x) Sells or supplies mercury fever thermometers unless the thermometer is required by federal
39 law, or is:

40 (A) Prescribed by a person licensed under ORS chapter 677; and

41 (B) Supplied with instructions on the careful handling of the thermometer to avoid breakage and
42 on the proper cleanup of mercury should breakage occur.

43 (y) Sells a thermostat that contains mercury, unless the thermostat is labeled in a manner to
44 inform the purchaser that mercury is present in the thermostat and that the thermostat may not be
45 disposed of until the mercury is removed, reused, recycled or otherwise managed to ensure that the

1 mercury does not become part of the solid waste stream or wastewater. For purposes of this para-
 2 graph, “thermostat” means a device commonly used to sense and, through electrical communication
 3 with heating, cooling or ventilation equipment, control room temperature.

4 (z) Sells or offers for sale a motor vehicle manufactured after January 1, 2006, that contains
 5 mercury light switches.

6 (aa) Violates the provisions of ORS 803.375, 803.385 or 815.410 to 815.430.

7 (bb) Violates ORS 646A.070 (1).

8 (cc) Violates any requirement of ORS 646A.030 to 646A.040.

9 (dd) Violates the provisions of ORS 128.801 to 128.898.

10 (ee) Violates ORS 646.883 or 646.885.

11 (ff) Violates ORS 646.569 or 646A.374.

12 (gg) Violates the provisions of ORS 646A.142.

13 (hh) Violates ORS 646A.360.

14 (ii) Violates ORS 646.553 or 646.557 or any rule adopted pursuant thereto.

15 (jj) Violates ORS 646.563.

16 (kk) Violates ORS 759.680 or any rule adopted pursuant thereto.

17 (LL) Violates the provisions of ORS 759.705, 759.710 and 759.720 or any rule adopted pursuant
 18 thereto.

19 (mm) Violates ORS 646A.210 or 646A.214.

20 (nn) Violates any provision of ORS 646A.124 to 646A.134.

21 (oo) Violates ORS 646A.095.

22 (pp) Violates ORS 822.046.

23 (qq) Violates ORS 128.001.

24 (rr) Violates ORS 646A.800 (2) to (4).

25 (ss) Violates ORS 646A.090 (2) to (5).

26 (tt) Violates ORS 87.686.

27 (uu) Violates ORS 646A.803.

28 (vv) Violates ORS 646A.362.

29 (ww) Violates ORS 646A.052 or any rule adopted under ORS 646A.052 or 646A.054.

30 (xx) Violates ORS 180.440 (1) or 180.486 (1).

31 (yy) Commits the offense of acting as a vehicle dealer without a certificate under ORS 822.005.

32 (zz) Violates ORS 87.007 (2) or (3).

33 (aaa) Violates ORS 92.405 (1), (2) or (3).

34 (bbb) Engages in an unlawful practice under ORS 646.648.

35 (ccc) Violates ORS 646A.365.

36 (ddd) Violates ORS 98.853, 98.854, 98.856 or 98.858.

37 (eee) Sells a gift card in violation of ORS 646A.276.

38 (fff) Violates ORS 646A.102, 646A.106 or 646A.108.

39 (ggg) Violates ORS 646A.430 to 646A.450.

40 (hhh) Violates a provision of ORS 744.318 to 744.384.

41 (iii) Violates a provision of ORS 646A.702 to 646A.720.

42 (jjj) Violates ORS 646A.530 30 or more days after a recall notice, warning or declaration de-
 43 scribed in ORS 646A.530 is issued for the children’s product, as defined in ORS 646A.525, that is the
 44 subject of the violation.

45 (kkk) Violates a provision of ORS 697.612, 697.642, 697.652, 697.662, 697.682, 697.692 or 697.707.

1 (LLL) Violates the consumer protection provisions of the Servicemembers Civil Relief Act, 50
2 U.S.C. 3901 et seq., as in effect on January 1, 2010.

3 (mmm) Violates a provision of ORS 646A.480 to 646A.495.

4 (nnn) Violates ORS 646A.082.

5 (ooo) Violates ORS 646.647.

6 (ppp) Violates ORS 646A.115.

7 (qqq) Violates a provision of ORS 646A.405.

8 (rrr) Violates ORS 646A.092.

9 (sss) Violates a provision of ORS 646.644.

10 (ttt) Violates a provision of ORS 646A.295.

11 (uuu) Engages in the business of, or acts in the capacity of, an immigration consultant, as de-
12 fined in ORS 9.280, in this state and for compensation, unless federal law authorizes the person to
13 do so or unless the person is an active member of the Oregon State Bar.

14 (vvv) Violates ORS 702.012, 702.029 or 702.054.

15 (www) Violates ORS 646A.806.

16 (xxx) Violates ORS 646A.810 (2).

17 (yyy) Violates ORS 443.376.

18 (zzz) Violates a provision of ORS 646A.770 to 646A.787.

19 (aaaa) Violates ORS 815.077.

20 **(bbbb) Violates section 2 of this 2025 Act.**

21 (2) A representation under subsection (1) of this section or ORS 646.607 may be any manifesta-
22 tion of any assertion by words or conduct, including, but not limited to, a failure to disclose a fact.

23 (3) In order to prevail in an action or suit under ORS 336.184 and 646.605 to 646.652, a prose-
24 cuting attorney need not prove competition between the parties or actual confusion or misunder-
25 standing.

26 (4) An action or suit may not be brought under subsection (1)(u) of this section unless the At-
27 torney General has first established a rule in accordance with the provisions of ORS chapter 183
28 declaring the conduct to be unfair or deceptive in trade or commerce.

29 (5) Notwithstanding any other provision of ORS 336.184 and 646.605 to 646.652, if an action or
30 suit is brought under subsection (1)(xx) of this section by a person other than a prosecuting attor-
31 ney, relief is limited to an injunction, and the prevailing party may be awarded reasonable attorney
32 fees.

33

House Bill 3137

Sponsored by Representative BREESE-IVERSON, Senators MEEK, ANDERSON (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act changes laws about folks who work as real estate agents. (Flesch Readability Score: 81.8).

Modifies laws related to regulation of real estate professionals. Defines "managing principal broker" and prescribes responsibilities.

A BILL FOR AN ACT

1
2 Relating to real estate professionals; creating new provisions; and amending ORS 696.010, 696.020,
3 696.022, 696.026, 696.030, 696.125, 696.130, 696.174, 696.182, 696.200, 696.241, 696.245, 696.280,
4 696.290, 696.301, 696.310, 696.315, 696.320, 696.365, 696.385, 696.445, 696.710, 696.800, 696.815,
5 696.822 and 696.990.

6 **Be It Enacted by the People of the State of Oregon:**

7 **SECTION 1.** ORS 696.010 is amended to read:

8 696.010. As used in ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and
9 696.995 **and sections 13 and 20 of this 2025 Act**, unless the context requires otherwise:

10 (1) "Associated with" means to be employed, engaged or otherwise supervised by, with respect
11 to the relationship between:

12 (a) A real estate broker and a [*principal real estate broker*] **managing principal broker**;

13 (b) A licensed real estate property manager and a [*principal real estate broker*] **managing**
14 **principal broker**; or

15 (c) A licensed real estate property manager and another licensed real estate property manager.

16 (2) "Bank" includes any bank or trust company, savings bank, mutual savings bank, savings and
17 loan association or credit union that maintains a head office or a branch in this state in the capacity
18 of a bank or trust company, savings bank, mutual savings bank, savings and loan association or
19 credit union.

20 (3)(a) "Branch office" means a business location, other than the main office designated under
21 ORS 696.200, where professional real estate activity is regularly conducted or that is advertised to
22 the public as a place where professional real estate activity may be regularly conducted.

23 (b) Model units or temporary structures used solely for the dissemination of information and
24 distribution of lawfully required public reports shall not be considered branch offices. A model unit
25 means a permanent residential structure located in a subdivision or development used for such dis-
26 semination and distribution, so long as the unit is at all times available for sale, lease, lease option
27 or exchange.

28 (4) "Business day" means a day other than Saturday or Sunday or a federal or State of Oregon
29 legal holiday.

30 (5) "Commingling" means the mixing of funds from any source, including personal funds, with trust

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 funds as defined in ORS 696.241, by a licensed real estate property manager or [*principal real estate*
2 *broker*] **managing principal broker**, except as specifically authorized by this chapter.

3 (6) “Compensation” means valuable consideration for services rendered or to be rendered,
4 whether contingent or otherwise.

5 (7) “Competitive market analysis” means a method or process used by a real estate licensee in
6 pursuing a listing agreement or in formulating an offer to acquire real estate in a transaction for
7 the sale, lease, lease-option or exchange of real estate. The objective of competitive market analysis
8 is a recommended listing, selling or purchase price or a lease or rental consideration. A competitive
9 market analysis may be expressed as an opinion of the value of the real estate in a contemplated
10 transaction. Competitive market analysis may include but is not limited to an analysis of market
11 conditions, public records, past transactions and current listings of real estate.

12 (8) “Expired” means, in the context of a real estate licensee, that the license has not been re-
13 newed in a timely manner, but may still be renewed.

14 (9) “Inactive” means, in the context of a real estate licensee, that the licensee is not authorized
15 to engage in professional real estate activity. The inactive status of a license continues until the
16 license is reactivated or the license expires or lapses.

17 (10) “Lapsed” means, in the context of a real estate licensee, that the license has not been re-
18 newed in a timely manner and is not eligible for renewal.

19 (11) “Letter opinion” has the meaning given that term in ORS 696.294.

20 (12) “Licensed real estate property manager” means an individual who holds an active real es-
21 tate property manager’s license issued under ORS 696.022.

22 (13) “Main office” means the office designated by a [*principal real estate broker*] **managing**
23 **principal broker** or licensed real estate property manager pursuant to ORS 696.200.

24 (14) “Management of rental real estate” means:

25 (a) Representing the owner of real estate under a property management agreement in the rental
26 or lease of the real estate and includes but is not limited to:

27 (A) Advertising the real estate for rent or lease;

28 (B) Procuring prospective tenants to rent or lease the real estate;

29 (C) Negotiating with prospective tenants;

30 (D) Accepting deposits from prospective tenants;

31 (E) Checking the qualifications and creditworthiness of prospective tenants;

32 (F) Charging and collecting rent or lease payments;

33 (G) Representing the owner in inspection or repair of the real estate;

34 (H) Contracting for repair or remodeling of the real estate;

35 (I) Holding trust funds or property received in managing the real estate and accounting to the
36 owner for the funds or property;

37 (J) Advising the owner regarding renting or leasing the real estate;

38 (K) Providing staff and services to accommodate the tax reporting and other financial or ac-
39 counting needs of the real estate;

40 (L) Providing copies of records of acts performed on behalf of the owner of the real estate; and

41 (M) Offering or attempting to do any of the acts described in this paragraph for the owner of
42 the real estate; or

43 (b) Representing a tenant or prospective tenant when renting or leasing real estate for which
44 a real estate property manager has a property management agreement with the owner of the real
45 estate and includes but is not limited to:

- 1 (A) Consulting with tenants or prospective tenants about renting or leasing real estate;
- 2 (B) Assisting prospective tenants in renting or leasing real estate;
- 3 (C) Assisting prospective tenants in qualifying for renting or leasing real estate;
- 4 (D) Accepting deposits or other funds from prospective tenants for renting or leasing real estate
- 5 and holding the funds in trust for the prospective tenants;
- 6 (E) Representing tenants or prospective tenants renting or leasing real estate; and
- 7 (F) Offering or attempting to do any of the acts described in this paragraph for a tenant or
- 8 prospective tenant.

9 **(15) “Managing principal broker” means an individual who is a principal real estate bro-**
10 **ker and who has a registered business name under this chapter.**

11 [(15)] **(16) “Nonlicensed individual” means an individual:**

- 12 (a) Who has not obtained a real estate license; or
- 13 (b) Whose real estate license is lapsed, expired, inactive, suspended, surrendered or revoked.

14 [(16)] **(17) “Principal real estate broker” means an individual who holds an active license as a**
15 **principal real estate broker issued under ORS 696.022.**

16 [(17)] **(18) “Professional real estate activity” means any of the following actions, when engaged**
17 **in for another and for compensation or with the intention or in the expectation or upon the promise**
18 **of receiving or collecting compensation, by any person who:**

- 19 (a) Sells, exchanges, purchases, rents or leases real estate;
- 20 (b) Offers to sell, exchange, purchase, rent or lease real estate;
- 21 (c) Negotiates, offers, attempts or agrees to negotiate the sale, exchange, purchase, rental or
- 22 leasing of real estate;
- 23 (d) Lists, offers, attempts or agrees to list real estate for sale;
- 24 (e) Offers, attempts or agrees to perform or provide a competitive market analysis or letter
- 25 opinion, to represent a taxpayer under ORS 305.239 or 309.100 or to give an opinion in any admin-
- 26 istrative or judicial proceeding regarding the value of real estate for taxation, except when the ac-
- 27 tivity is performed by a state certified appraiser or state licensed appraiser;
- 28 (f) Auctions, offers, attempts or agrees to auction real estate;
- 29 (g) Buys, sells, offers to buy or sell or otherwise deals in options on real estate;
- 30 (h) Engages in management of rental real estate;
- 31 (i) Purports to be engaged in the business of buying, selling, exchanging, renting or leasing real
- 32 estate;
- 33 (j) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange,
- 34 leasing or rental of real estate;
- 35 (k) Assists or directs in the negotiation or closing of any transaction calculated or intended to
- 36 result in the sale, exchange, leasing or rental of real estate;

37 **(L) Except as otherwise provided in ORS 696.030 (12), advises, counsels, consults or analyzes in**
38 **connection with real estate values, sales or dispositions, including dispositions through eminent do-**
39 **main procedures;**

- 40 (m) Advises, counsels, consults or analyzes in connection with the acquisition or sale of real
- 41 estate by an entity if the purpose of the entity is investment in real estate; or
- 42 (n) Performs real estate marketing activity as described in ORS 696.600.

43 [(18)] **(19) “Property management agreement” means a written contract for the management of**
44 **rental real estate between a real estate property manager and the owner of the rental real estate.**

45 [(19)] **(20) “Real estate” includes leaseholds and licenses to use including, but not limited to,**

1 timeshare estates and timeshare licenses as defined in ORS 94.803, as well as any and every interest
 2 or estate in real property, whether corporeal or incorporeal, whether freehold or nonfreehold,
 3 whether held separately or in common with others and whether the real property is situated in this
 4 state or elsewhere.

5 [(20)] (21) “Real estate broker” means an individual who holds an active license as a real estate
 6 broker issued under ORS 696.022.

7 [(21)] (22) “Real estate licensee” means an individual who holds an active license or an active
 8 limited license as a real estate broker, principal real estate broker or licensed real estate property
 9 manager.

10 [(22)] (23) “Real estate property manager” means a real estate licensee who engages in the
 11 management of rental real estate and is:

12 (a) A licensed real estate property manager[,];

13 (b) **A managing principal broker; or**

14 (c) A principal real estate broker or a real estate broker who is associated with and supervised
 15 by a [*principal real estate broker*] **managing principal broker.**

16 [(23)] (24) “Registered business name” means a name registered with the Real Estate Agency
 17 under which the individual registering the name engages in professional real estate activity.

18 **SECTION 2.** ORS 696.010, as amended by section 10, chapter 3, Oregon Laws 2024, is amended
 19 to read:

20 696.010. As used in ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and
 21 696.995 and sections 1 to 9, chapter 3, Oregon Laws 2024, unless the context requires otherwise:

22 (1) “Associated with” means to be employed, engaged or otherwise supervised by, with respect
 23 to the relationship between:

24 (a) A real estate broker and a [*principal real estate broker*] **managing principal broker;**

25 (b) A licensed real estate property manager and a [*principal real estate broker*] **managing**
 26 **principal broker; or**

27 (c) A licensed real estate property manager and another licensed real estate property manager.

28 (2) “Bank” includes any bank or trust company, savings bank, mutual savings bank, savings and
 29 loan association or credit union that maintains a head office or a branch in this state in the capacity
 30 of a bank or trust company, savings bank, mutual savings bank, savings and loan association or
 31 credit union.

32 (3)(a) “Branch office” means a business location, other than the main office designated under
 33 ORS 696.200, where professional real estate activity is regularly conducted or that is advertised to
 34 the public as a place where professional real estate activity may be regularly conducted.

35 (b) Model units or temporary structures used solely for the dissemination of information and
 36 distribution of lawfully required public reports shall not be considered branch offices. A model unit
 37 means a permanent residential structure located in a subdivision or development used for such dis-
 38 semination and distribution, so long as the unit is at all times available for sale, lease, lease option
 39 or exchange.

40 (4) “Business day” means a day other than Saturday or Sunday or a federal or State of Oregon
 41 legal holiday.

42 (5) “Commingling” means the mixing of funds from any source, including personal funds, with trust
 43 funds as defined in ORS 696.241, by a licensed real estate property manager or [*principal real estate*
 44 *broker*] **managing principal broker**, except as specifically authorized by this chapter.

45 (6) “Compensation” means valuable consideration for services rendered or to be rendered,

1 whether contingent or otherwise.

2 (7) “Competitive market analysis” means a method or process used by a real estate licensee in
 3 pursuing a listing agreement or in formulating an offer to acquire real estate in a transaction for
 4 the sale, lease, lease-option or exchange of real estate. The objective of competitive market analysis
 5 is a recommended listing, selling or purchase price or a lease or rental consideration. A competitive
 6 market analysis may be expressed as an opinion of the value of the real estate in a contemplated
 7 transaction. Competitive market analysis may include but is not limited to an analysis of market
 8 conditions, public records, past transactions and current listings of real estate.

9 (8) “Expired” means, in the context of a real estate licensee, that the license has not been re-
 10 newed in a timely manner, but may still be renewed.

11 (9) “Inactive” means, in the context of a real estate licensee, that the licensee is not authorized
 12 to engage in professional real estate activity. The inactive status of a license continues until the
 13 license is reactivated or the license expires or lapses.

14 (10) “Lapsed” means, in the context of a real estate licensee, that the license has not been re-
 15 newed in a timely manner and is not eligible for renewal.

16 (11) “Letter opinion” has the meaning given that term in ORS 696.294.

17 (12) “Licensed real estate property manager” means an individual who holds an active real es-
 18 tate property manager’s license issued under ORS 696.022.

19 (13) “Main office” means the office designated by a [*principal real estate broker*] **managing**
 20 **principal broker** or licensed real estate property manager pursuant to ORS 696.200.

21 (14) “Management of rental real estate” means:

22 (a) Representing the owner of real estate under a property management agreement in the rental
 23 or lease of the real estate and includes but is not limited to:

24 (A) Advertising the real estate for rent or lease;

25 (B) Procuring prospective tenants to rent or lease the real estate;

26 (C) Negotiating with prospective tenants;

27 (D) Accepting deposits from prospective tenants;

28 (E) Checking the qualifications and creditworthiness of prospective tenants;

29 (F) Charging and collecting rent or lease payments;

30 (G) Representing the owner in inspection or repair of the real estate;

31 (H) Contracting for repair or remodeling of the real estate;

32 (I) Holding trust funds or property received in managing the real estate and accounting to the
 33 owner for the funds or property;

34 (J) Advising the owner regarding renting or leasing the real estate;

35 (K) Providing staff and services to accommodate the tax reporting and other financial or ac-
 36 counting needs of the real estate;

37 (L) Providing copies of records of acts performed on behalf of the owner of the real estate; and

38 (M) Offering or attempting to do any of the acts described in this paragraph for the owner of
 39 the real estate; or

40 (b) Representing a tenant or prospective tenant when renting or leasing real estate for which
 41 a real estate property manager has a property management agreement with the owner of the real
 42 estate and includes but is not limited to:

43 (A) Consulting with tenants or prospective tenants about renting or leasing real estate;

44 (B) Assisting prospective tenants in renting or leasing real estate;

45 (C) Assisting prospective tenants in qualifying for renting or leasing real estate;

1 (D) Accepting deposits or other funds from prospective tenants for renting or leasing real estate
 2 and holding the funds in trust for the prospective tenants;

3 (E) Representing tenants or prospective tenants renting or leasing real estate; and

4 (F) Offering or attempting to do any of the acts described in this paragraph for a tenant or
 5 prospective tenant.

6 **(15) “Managing principal broker” means an individual who is a principal real estate bro-**
 7 **ker and who has a registered business name under this chapter.**

8 ~~[(15)]~~ **(16)** “Nonlicensed individual” means an individual:

9 (a) Who has not obtained a real estate license; or

10 (b) Whose real estate license is lapsed, expired, inactive, suspended, surrendered or revoked.

11 ~~[(16)]~~ **(17)** “Principal real estate broker” means an individual who holds an active license as a
 12 principal real estate broker issued under ORS 696.022.

13 ~~[(17)]~~ **(18)** “Professional real estate activity” means any of the following actions, when engaged
 14 in for another and for compensation or with the intention or in the expectation or upon the promise
 15 of receiving or collecting compensation, by any person who:

16 (a) Sells, exchanges, purchases, rents or leases real estate;

17 (b) Offers to sell, exchange, purchase, rent or lease real estate;

18 (c) Negotiates, offers, attempts or agrees to negotiate the sale, exchange, purchase, rental or
 19 leasing of real estate;

20 (d) Lists, offers, attempts or agrees to list real estate for sale;

21 (e) Offers, attempts or agrees to perform or provide a competitive market analysis or letter
 22 opinion, to represent a taxpayer under ORS 305.239 or 309.100 or to give an opinion in any admin-
 23 istrative or judicial proceeding regarding the value of real estate for taxation, except when the ac-
 24 tivity is performed by a state certified appraiser or state licensed appraiser;

25 (f) Auctions, offers, attempts or agrees to auction real estate;

26 (g) Buys, sells, offers to buy or sell or otherwise deals in options on real estate;

27 (h) Engages in management of rental real estate;

28 (i) Purports to be engaged in the business of buying, selling, exchanging, renting or leasing real
 29 estate;

30 (j) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange,
 31 leasing or rental of real estate;

32 (k) Assists or directs in the negotiation or closing of any transaction calculated or intended to
 33 result in the sale, exchange, leasing or rental of real estate;

34 (L) Except as otherwise provided in ORS 696.030 (12), advises, counsels, consults or analyzes in
 35 connection with real estate values, sales or dispositions, including dispositions through eminent do-
 36 main procedures;

37 (m) Advises, counsels, consults or analyzes in connection with the acquisition or sale of real
 38 estate by an entity if the purpose of the entity is investment in real estate; or

39 (n) Performs real estate marketing activity as described in ORS 696.600.

40 ~~[(18)]~~ **(19)** “Property management agreement” means a written contract for the management of
 41 rental real estate between a real estate property manager and the owner of the rental real estate.

42 ~~[(19)]~~ **(20)** “Real estate” includes leaseholds and licenses to use including, but not limited to,
 43 timeshare estates and timeshare licenses as defined in ORS 94.803, as well as any and every interest
 44 or estate in real property, whether corporeal or incorporeal, whether freehold or nonfreehold,
 45 whether held separately or in common with others and whether the real property is situated in this

1 state or elsewhere.

2 [(20)] (21) “Real estate broker” means an individual who holds an active license as a real estate
3 broker issued under ORS 696.022.

4 [(21)] (22) “Real estate licensee” means an individual who holds an active license or an active
5 limited license as a real estate broker, principal real estate broker or licensed real estate property
6 manager.

7 [(22)] (23) “Real estate property manager” means a real estate licensee who engages in the
8 management of rental real estate and is:

9 (a) A licensed real estate property manager[,];

10 (b) **A managing principal broker; or**

11 (c) A principal real estate broker or a real estate broker who is associated with and supervised
12 by a [*principal real estate broker*] **managing principal broker.**

13 [(23)] (24) “Registered business name” means a name registered with the Real Estate Agency
14 under which the individual registering the name engages in professional real estate activity.

15 **SECTION 3.** ORS 696.020 is amended to read:

16 696.020. (1) The Real Estate Agency may issue a real estate license only to an individual.

17 (2) An individual may not engage in, carry on, advertise or purport to engage in or carry on
18 professional real estate activity, or act in the capacity of a real estate licensee, within this state
19 unless the individual holds an active license as provided for in this chapter.

20 (3) Real estate brokers, **managing principal brokers** and principal real estate brokers are
21 bound by and subject to the requirements of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to
22 696.870, 696.990 and 696.995 while:

23 (a) Engaging in professional real estate activity; or

24 (b) Acting on the licensee’s own behalf in the sale, exchange, lease option or purchase of real
25 estate or in the offer or negotiations for the sale, exchange, lease option or purchase of real estate.

26 (4) A real estate licensee is bound by and subject to the requirements of ORS 696.010 to 696.495,
27 696.600 to 696.785, 696.890, 696.990 and 696.995 while engaging in the management of rental real
28 estate.

29 (5) The agency by rule may establish provisions for a nonlicensed individual whose license is
30 inactive or suspended and who acts on the licensee’s own behalf in the sale, exchange, lease option
31 or purchase of real estate or in the offer or negotiations for the sale, exchange, lease option or
32 purchase of real estate.

33 **SECTION 4.** ORS 696.022 is amended to read:

34 696.022. (1) The Real Estate Agency shall establish by rule a system for licensing real estate
35 brokers, principal real estate brokers and licensed real estate property managers. The system shall
36 establish, at a minimum:

37 (a) The form and content of applications for licensing under each category of real estate pro-
38 fessional licensed by the agency;

39 (b) A licensing examination for each category of license;

40 (c) Schedules and procedures for issuing and renewing licenses, including limited licenses under
41 ORS 696.125; and

42 (d) The term of a license in each category.

43 (2)(a) A real estate broker may engage in professional real estate activity only if the broker is
44 associated with [*and supervised by a principal real estate broker*] **a managing principal broker and**
45 **supervised by the same managing principal broker.** Except as provided in paragraph (c) of this

1 subsection, a real estate broker may not employ, engage or supervise the professional real estate
 2 activity of another real estate licensee.

3 (b) For an applicant to qualify for a real estate broker’s license, the Real Estate Commissioner
 4 must receive:

5 (A) Certification by the applicant that the applicant has a high school diploma or a certificate
 6 for passing an approved high school equivalency test such as the General Educational Development
 7 (GED) test or the international equivalent, or other equivalent education acceptable to the com-
 8 missioner;

9 (B) Proof that the applicant:

10 (i) Has successfully completed the basic real estate broker’s educational courses required by the
 11 agency by rule; and

12 (ii) Has passed the real estate broker’s examination required by the agency by rule; and

13 (C) Certification that the applicant is at least 18 years of age.

14 (c) A real estate broker who has acquired three years of active experience as a real estate
 15 broker may supervise for up to 90 days the professional real estate activity of another real estate
 16 licensee due to unforeseen circumstances or the temporary absence of a sole [*principal real estate*
 17 *broker*] **managing principal broker**, as provided by the agency by rule.

18 [*(3)(a) A principal real estate broker may engage in professional real estate activity.*]

19 **(3)(a)(A) A managing principal broker may engage in professional real estate activity; and**

20 **(B) A principal real estate broker may engage in professional real estate activity when**
 21 **the principal real estate broker is associated with a managing principal broker and is**
 22 **supervised by the same managing principal broker.**

23 (b) A principal real estate broker may conduct professional real estate activity in conjunction
 24 with other real estate brokers, principal real estate brokers or licensed real estate property man-
 25 agers. A principal real estate broker may employ, engage or supervise the professional real estate
 26 activity of another real estate licensee **only if the principal real estate broker is a managing**
 27 **principal broker or if the principal real estate broker has an intracompany control agreement**
 28 **permitting the principal real estate broker to employ, engage or supervise the professional**
 29 **real estate activity of another real estate licensee.**

30 (c) For an applicant to qualify for a principal real estate broker’s license, the commissioner must
 31 receive:

32 (A) Certification by the applicant that the applicant has a high school diploma or a certificate
 33 for passing an approved high school equivalency test such as the General Educational Development
 34 (GED) test or the international equivalent, or other equivalent education acceptable to the com-
 35 missioner;

36 (B) Proof that the applicant:

37 (i) Has three years of active licensed experience as a licensed real estate broker or a licensed
 38 real estate salesperson in this state or another state;

39 (ii) Has passed the principal real estate broker’s examination required by the agency by rule;
 40 and

41 (iii) Has successfully completed the brokerage administration and sales supervision course re-
 42 quired by the agency by rule; and

43 (C) Certification that the applicant is at least 18 years of age.

44 (4)(a) An individual who holds a real estate property manager license may engage only in the
 45 management of rental real estate under a property management agreement with the owner of the

1 rental real estate.

2 (b) A licensed real estate property manager may employ, engage or supervise the professional
3 real estate activity of another licensed real estate property manager.

4 (c) For an applicant to qualify for a real estate property manager’s license, the commissioner
5 must receive:

6 (A) Certification by the applicant that the applicant has a high school diploma or a certificate
7 for passing an approved high school equivalency test such as the General Educational Development
8 (GED) test or the international equivalent, or other equivalent education acceptable to the com-
9 missioner;

10 (B) Proof that the applicant:

11 (i) Has successfully completed the basic real estate property manager’s educational courses re-
12 quired by the agency by rule; and

13 (ii) Has passed the real estate property manager’s license examination required by the agency
14 by rule; and

15 (C) Certification that the applicant is at least 18 years of age.

16 (5)(a) A license for a real estate broker, principal real estate broker or licensed real estate
17 property manager may be granted only to an individual who is trustworthy and competent to con-
18 duct professional real estate activity in a manner that protects the public interest. As a condition
19 of licensing, the commissioner may require proof of competence and trustworthiness that the com-
20 missioner deems necessary to protect the public interest.

21 (b) In implementing this subsection, the commissioner shall require fingerprints and criminal
22 offender information of an applicant for initial licensing and may require fingerprints and criminal
23 offender information of an applicant for license renewal. Fingerprints acquired under this sub-
24 section may be used for the purpose of requesting a state or nationwide criminal records check
25 under ORS 181A.195.

26 (6) An individual licensed to engage in professional real estate activity in another state or
27 country may qualify for a principal real estate broker license, real estate broker license or real es-
28 tate property manager license if the individual successfully completes the course of study for and
29 passes the license examination corresponding to the license for which the individual applies, both
30 as prescribed by agency rule, and if the individual meets the other requirements for licensure in this
31 chapter.

32 (7) In order to satisfy the educational requirements under subsections (2) to (4) and (6) of this
33 section, a course must be approved by the commissioner. The commissioner shall determine the final
34 examination score acceptable as evidence of successful completion for each required course.

35 (8) The Real Estate Board may determine that an applicant for a principal real estate broker’s
36 license has experience related to professional real estate activity that is equivalent to the experi-
37 ence required under subsection (3) of this section.

38 **SECTION 5.** ORS 696.026 is amended to read:

39 696.026. (1) The Real Estate Agency shall establish by rule systems for the registration and re-
40 newal of business names.

41 (2) The registration system must:

42 (a) Require the physical address associated with a registered business name to be the main office
43 of a [*principal real estate broker*] **managing principal broker** or licensed real estate property man-
44 ager;

45 (b) Require the registered business name to be:

1 (A) The corporate name, professional corporate name, business corporate name, cooperative
 2 name, limited partnership name, business trust name, reserved name, registered corporate name or
 3 assumed business name of active record with the Office of the Secretary of State; or

4 (B) The name under which the [*principal real estate broker*] **managing principal broker** or li-
 5 censed real estate property manager license was issued;

6 (c) Allow a [*principal real estate broker*] **managing principal broker** or licensed real estate
 7 property manager to register one or more branch offices under the registered business name of the
 8 main office; and

9 (d) Require the name of the [*principal real estate broker*] **managing principal broker** or licensed
 10 real estate property manager who is responsible for:

11 (A) Maintaining the registration of the business name;

12 (B) Registering any branch offices of the registered business name;

13 (C) Registering any additional business names, as described in subsection (14) of this section;

14 (D) Maintaining the information described in ORS 696.245 for each clients' trust account opened,
 15 closed or transferred by a [*principal real estate broker*] **managing principal broker** or licensed real
 16 estate property manager who conducts professional real estate activity under the registered business
 17 name;

18 (E) Renewing the registration of the business name;

19 (F) Changing the registered business name, including the associated branch offices;

20 (G) Maintaining the business address of the main office and any associated branch offices of the
 21 registered business name as required by ORS 696.200; and

22 (H) Inactivating or reactivating the registration of the business name and associated branch
 23 offices.

24 (3) The renewal system must establish:

25 (a) The form and content of the renewal application;

26 (b) The schedule for annual renewals of registered business names, including the date of the
 27 registered business name expiration; and

28 (c) The procedures for renewing a registered business name.

29 (4) Failure to renew a registered business name and pay any required fees by the expiration date
 30 of the registration will result in:

31 (a) The expiration of the registered business name;

32 (b) The inactivation of all associated licensees; and

33 (c) The inactivation of all associated branch offices.

34 (5) The Real Estate Commissioner may by rule provide an opportunity for the late renewal of
 35 an expired registered business name.

36 (6) Only a [*principal real estate broker*] **managing principal broker** or licensed real estate
 37 property manager may register a business name or register a branch office under the registered
 38 business name of the main office.

39 (7) Only a [*principal real estate broker*] **managing principal broker, principal real estate**
 40 **broker with an intracompany control agreement permitting the principal real estate broker**
 41 **to supervise professional real estate activity** or licensed real estate property manager may con-
 42 trol and supervise the professional real estate activity conducted under the registered business
 43 name.

44 (8) A business name registered under this section has no license standing.

45 (9) All professional real estate activity conducted by the [*principal real estate broker*] **managing**

1 **principal broker**, licensed real estate property manager or real estate licensees associated with a
 2 [*principal real estate broker*] **managing principal broker** or licensed real estate property manager
 3 must be conducted under an active registered business name.

4 (10) A principal real estate broker or licensed real estate property manager who registers a
 5 business name need not be an owner or officer of any entity lawfully entitled to use or have an
 6 ownership interest in the registered business name. However, only a [*principal real estate broker*]
 7 **managing principal broker** or licensed real estate property manager may control and supervise the
 8 professional real estate activity conducted under the registered business name.

9 (11) A real estate broker associated with a [*principal real estate broker*] **managing principal**
 10 **broker** may have an ownership interest in any business through which the [*principal real estate*
 11 *broker*] **managing principal broker** conducts professional real estate activity, but may not control
 12 or supervise the professional real estate activity of any other real estate licensee.

13 (12) A licensed real estate property manager associated with a [*principal real estate broker*]
 14 **managing principal broker** may have an ownership interest in any business through which the
 15 [*principal real estate broker*] **managing principal broker** conducts professional real estate activity,
 16 but may not control or supervise the professional real estate activity of a real estate broker or
 17 principal real estate broker.

18 (13) A nonlicensed individual may have an ownership interest in any business through which a
 19 licensed real estate property manager or [*principal real estate broker*] **managing principal broker**
 20 engages in professional real estate activity, but may not control or supervise the professional real
 21 estate activity of any real estate licensee.

22 (14)(a) A [*principal real estate broker*] **managing principal broker** or licensed real estate prop-
 23 erty manager who registers a business name may register additional business names for business
 24 organizations that are affiliated with the registered business name, or business organizations that
 25 are subsidiaries of the business with the registered name.

26 (b) A principal real estate broker or licensed real estate property manager may conduct pro-
 27 fessional real estate activity under two or more registered business names only if the business or-
 28 ganizations are affiliated with, or subsidiaries of, the business with the registered name.

29 (15) The agency shall establish by rule procedures to allow a real estate broker or principal real
 30 estate broker who becomes associated with a different registered business name to continue to en-
 31 gage in professional real estate activity on transactions that began while the real estate broker or
 32 principal real estate broker was associated with the original registered business name.

33 **SECTION 6.** ORS 696.030 is amended to read:

34 696.030. ORS 696.010 to 696.375, 696.392, 696.395 to 696.430, 696.490, 696.600 to 696.785, 696.990
 35 and 696.995 do not apply to:

36 (1)(a) A nonlicensed individual who is a full-time employee of an owner of real estate and whose
 37 real estate activity:

38 (A) Involves only the real estate of the employer; and

39 (B)(i) Is incidental to the employee’s normal, nonreal estate activities; or

40 (ii) Is the employee’s principal activity, but the employer’s principal activity or business is not
 41 the sale, exchange, lease option or acquisition of real estate.

42 (b) For the purpose of this subsection, “owner of real estate” means:

43 (A) A person who has a sole ownership interest in the real estate; or

44 (B) More than one person, each of whom has an ownership interest in the real estate, if the
 45 ownership interest is by survivorship, tenancy in common or tenancy by the entirety.

1 (2) A nonlicensed individual who acts as attorney in fact under a duly executed power of at-
 2 torney from the owner or purchaser authorizing the supervision of the closing of or supervision of
 3 the performance of a contract for the sale, leasing or exchanging of real estate if the power of at-
 4 torney was executed prior to July 1, 2002, in compliance with the requirements of law at the time
 5 of execution or if:

6 (a) The power of attorney is recorded in the office of the recording officer for the county in
 7 which the real estate is located;

8 (b) The power of attorney specifically describes the real estate; and

9 (c) The nonlicensed individual does not use the power of attorney as a device to engage in
 10 professional real estate activity without obtaining the necessary real estate license.

11 (3) A nonlicensed individual who acts as attorney in fact under a duly executed power of at-
 12 torney in which the authorized agent is the spouse of the principal, or the child, grandchild, parent,
 13 grandparent, sibling, aunt, uncle, niece or nephew of the principal or of the spouse of the principal,
 14 authorizing real estate activity if the power of attorney is recorded in the office of the recording
 15 officer for the county in which the real estate to be sold, leased or exchanged is located.

16 (4) A nonlicensed individual who is an attorney at law rendering services in the performance
 17 of duties as an attorney at law.

18 (5) A nonlicensed individual who acts in the nonlicensed individual's official capacity as a re-
 19 ceiver, a conservator, a trustee in bankruptcy, a personal representative or a trustee, or a regular
 20 salaried employee of the trustee, acting under a trust agreement, deed of trust or will.

21 (6) A nonlicensed individual who performs an act of professional real estate activity under order
 22 of a court.

23 (7) A nonlicensed individual who is a regular full-time employee of a single corporation, part-
 24 nership, association, limited liability company or nonlicensed individual owner of real property act-
 25 ing for the corporation, partnership, association, limited liability company or nonlicensed individual
 26 owner in the rental or management of the real property, but not in the sale, exchange, lease option
 27 or purchase of the real property.

28 (8) A nonlicensed individual who is a registered professional engineer or architect rendering
 29 services in performance of duties as a professional engineer or architect.

30 (9) A nonlicensed individual who is employed by a [*principal real estate broker*] **managing**
 31 **principal broker** engaged in the management of rental real estate or by a licensed real estate
 32 property manager and who acts on behalf of the [*principal real estate broker*] **managing principal**
 33 **broker** or licensed real estate property manager pursuant to a written delegation of the [*principal*
 34 *real estate broker's*] **managing principal broker's** or licensed real estate property manager's au-
 35 thority, as provided by the agency by rule, if the real estate activity of the nonlicensed individual
 36 is limited to:

37 (a) Negotiating rental or lease agreements;

38 (b) Checking tenant and credit references;

39 (c) Physically maintaining the real estate;

40 (d) Conducting tenant relations;

41 (e) Collecting the rent;

42 (f) Supervising the premises' managers;

43 (g) Discussing financial matters relating to the management of the real estate with the owner;

44 and

45 (h) Receiving and disbursing trust funds in a clients' trust account under ORS 696.241.

1 (10) A nonlicensed individual who sells or leases cemetery lots, parcels or units while engaged
2 in the disposition of human bodies under ORS 97.010 to 97.040, 97.110 to 97.450, 97.510 to 97.730,
3 97.810 to 97.920 and 97.990 or an employee of the nonlicensed individual performing similar activ-
4 ities.

5 (11) A nonlicensed individual who is a salaried employee of the State of Oregon, or any of its
6 political subdivisions, engaging in professional real estate activity as a part of such employment.

7 (12) A nonlicensed individual who analyzes or provides advice regarding permissible land use
8 alternatives, environmental impact, building and use permit procedures, development alternatives
9 or demographic market studies or who performs development management, or a regular full-time
10 employee of the nonlicensed individual performing similar activities. This exclusion does not apply
11 to marketing, procuring prospects, leasing or the handling of transactional negotiations for transfer
12 of an interest in real estate.

13 (13) An individual who is a hotelkeeper or innkeeper as defined by ORS 699.005 arranging the
14 rental of transient lodging at a hotel or inn in the course of business as a hotelkeeper or innkeeper.

15 (14) A nonlicensed individual who is a travel agent arranging the rental of transient lodging at
16 a hotel or inn as defined in ORS 699.005 in the course of business as a travel agent for compen-
17 sation. For the purpose of this subsection, "travel agent" means a person, and employees of the
18 person, regularly representing and selling travel services to the public directly or through other
19 travel agents.

20 (15) A nonlicensed individual who is a common carrier arranging the rental of transient lodging
21 at a hotel or inn as defined in ORS 699.005 in the course of business as a common carrier. For the
22 purpose of this subsection, "common carrier" means a person that transports or purports to be
23 willing to transport individuals from place to place by rail, motor vehicle, boat or aircraft for hire,
24 compensation or consideration.

25 (16) A nonlicensed individual who is a hotel representative arranging the rental of transient
26 lodging at a hotel or inn as defined in ORS 699.005 in the course of business as a hotel represen-
27 tative. For the purpose of this subsection, "hotel representative" means a person that provides res-
28 ervations or sale services to independent hotels, airlines, steamship companies and government
29 tourist agencies.

30 (17) A nonlicensed individual transferring or acquiring an interest in real estate owned or to
31 be owned by the nonlicensed individual.

32 (18) A nonlicensed individual who is a general partner for a domestic or foreign limited part-
33 nership duly registered and operating within this state under ORS chapter 70 engaging in the sale
34 of limited partnership interests and the acquisition, sale, exchange, lease, transfer or management
35 of the real estate of the limited partnership.

36 (19) A nonlicensed individual who is a membership camping contract broker or salesperson
37 registered with the Real Estate Agency selling membership camping contracts.

38 (20) A nonlicensed individual who is a professional forester or farm manager engaging in prop-
39 erty management activity on forestland or farmland when the activity is incidental to the nonreal
40 estate duties involving overall management of forest or farm resources.

41 (21) A nonlicensed individual who is a registered investment adviser under the Investment Ad-
42 visers Act of 1940, 15 U.S.C. 80b-1 et seq., rendering real estate investment services for the office
43 of the State Treasurer or the Oregon Investment Council.

44 (22) A nonlicensed individual who refers a new tenant for compensation to a real estate licensee
45 acting as the property manager for a residential building or facility while the nonlicensed individual

1 resides in the building or facility or within six months after termination of the nonlicensed
 2 individual's tenancy.

3 (23) A nonlicensed individual who gives an opinion in an administrative or judicial proceeding
 4 regarding the value of real estate for taxation or representing a taxpayer under ORS 305.239 or
 5 309.100.

6 (24) A nonlicensed individual acting as a paid fiduciary whose real estate activity is limited to
 7 negotiating a contract to obtain the services of a real estate licensee.

8 (25) A nonlicensed individual who is acting as a fiduciary under a court order, without regard
 9 to whether the court order specifically authorizes real estate activity.

10 (26) A nonlicensed individual who is a representative of a financial institution or trust company,
 11 as those terms are defined in ORS 706.008, that is attorney in fact under a duly executed power of
 12 attorney from the owner or purchaser authorizing real estate activity, if the power of attorney is
 13 recorded in the office of the county clerk for the county in which the real estate to be sold, leased
 14 or exchanged is located.

15 (27) A nonlicensed individual who is a member of a domestic or foreign limited liability company
 16 duly registered and operating within this state under ORS chapter 63 and who is engaging in the
 17 acquisition, sale, exchange, lease, transfer or management of the real estate of the limited liability
 18 company if:

19 (a) The limited liability company is member-managed; or

20 (b) The limited liability company is manager-managed, and the nonlicensed individual is a man-
 21 ager.

22 (28) A nonlicensed individual who is a partner in a partnership as defined in ORS 67.005 and
 23 who is engaging in the acquisition, sale, exchange, lease, transfer or management of the real estate
 24 of the partnership.

25 (29) A nonlicensed individual who is an officer or director of a domestic or foreign corporation
 26 duly registered and operating within this state under ORS chapter 60 and who is engaging in the
 27 acquisition, sale, exchange, lease, transfer or management of the real estate of the corporation.

28 **SECTION 7.** ORS 696.125 is amended to read:

29 696.125. (1) The Real Estate Commissioner may issue a limited license to an applicant for a li-
 30 cense as a real estate broker, principal real estate broker or real estate property manager if the
 31 commissioner determines that the issuance is in the public interest. The commissioner may limit a
 32 license issued under this section:

33 (a) By term;

34 (b) To acts subject to the supervision of a specific [*principal real estate broker*] **managing**
 35 **principal broker**;

36 (c) By conditions to be observed in the exercise and the privileges granted; or

37 (d) In other ways determined by the commissioner as necessary or appropriate to protect the
 38 public.

39 (2) A limited license issued under this section may be renewed as provided by the commissioner
 40 by rule. A limited license may be suspended or revoked, or the real estate licensee may be
 41 reprimanded, by the commissioner on the grounds set out in ORS 696.301 or for failure to comply
 42 with the limitations of the license.

43 **SECTION 8.** ORS 696.130 is amended to read:

44 696.130. (1)(a) If the license of a real estate broker or principal real estate broker is revoked
 45 by the Real Estate Commissioner on grounds related to professional real estate activity other than

1 the management of rental real estate, the commissioner may not issue a new license until the indi-
 2 vidual complies with the provisions of ORS 696.010 to 696.495, 696.600 to 696.785 and 696.800 to
 3 696.870.

4 (b) If the license of a licensed real estate property manager is revoked by the commissioner, or
 5 if the license of a real estate broker or principal real estate broker is revoked by the commissioner,
 6 on grounds related to the management of rental real estate, the commissioner may not issue a new
 7 license until the individual complies with the provisions of ORS 696.010 to 696.495, 696.600 to 696.785
 8 and 696.890.

9 (2) Notwithstanding subsection (1) of this section, the commissioner may issue the individual a
 10 limited license if, in the discretion of the commissioner, it is in the public interest to do so. The
 11 commissioner may limit a license issued under this subsection:

12 (a) By term;

13 (b) To acts subject to the supervision of a specific [*principal real estate broker*] **managing**
 14 **principal broker**; or

15 (c) By conditions to be observed in the exercise and the privileges granted.

16 (3) A limited license issued under this section may be renewed as provided by the commissioner
 17 by rule. A limited license may be suspended or revoked, or the licensee may be reprimanded, by the
 18 commissioner on the grounds set out in ORS 696.301.

19 **SECTION 9.** ORS 696.174 is amended to read:

20 696.174. (1) To renew an active license or to reactivate a license for the first time since the li-
 21 cense was renewed to an inactive status, a real estate licensee must complete 30 hours of real estate
 22 continuing education courses that are eligible for credit under ORS 696.182 during the two years
 23 preceding the renewal or reactivation. The 30 hours must include:

24 (a) At least [*three*] **two** hours in a course approved by the Real Estate Board on [*state and fed-*
 25 *eral fair housing laws and*] recent changes in real estate rule and law; [*and*]

26 **(b) At least two hours in a course approved by the Real Estate Board on state and federal**
 27 **fair housing laws; and**

28 [*(b)(A)*] **(c)(A)** If the real estate broker is renewing an active license for the first time or reac-
 29 tivating a license for the first time since renewing the license to an inactive status, an advanced
 30 course in real estate practices approved by the Real Estate Agency;

31 **(B)** If a licensed real estate property manager is renewing an active license for the first time
 32 or reactivating a license for the first time since renewing the license to an inactive status, an ad-
 33 vanced course in property management practices approved by the agency; or

34 **(C)** If a principal real estate broker is renewing an active license for the first time or reactiv-
 35 ating a license for the first time since renewing the license to an inactive status, an advanced
 36 course in brokerage practices approved by the agency.

37 (2) The agency, in consultation with real estate professionals and educators, shall develop a re-
 38 porting format to ensure that a real estate licensee has completed the number of hours required by
 39 subsection (1) of this section. The reporting format must include:

40 (a) The date, name and length of time of each course attended;

41 (b) The name of the real estate continuing education provider that offered the course;

42 (c) The name of the instructor who taught the course; and

43 (d) Any other information that the agency requires by rule.

44 (3) The agency may waive any portion of the requirements of this section for a real estate
 45 licensee who submits satisfactory evidence that poor health or other circumstances beyond the real

1 estate licensee's control prevented the real estate licensee from attending part or all of the contin-
 2 uing education courses required by subsection (1) of this section.

3 **(4) To renew an active license or to reactivate a license for the first time since the li-**
 4 **icense was renewed to an inactive status, a real estate licensee shall pass an assessment of**
 5 **licensee proficiency, in a manner approved by the Real Estate Agency.**

6 **SECTION 10.** ORS 696.182 is amended to read:

7 696.182. (1) The Real Estate Agency, with advice from real estate professionals and educators,
 8 shall establish by rule a system for certification and renewal of real estate continuing education
 9 providers.

10 (2) The agency shall include in the rules that an applicant for certification under this section
 11 must be:

12 (a) A main office or branch office, with a registered business name as provided under ORS
 13 696.026, of a licensed real estate property manager or [*principal real estate broker*] **managing prin-**
 14 **incipal broker;**

15 (b) A licensed title or escrow company conducting business in this state;

16 (c) A real estate trade association or a trade association in a related field;

17 (d) A real estate multiple listing service;

18 (e) An attorney who is an active member of the Oregon State Bar;

19 (f) A law firm, in which at least one of the attorneys associated with the law firm is an active
 20 member of the Oregon State Bar;

21 (g) A private career school licensed by the Higher Education Coordinating Commission and ap-
 22 proved by the agency to provide the basic real estate broker's or property manager's educational
 23 courses required under ORS 696.022;

24 (h) An accredited community college, an accredited public university listed in ORS 352.002 or
 25 a private and independent institution of higher education as defined in ORS 350.635;

26 (i) A distance learning provider as provided by rule of the agency; or

27 (j) Another provider approved by the Real Estate Board.

28 (3) The Real Estate Agency may provide continuing education without being certified under this
 29 section.

30 (4) The agency, in consultation with real estate professionals and educators, shall provide by
 31 rule:

32 (a) A broad list of course topics that are eligible for continuing education credit required by
 33 ORS 696.174; and

34 (b) Learning objectives for each course topic.

35 (5) The list of course topics developed by the agency under subsection (4) of this section must
 36 allow for changes in the real estate profession.

37 (6) The minimum length of each course is one hour. A continuing education provider or course
 38 instructor may allow a break of no more than 10 minutes for each hour of instruction.

39 **SECTION 11.** ORS 696.200 is amended to read:

40 696.200. (1) A licensed real estate property manager or [*principal real estate broker*] **managing**
 41 **principal broker** shall:

42 (a) Establish and maintain in this state a place of business designated as the real estate
 43 licensee's main office;

44 (b) Register the main office with the Real Estate Agency under a registered business name as
 45 provided in ORS 696.026;

1 (c) Designate the main office by a sign that contains the name under which the real estate
 2 licensee conducts professional real estate activity as provided in ORS 696.026; and

3 (d) Before changing a main office location, notify the agency of the new location on a form ap-
 4 proved by the agency.

5 (2) The change of a business location without notification to the agency as required by sub-
 6 sections (1) and ~~[(5)]~~ **(6)** of this section is grounds for revocation of a real estate license.

7 (3) The place of business of a ~~[principal real estate broker]~~ **managing principal broker** or li-
 8 censed real estate property manager must be specified in the application for a registered business
 9 name or branch office.

10 (4) A ~~[principal real estate broker]~~ **managing principal broker, principal real estate broker**
 11 **with an intracompany control agreement permitting the principal real estate broker to su-**
 12 **pervise licensees** or licensed real estate property manager may:

13 (a) Establish and maintain one or more branch offices as separate business locations under the
 14 control and supervision of a licensed real estate property manager ~~[or principal real estate broker]~~,
 15 **managing principal broker or principal real estate broker with an intracompany control**
 16 **agreement permitting the principal real estate broker to supervise licensees;** and

17 (b) Conduct and supervise the professional real estate activity of more than one office, whether
 18 a main office or a branch office.

19 **(5) Only a managing principal broker or principal real estate broker with an intracom-**
 20 **pany control agreement permitting the principal real estate broker to supervise licensees**
 21 **may control or supervise a main office, branch office or portions of an office.**

22 ~~[(5)]~~ **(6)** A licensed real estate property manager or ~~[principal real estate broker]~~ **managing**
 23 **principal broker** shall:

24 (a) Register each branch office with the agency under a registered business name as provided
 25 in ORS 696.026;

26 (b) Designate each branch office by a sign that contains the name under which the real estate
 27 licensee conducts professional real estate activity as provided in ORS 696.026; and

28 (c) Before changing a branch office location, notify the agency of the new location on a form
 29 approved by the agency.

30 ~~[(6)]~~ **(7)** Upon vacating a main office or branch office location, the licensed real estate property
 31 manager or ~~[principal real estate broker]~~ **managing principal broker** shall ensure that the sign
 32 containing the registered business name is removed from the location.

33 ~~[(7)]~~ **(8)** A licensed real estate property manager or ~~[principal real estate broker]~~ **managing**
 34 **principal broker** may not display any name at a main office or branch office other than the regis-
 35 tered business name under which the real estate licensee conducts professional real estate activity.

36 **SECTION 12. Section 13 of this 2025 Act is added to and made a part of ORS 696.010 to**
 37 **696.495.**

38 **SECTION 13. Real estate teams. (1) As used in this section, “real estate team” means a**
 39 **subdivision of a registered business that performs professional real estate activities and is**
 40 **comprised of one or more real estate licensees operating under a name other than the reg-**
 41 **istered business name.**

42 **(2) Upon approval of the managing principal broker, some or all associated real estate**
 43 **licensees in the main office or in a branch office may form a real estate team.**

44 **(3) Before entering into a written representation agreement or listing agreement with a**
 45 **buyer or seller, a member of a real estate team shall provide a disclosure to the client in the**

1 manner established by the Real Estate Agency by rule. The form established by the agency
 2 must disclose the following information:

3 (a) The name and role of each member of the real estate team;

4 (b) Whether individual members of the real estate team are real estate licensees;

5 (c) The name of any members of the real estate team responsible for supervision and
 6 control of some or all members of the real estate team, if any;

7 (d) The name of the managing principal broker with whom the real estate licensees on
 8 the real estate team are associated and the registered business name of the brokerage; and

9 (e) A statement to the effect that the real estate team must have a disclosed limited
 10 agency agreement in place before any members of the real estate team may perform any
 11 professional real estate activities for a buyer or seller, when the real estate team either al-
 12 ready represents another buyer or seller in the same real estate transaction or already re-
 13 presents another buyer who wants to purchase the same property.

14 (4) A real estate team member must be a principal real estate broker before the real
 15 estate team member may supervise or control the actions of any other real estate team
 16 members. Unless the real estate team member is the managing principal broker, real estate
 17 team members who supervise or control the actions of other real estate team members must
 18 have an intracompany control agreement with the managing principal broker as described
 19 in ORS 696.310.

20 (5) A name of a real estate team may not include the terms “realty” or “real estate” and
 21 may not be identical to the registered business name.

22 (6) A real estate team may not perform professional real estate activities for a buyer or
 23 seller when the real estate team either already represents another buyer or seller in the
 24 same real estate transaction or already represents another buyer who wants to purchase the
 25 same property, unless the real estate team has entered into a disclosed limited agency
 26 agreement with the buyer and seller or with the multiple buyers respectively.

27 **SECTION 14.** ORS 696.241 is amended to read:

28 696.241. (1) As used in this section, “trust funds” means money belonging to others that is re-
 29 ceived or handled by a licensed real estate property manager or principal real estate broker in the
 30 course of conducting professional real estate activity and in the real estate licensee’s fiduciary ca-
 31 pacity.

32 (2) A licensed real estate property manager, or a [*principal real estate broker*] **managing prin-**
 33 **cipal broker** who engages in the management of rental real estate, shall open and maintain in this
 34 state one or more separate federally insured bank accounts that are designated clients’ trust ac-
 35 counts under ORS 696.245. A [*principal real estate broker*] **managing principal broker** who engages
 36 in the management of rental real estate or a licensed real estate property manager shall deposit in
 37 a clients’ trust account all trust funds received or handled by the [*principal real estate broker*]
 38 **managing principal broker**, licensed real estate property manager or real estate licensees subject
 39 to the supervision of the [*principal real estate broker*] **managing principal broker**.

40 (3)(a) A [*principal real estate broker*] **managing principal broker** who receives or handles trust
 41 funds and does not deposit the trust funds in a licensed neutral escrow depository as described in
 42 paragraph (b) of this subsection shall open and maintain in this state one or more separate federally
 43 insured bank accounts that are designated clients’ trust accounts under ORS 696.245. Pursuant to
 44 written agreement of all parties to a real estate transaction having an interest in the trust funds,
 45 the [*principal real estate broker*] **managing principal broker** shall immediately place the trust funds

1 in a clients' trust account.

2 (b) A [*principal real estate broker*] **managing principal broker** may deposit trust funds in a li-
3 censed neutral escrow depository in this state.

4 (4) A [*principal real estate broker*] **managing principal broker** or licensed real estate property
5 manager who opens a clients' trust account under subsection (2) or (3) of this section, or to whom
6 ownership of a clients' trust account is transferred, is liable for all deposits and disbursements made
7 using the clients' trust account until the principal real estate broker or licensed real estate property
8 manager closes the account or transfers ownership of the account.

9 (5) A principal real estate broker or licensed real estate property manager may not commingle
10 any other funds with the trust funds held in a clients' trust account, except for:

11 (a) Earned interest on a clients' trust account as provided in subsections (7) and (8) of this
12 section; and

13 (b) Earned compensation as provided in subsection (9) of this section.

14 (6) If a licensed real estate property manager or [*principal real estate broker*] **managing prin-**
15 **icipal broker** maintains a separate clients' trust account in a branch office, a separate bookkeeping
16 system must be maintained in the branch office and a copy of the records required under ORS
17 696.280 must be maintained in the main office of the licensed real estate property manager or
18 [*principal real estate broker*] **managing principal broker**.

19 (7) Trust funds received by a licensed real estate property manager or [*principal real estate*
20 *broker*] **managing principal broker** may be deposited by the licensed real estate property manager
21 or [*principal real estate broker*] **managing principal broker** in a federally insured interest-bearing
22 bank account that is designated a clients' trust account under ORS 696.245, but only with the prior
23 written approval of all parties who have an interest in the trust funds. The earnings of the
24 interest-bearing account inure to the benefit of the licensed real estate property manager or [*prin-*
25 *icipal real estate broker*] **managing principal broker** only if expressly approved in writing by all
26 parties who have an interest in the trust funds before deposit of the trust funds.

27 (8) With prior written notice to all parties who have an interest in the trust funds, a [*principal*
28 *real estate broker*] **managing principal broker** may place trust funds received by the [*principal real*
29 *estate broker*] **managing principal broker** in a real estate sales, purchase or exchange transaction
30 in a federally insured interest-bearing bank account that is designated a clients' trust account under
31 ORS 696.245, the earnings of which inure to the benefit of a public benefit corporation, as defined
32 in ORS 65.001, for distribution to organizations and individuals for first-time homebuying assistance
33 and for development of affordable housing. The [*principal real estate broker*] **managing principal**
34 **broker** shall select a qualified public benefit corporation to receive the interest earnings.

35 (9) In connection with a real estate sales, purchase or exchange transaction, a principal real
36 estate broker is not entitled to any part of any interest earnings on trust funds deposited under
37 subsection (7) of this section or to any part of the earnest money or other money paid to the prin-
38 cipal real estate broker as part or all of the principal real estate broker's compensation until the
39 transaction has been completed or terminated. The principal real estate broker and the seller shall
40 negotiate and agree in writing to the disposition of forfeited earnest money at the time of execution
41 by the seller of any listing agreement or earnest money agreement. An agreement about the dispo-
42 sition of forfeited earnest money must be initialed by the seller or immediately precede the seller's
43 signature.

44 (10) Trust funds in a clients' trust account are not subject to execution or attachment on any
45 claim against a licensed real estate property manager or principal real estate broker.

1 (11) The Real Estate Agency by rule shall establish an optional procedure by which a principal
2 real estate broker may elect to disburse disputed funds held in relation to the sale, exchange or
3 purchase of real estate from a clients' trust account to the person who delivered the funds to the
4 principal real estate broker. The procedure must allow disbursal not more than 20 days after a re-
5 quest is made for the disbursal. A disbursal pursuant to the procedure does not affect the claim of
6 any other person to the funds.

7 (12) The agency may provide by rule for other records to be maintained and for the manner in
8 which trust funds are deposited, held and disbursed. The rules adopted under this subsection may
9 include requirements for interest or compensation held in a clients' trust account pursuant to sub-
10 section (5) of this section to be disbursed from the clients' trust account to a licensed real estate
11 property manager or principal real estate broker.

12 (13) A real estate licensee who, for the purpose of transmitting a check, receives the check from
13 a buyer or tenant that is payable to a property owner or seller is exempt from the deposit require-
14 ments of subsections (2) and (3) of this section. The agency may determine by rule the records that
15 must be maintained for checks received as described in this subsection and the manner in which the
16 checks must be transmitted.

17 **SECTION 15.** ORS 696.245 is amended to read:

18 696.245. (1) Each licensed real estate property manager and [*principal real estate broker*] **man-**
19 **aging principal broker**, at the time a clients' trust account is opened as required under ORS
20 696.241, shall provide the bank in which the account is opened with a notice, acknowledged by the
21 real estate licensee and the bank, in substantially the following form:

22 _____

23
24 NOTICE OF CLIENTS' TRUST ACCOUNT AND AUTHORIZATION TO EXAMINE

25
26 To: _____ (name of bank)

27 Under the Oregon Real Estate License Law, I, _____ (licensed name), am a li-
28 censed real estate property manager or licensed principal real estate broker for
29 _____ (registered business name under ORS 696.026).

30 Under ORS 696.241, I am required to maintain in Oregon a clients' trust account for the purpose
31 of holding funds belonging to others received in the course of conducting professional real estate
32 activity.

33 An account numbered _____ in the name of _____ is hereby desig-
34 nated as a clients' trust account and the account is maintained with you as a depository for money
35 belonging to persons other than myself and in my fiduciary capacity as a licensed real estate prop-
36 erty manager or licensed principal real estate broker established by client agreements in separate
37 documents.

38 I hereby authorize you to furnish information requested by the Real Estate Commissioner and/or
39 authorized representative concerning the account listed above as required by ORS 696.245.

40
41 Dated: _____ (insert date)

42 _____
43 (signature of real estate licensee)

44
45 ACKNOWLEDGMENT OF RECEIPT

I, _____, a duly authorized representative of _____ (bank), do hereby acknowledge receipt of the above NOTICE OF CLIENTS' TRUST ACCOUNT AND AUTHORIZATION TO EXAMINE on _____ (date).

(signature)

(title)

(2) Within 10 business days from the date a clients' trust account is opened, a licensed real estate property manager or principal real estate broker shall notify the Real Estate Agency that the account has been opened. The notice must include information about the clients' trust account, including but not limited to:

- (a) The name of the bank where the account is located;
- (b) The account number;
- (c) The name of the account;
- (d) The date the account was opened; and
- (e) An acknowledged copy of the notice described in subsection (1) of this section.

(3) Within 10 business days from the date a clients' trust account is closed or transferred, a licensed real estate property manager or principal real estate broker shall notify the agency that the account has been closed or transferred and shall include in the notice the date on which the account was closed or transferred.

(4) Notification to the agency under subsections (2) and (3) of this section must be made in the manner established by the agency by rule.

(5) The principal real estate broker or licensed real estate property manager shall retain the acknowledged copy of the notice described in subsection (1) of this section for at least six years following the closing of the account as provided in ORS 696.280.

SECTION 16. ORS 696.280 is amended to read:

696.280. (1) A licensed real estate property manager or [*principal real estate broker*] **managing principal broker** shall maintain within this state, except as provided in subsection (6) of this section, complete and adequate records of all professional real estate activity conducted by or through the licensed real estate property manager or [*principal real estate broker*] **managing principal broker**. The Real Estate Agency shall specify by rule the records required to establish complete and adequate records of a licensed real estate property manager's or [*principal real estate broker's*] **managing principal broker's** professional real estate activity. The only documents the agency may require by rule a licensed real estate property manager or [*principal real estate broker*] **managing principal broker** to use or generate are documents that are otherwise required by law or are voluntarily generated in the course of conducting professional real estate activity.

(2) A real estate licensee shall maintain records of the licensee's attendance in continuing education courses for a period of at least three years. The records of attendance must meet the requirements of ORS 696.174.

(3) Records maintained under this section must at all times be open for inspection by the Real Estate Commissioner or the commissioner's authorized representatives.

(4) Except as provided in subsection (2) of this section, records under this section must be maintained by the real estate licensee for a period of not less than six years after the following date:

1 (a) For a notice of clients' trust account and authorization to examine under ORS 696.245, the
 2 date the account was closed;

3 (b) For real estate transactions, the date a transaction closed or failed, whichever is later;

4 (c) For management of rental real estate, the date on which the record expired, was superseded
 5 or terminated, or otherwise ceased to be in effect; and

6 (d) For all other records, the date the record was created or received, whichever is later.

7 (5) Records under this section may be maintained in any format that allows for inspection and
 8 copying by the commissioner or the commissioner's representatives, as prescribed by rule of the
 9 agency.

10 (6) The agency may prescribe by rule terms and conditions under which a licensed real estate
 11 property manager or [*principal real estate broker*] **managing principal broker** may maintain records
 12 outside this state.

13 **SECTION 17.** ORS 696.290 is amended to read:

14 696.290. (1)(a) Except as provided in [*paragraph (b) of*] this subsection, a real estate licensee may
 15 not offer, promise, allow, give, pay or rebate, directly or indirectly, any part or share of the
 16 licensee's compensation arising or accruing from any real estate transaction or pay a finder's fee
 17 to any person who is not a real estate licensee licensed under ORS 696.022, including a nonlicensed
 18 individual described in ORS 696.030.

19 (b) A [*principal real estate broker*] **managing principal broker** may pay a finder's fee or a share
 20 of the real estate licensee's compensation on a cooperative sale when the payment is made to a li-
 21 censed real estate broker in another state or country, provided that:

22 (A) The state or country in which the nonresident real estate broker is licensed has a law per-
 23 mitting real estate brokers to cooperate with [*principal real estate brokers*] **managing principal**
 24 **brokers** in this state; and

25 (B) The nonresident real estate broker does not conduct in this state any acts constituting
 26 professional real estate activity and for which compensation is paid. If a country does not license
 27 real estate brokers, the payee must be a citizen or resident of the country and represent that the
 28 payee is in the business of real estate brokerage in the other country.

29 (c) **A real estate licensee may offer, promise, allow, give, pay or rebate, directly or indi-**
 30 **rectly, parts or shares of the licensee's compensation, arising or accruing from any real es-**
 31 **tate transaction, to a charitable organization that is tax exempt under section 501(c)(3) of**
 32 **the Internal Revenue Code.**

33 (2) A real estate [*broker*] **licensee** associated with a [*principal real estate broker*] **managing**
 34 **principal broker** may not accept compensation from any person other than the [*principal real estate*
 35 *broker*] **managing principal broker** with whom the real estate [*broker*] **licensee** is associated at the
 36 time.

37 (3) A [*principal real estate broker*] **managing principal broker** may not make payment to the
 38 real estate broker of another [*principal real estate broker*] **managing principal broker** except
 39 through the [*principal real estate broker*] **managing principal broker** with whom the real estate
 40 broker is associated.

41 (4) Notwithstanding ORS 696.010 to 696.495, 696.600 to 696.785 and 696.800 to 696.870, a principal
 42 real estate broker or a real estate [*broker*] **licensee** associated with a [*principal real estate broker*]
 43 **managing principal broker** may create a corporation, limited liability company, limited liability
 44 partnership or other lawfully constituted business organization for the purpose of receiving com-
 45 pensation. The real estate licensee may not conduct professional real estate activity under a busi-

1 ness organization created pursuant to this subsection.

2 (5) Nothing in this section prevents payment of compensation earned by a real estate broker or
 3 principal real estate broker while licensed because of the real estate broker's or principal real es-
 4 tate broker's association with a different [*principal real estate broker*] **managing principal broker**
 5 or because of inactivation of the real estate broker's or principal real estate broker's license. The
 6 compensation may be paid directly to the real estate licensee by the [*principal real estate broker*]
 7 **managing principal broker** with whom the real estate licensee was associated at the time the
 8 professional real estate activity for which the compensation was earned was conducted.

9 (6) Nothing in subsection (1) of this section prohibits a principal real estate broker or licensed
 10 real estate property manager who has a property management agreement with the owner of a resi-
 11 dential building or facility from authorizing the payment of a referral fee, rent credit or other
 12 compensation to an existing tenant of the owner or real estate licensee, or a former tenant if the
 13 former tenant resided in the building or facility within the previous six months, as compensation for
 14 referring new tenants to the real estate licensee.

15 (7)(a) Nothing in subsection (1) of this section prevents an Oregon [*principal real estate broker*]
 16 **managing principal broker** from sharing compensation on a cooperative nonresidential real estate
 17 transaction with a person who holds an active real estate license in another state or country, pro-
 18 vided:

19 (A) Before the out-of-state real estate licensee performs any act in this state that constitutes
 20 professional real estate activity, the real estate licensee and the cooperating Oregon [*principal real*
 21 *estate broker*] **managing principal broker** agree in writing that the acts constituting professional
 22 real estate activity conducted in this state will be under the supervision and control of the cooper-
 23 ating Oregon [*principal real estate broker*] **managing principal broker** and will comply with all ap-
 24 plicable Oregon laws;

25 (B) The cooperating Oregon principal real estate broker or a real estate [*broker*] **licensee** as-
 26 sociated with the principal real estate broker accompanies the out-of-state real estate licensee and
 27 the client during any property showings or negotiations conducted in this state; and

28 (C) All property showings and negotiations regarding nonresidential real estate located in this
 29 state are conducted under the supervision and control of the cooperating Oregon [*principal real es-*
 30 *tate broker*] **managing principal broker**.

31 (b) As used in this subsection, "nonresidential real estate" means real property that is improved
 32 or available for improvement by commercial structures or five or more residential dwelling units.

33 **SECTION 18.** ORS 696.301 is amended to read:

34 696.301. Subject to ORS 696.396, the Real Estate Commissioner may suspend or revoke the real
 35 estate license of any real estate licensee, reprimand any real estate licensee or deny the issuance
 36 or renewal of a license to an applicant who has:

37 (1) Created a reasonable probability of damage or injury to a person by making one or more
 38 material misrepresentations or false promises in a matter related to professional real estate activity.

39 (2) Represented, attempted to represent or accepted compensation from a principal real estate
 40 broker other than the [*principal real estate broker*] **managing principal broker** with whom the real
 41 estate [*broker*] **licensee** is associated.

42 (3) Disregarded or violated any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785,
 43 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency.

44 (4) Knowingly or recklessly published materially misleading or untruthful advertising.

45 (5) Acted as an agent and an undisclosed principal in any transaction.

1 (6) Intentionally interfered with the contractual relations of others concerning real estate or
 2 professional real estate activity.

3 (7) Intentionally interfered with the exclusive representation or exclusive brokerage relationship
 4 of another real estate licensee.

5 (8) Accepted employment or compensation for the preparation of a competitive market analysis
 6 or letter opinion that is contingent upon reporting a predetermined value or for real estate in which
 7 the real estate licensee had an undisclosed interest.

8 (9) Represented a taxpayer as described in ORS 305.239 or 309.100, contingent upon reporting
 9 a predetermined value or for real estate in which the real estate licensee had an undisclosed inter-
 10 est.

11 (10) Failed to ensure, in any real estate transaction in which the real estate licensee performed
 12 the closing, that the buyer and seller received a complete detailed closing statement showing the
 13 amount and purpose of all receipts, adjustments and disbursements.

14 (11) Has been convicted of a felony or misdemeanor substantially related to the real estate
 15 licensee's trustworthiness or competence to engage in professional real estate activity.

16 (12) Demonstrated incompetence or untrustworthiness in performing any act for which the real
 17 estate licensee is required to hold a license.

18 (13) Violated a term, condition, restriction or limitation contained in an order issued by the
 19 commissioner.

20 (14) Committed an act of fraud or engaged in dishonest conduct substantially related to the fit-
 21 ness of the applicant or real estate licensee to conduct professional real estate activity, without
 22 regard to whether the act or conduct occurred in the course of professional real estate activity.

23 (15) Engaged in any conduct that is below the standard of care for the practice of professional
 24 real estate activity in Oregon as established by the community of individuals engaged in the practice
 25 of professional real estate activity in Oregon.

26 **(16) If the licensee is a managing principal broker, failed to exercise reasonable super-
 27 vision and control over the activities of associated real estate licensees.**

28 **SECTION 19. Section 20 of this 2025 Act is added to and made a part of ORS 696.010 to
 29 696.495.**

30 **SECTION 20. Managing principal broker supervision and control. (1) A managing princi-
 31 pal broker shall exercise reasonable supervision and control over the activities of real estate
 32 brokers and principal real estate brokers associated with the managing principal broker.
 33 Reasonable supervision and control includes the establishment and enforcement of written
 34 policies, procedures and systems to:**

35 **(a) Review and manage professional real estate activities of associated brokers;**

36 **(b) Review and manage usage of disclosure forms and contracts;**

37 **(c) Manage document filing and storage;**

38 **(d) Manage handling of client trust funds;**

39 **(e) Manage usage of unlicensed assistants by associated brokers;**

40 **(f) Educate associated brokers on federal, state and local laws relating to the practice
 41 of real estate;**

42 **(g) Review and inspect documents that may have a material effect on the rights or obli-
 43 gations of a party to a transaction; and**

44 **(h) Ensure all licensees associated with the managing principal broker hold active real
 45 estate licenses under ORS 696.022 before the licensees conduct any professional real estate**

1 activity.

2 (2) The managing principal broker shall establish a system for monitoring compliance of
3 associated brokers with statutes, rules and the brokerage’s policies, procedures and systems.

4 (3) The managing principal broker is responsible for the acts of all associated brokers
5 related to professional real estate activities and performed while a licensee’s license is as-
6 sociated with the managing principal broker.

7 (4) The managing principal broker may allocate some or all of this supervisory control
8 and responsibility to a principal real estate broker associated with the managing principal
9 broker through a written supervisory agreement as described in ORS 696.310.

10 (5) This section does not apply to managing principal brokers who maintain a single office
11 and are not associated with other real estate licensees.

12 **SECTION 21.** ORS 696.310 is amended to read:

13 696.310. *[(1) If two or more principal real estate brokers are associated with the same registered
14 business name, the principal real estate brokers shall:]*

15 *[(a) Execute one or more written supervisory agreements between them that:]*

16 (1) Two or more principal real estate brokers may supervise real estate activities of real
17 estate licensees associated with the same registered business name, only if a managing
18 principal broker and a principal real estate broker:

19 (a) Execute one or more written supervisory agreements between the managing principal
20 broker and principal real estate broker that:

21 (A) *[Fully]* Allocate all or some of the supervisory control and responsibility for the profes-
22 sional real estate activities of all real estate *[brokers]* licensees associated with the registered
23 business name;

24 (B) Include a default allocation of supervisory control and responsibility for any real estate
25 brokers who associate with the registered business name in the future or who are otherwise omitted
26 from the written supervisory agreement; *[and]*

27 (C) Include any supervisory control and responsibility of *[one principal real estate broker]* the
28 managing principal broker over *[another]* the principal real estate broker;

29 (D) Include any supervisory control and responsibility of one principal real estate broker
30 over another principal real estate broker in the event that multiple principal real estate
31 brokers execute supervisory agreements with the managing principal broker;

32 (E) Include a succession plan in the event the managing principal broker or principal real
33 estate broker dies or is incapacitated, describing any allocation of supervisory control and
34 responsibility for the registered business name that will flow to the surviving managing
35 principal broker or principal real estate broker; and

36 (F) Expressly state that the managing principal broker’s responsibility for professional
37 real estate activities of all real estate licensees associated with the registered business name
38 may not be limited by the supervisory agreement;

39 (b) Update the written supervisory agreement if another principal real estate broker ex-
40 ecutes a written supervisory agreement with the managing principal broker; and

41 *[(b)]* (c) Update the written supervisory agreement if the disassociation of a principal real estate
42 broker occurs that affects the allocation of supervisory control or responsibility; *[and]*.

43 *[(c) Share equal supervisory control and responsibility for any professional real estate activity
44 conducted by real estate brokers associated with the registered business name that is not otherwise
45 covered by the written supervisory agreement.]*

1 (2) If a licensed real estate property manager is associated with the same registered business
 2 name as any combination of licensed real estate property managers and principal real estate bro-
 3 kers, the licensed real estate property managers and principal real estate brokers shall:

4 (a) Execute one or more written supervisory agreements between them that:

5 (A) [*Fully Allocates*] **Allocate all or some of the** supervisory control and responsibility for
 6 management of rental real estate conducted by all [*principal real estate brokers*] **real estate**
 7 **licensees** and licensed real estate property managers associated with the registered business name;
 8 [*and*]

9 (B) [*Includes*] **Include** any arrangement for supervisory control and responsibility over the
 10 management of rental real estate conducted by the licensed real estate property managers and
 11 principal real estate brokers;

12 (C) **Include any supervisory control and responsibility of one real estate licensee or li-**
 13 **icensed real estate property manager over another real estate licensee or licensed real estate**
 14 **property manager in the event that multiple supervisory agreements are executed; and**

15 (D) **Include a succession plan in the event the real estate licensee or licensed real estate**
 16 **property manager dies or is incapacitated, describing any allocation of supervisory control**
 17 **and responsibility for the registered business name that will flow to the surviving real estate**
 18 **licensees or licensed real estate property managers;**

19 (b) Update the written supervisory agreement if another licensed real estate property manager
 20 or principal real estate broker associates with the registered business name; and

21 (c) Update the written supervisory agreement if the disassociation of a licensed real estate
 22 property manager or principal real estate broker occurs that affects the allocation of supervisory
 23 control or responsibility over management of rental real estate.

24 (3) Licensed real estate property managers and principal real estate brokers who do not exercise
 25 administrative or supervisory control over one another are each responsible for their own manage-
 26 ment of rental real estate.

27 **SECTION 22.** ORS 696.315 is amended to read:

28 696.315. (1) Except as provided in subsection (2) of this section, a real estate licensee may not
 29 knowingly permit a nonlicensed individual to engage in professional real estate activity, with or on
 30 behalf of the licensee.

31 (2)(a) A [*principal real estate broker*] **managing principal broker** engaging in the management
 32 of rental real estate or a licensed real estate property manager may delegate to a person who is not
 33 licensed under this chapter the authority to conduct an activity described in ORS 696.030 (9). A
 34 delegation made under this paragraph must be in writing.

35 (b) The [*principal real estate broker*] **managing principal broker** or licensed real estate property
 36 manager is liable for the conduct of the nonlicensed person that the [*principal real estate broker*]
 37 **managing principal broker** or licensed real estate property manager authorizes under paragraph
 38 (a) of this subsection.

39 **SECTION 23.** ORS 696.320 is amended to read:

40 696.320. The suspension or revocation of a [*principal real estate broker's*] **managing principal**
 41 **broker's** license renders inactive every license of the real estate brokers engaged by the [*principal*
 42 *real estate broker*] **managing principal broker** pending a transfer of the license. The Real Estate
 43 Agency shall transfer a license rendered inactive under this section if the real estate licensee re-
 44 quests a transfer within 30 days after the effective date of the suspension or revocation of the
 45 [*principal real estate broker's*] **managing principal broker's** license and pays a transfer fee.

1 **SECTION 24.** ORS 696.365 is amended to read:

2 696.365. (1) A city or county may not impose a business license tax on or collect a business li-
3 cense tax from an individual licensed as a real estate broker who engages in professional real estate
4 activity only as an agent of a [*principal real estate broker*] **managing principal broker.**

5 (2) As used in this section, “business license tax” has the meaning given that term in ORS
6 701.015.

7 **SECTION 25.** ORS 696.385 is amended to read:

8 696.385. The Real Estate Agency shall have the power to:

9 (1) Adopt a seal by which it shall authenticate its proceedings.

10 (2) From time to time, circulate among the real estate licensees of Oregon any material that the
11 agency may deem helpful or educational or proper for the guidance and welfare of the real estate
12 licensees.

13 (3) Make and enforce rules as necessary to administer and enforce the provisions of, and enforce
14 and discharge the duties defined in, any law with the administration or enforcement of which the
15 agency is charged.

16 (4) Except as provided in subsection (5) of this section, when the agency proposes to adopt,
17 amend or repeal a rule concerning real estate licensees, the agency shall:

18 (a) Submit a copy of the proposed rule to the Real Estate Board at least 10 days prior to pub-
19 lication of the notice of intended action required under ORS 183.335 for the rule.

20 (b) Consider any recommendations that the board, by majority vote, makes concerning the pro-
21 posed rule.

22 (c) Publish as part of the statement of need in the matters any written comments submitted by
23 the board for publication under paragraph (b) of this subsection.

24 (5) Subsection (4) of this section does not apply to a temporary rule that is adopted, amended
25 or suspended pursuant to ORS 183.335 (5). However, the agency shall submit to the board a copy
26 of any proposed temporary rule as soon as practicable and, to the extent possible under the cir-
27 cumstances, consider any recommendations that the board may make by majority vote regarding the
28 temporary rule.

29 **(6) Make available to all real estate licensees, free of charge, training material on all**
30 **rules and laws the agency is charged with carrying out or enforcing.**

31 **SECTION 26.** ORS 696.445 is amended to read:

32 696.445. (1) Pursuant to ORS 696.385 (2), the Real Estate Agency shall provide for the advance-
33 ment of education and research in connection with the educational requirements for the securing
34 of licenses for real estate licensees under ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to
35 696.870 and 696.995.

36 (2) The Real Estate Commissioner may assign and reassign staff in the agency to perform such
37 duties as the commissioner considers necessary to carry out subsection (1) of this section, including
38 but not limited to **the following:**

39 **(a) The creation of model advertisements, model procedures and model recordkeeping**
40 **practices and the review of advertisements, promotional activities of real estate licensees,**
41 **model property management process guides, managing principal broker office policies, prop-**
42 **erty manager office policies and recordkeeping policies for compliance with rules**
43 **promulgated by the commissioner.**

44 **(b) The preparation and distribution of a periodic publication to be known as the Oregon Real**
45 **Estate News Journal. [and]**

1 (c) The preparation and publication of other printed or electronic information of an educational
2 nature for the benefit of real estate licensees.

3 (3) The commissioner shall publish in the Oregon Real Estate News Journal the names and the
4 city and state of:

- 5 (a) Real estate and escrow agent licensees who have been reprimanded;
 - 6 (b) Real estate and escrow agent licensees whose licenses have been suspended or revoked; and
 - 7 (c) Real estate and escrow agent licensees against whom the agency has assessed civil penalties.
- 8 (4) Each publication under subsection (3) of this section must include:

- 9 (a) A brief description of the situation involved and the grounds for the commissioner’s action;
- 10 or
- 11 (b) The complete final order issued by the agency.

12 **SECTION 27.** ORS 696.710 is amended to read:

13 696.710. (1) A real estate broker or principal real estate broker conducting professional real
14 estate activity within this state may not bring or maintain any action for the collection of compen-
15 sation without alleging and proving that the individual was a real estate licensee when the alleged
16 cause of action arose.

17 (2) An action for collection of compensation from a client for professional real estate activity
18 conducted by a real estate [*broker*] **licensee** associated with a [*principal real estate broker*] **manag-**
19 **ing principal broker** may not be brought or maintained except by the [*principal real estate broker*]
20 **managing principal broker** with whom the real estate [*broker*] **licensee** was associated when the
21 alleged cause of action arose.

22 **SECTION 28.** ORS 696.800, as amended by section 15, chapter 3, Oregon Laws 2024, is amended
23 to read:

24 696.800. As used in ORS 696.392, 696.600 to 696.785, 696.800 to 696.870 and 696.995, unless the
25 context requires otherwise:

- 26 (1) “Agent” means:
 - 27 (a) A [*principal real estate broker*] **managing principal broker** who has entered into:
 - 28 (A) A listing agreement with a seller;
 - 29 (B) A representation agreement with a buyer to represent the buyer; or
 - 30 (C) A disclosed limited agency agreement; or
 - 31 (b) A real estate broker **or principal real estate broker** associated with a [*principal real estate*
32 *broker*] **managing principal broker** who is authorized to act as the [*principal real estate broker’s*]
33 **managing principal broker’s** agent in connection with acts requiring a real estate license and to
34 function under the [*principal real estate broker’s*] **managing principal broker’s** supervision.

35 (2) “Buyer” means a potential transferee in a real property transaction, and includes a person
36 who:

- 37 (a) Executes an offer to purchase real property from a seller through an agent; or
- 38 (b) Enters into a buyer’s representation agreement with an agent, whether or not a sale or
39 transfer of property results.

40 (3) “Confidential information” means information communicated to an agent by the buyer or
41 seller of one to four residential units regarding the real property transaction, including but not
42 limited to price, terms, financial qualifications or motivation to buy or sell. “Confidential informa-
43 tion” does not mean information that:

- 44 (a) The buyer instructs the agent to disclose about the buyer to the seller or the seller instructs
45 the agent to disclose about the seller to the buyer; and

1 (b) The agent knows or should know failure to disclose would constitute fraudulent represen-
2 tation.

3 (4) "Disclosed limited agency" means a real property transaction in which the representation
4 of a buyer and seller or the representation of two or more buyers occurs within the same real estate
5 business.

6 (5) "Listing agreement" means a contract between an agent and a seller of real property that
7 authorizes the agent, in exchange for compensation, to act on behalf of the seller in offering the real
8 property for sale or in finding and obtaining a buyer.

9 (6) "Listing price" means the amount expressed in dollars, specified in the listing agreement, for
10 which the seller is willing to sell the real property through the listing agent.

11 (7) "Offer" means a written proposal executed by a buyer for the sale or lease of real property.

12 (8) "Offering price" is the amount expressed in dollars specified in an offer to purchase for
13 which the buyer is willing to buy the real property.

14 (9) "Principal" means the person who has permitted or directed an agent to act on the
15 principal's behalf. In a real property transaction, this generally means the buyer or the seller.

16 (10) "Purchase" refers to a transaction for the acquisition of real property by the buyer from
17 the seller and includes:

18 (a) Exchanges of real property between the seller and the buyer and third parties; and

19 (b) Land sales contracts.

20 (11) "Real property" means any estate in real property, including a condominium as defined in
21 ORS 100.005, a timeshare property as defined in ORS 94.803 and the granting of an option or right
22 of first refusal. "Real property" also includes a manufactured structure, as defined in ORS 446.561,
23 owned by the same person who owns the land upon which the manufactured structure is situated.
24 "Real property" does not include a leasehold in real property.

25 (12) "Real property transaction" means a transaction regarding real property in which an agent
26 is employed by one or more of the principals to act in that transaction and includes but is not lim-
27 ited to listing agreements, buyer's representation agreements and offers to purchase.

28 (13) "Representation agreement" means a contract between an agent and buyer of real property
29 that authorizes the agent, in exchange for compensation, to act on behalf of the buyer in purchasing
30 real property or identifying real property for purchase.

31 (14) "Sale" or "sold" refers to a transaction for the transfer of real property from the seller to
32 the buyer and includes:

33 (a) Exchanges of real property between the seller and the buyer and third parties; and

34 (b) Land sales contracts.

35 (15) "Seller" means a potential transferor in a real property transaction and includes an owner:

36 (a) Who enters into a listing agreement with an agent, whether or not a transfer results; or

37 (b) Who receives an offer to purchase real property that the seller owns from an agent acting
38 on behalf of a buyer.

39 **SECTION 29.** ORS 696.815, as amended by section 18, chapter 3, Oregon Laws 2024, is amended
40 to read:

41 696.815. (1) A real estate licensee may represent both the seller and the buyer in a real estate
42 transaction as a disclosed limited agent under a disclosed limited agency agreement, with full dis-
43 closure of the relationship under the agreement. The real estate licensee must also have a written
44 listing agreement with the seller that meets the requirements of ORS 696.805 and a written repre-
45 sentation agreement with the buyer that meets the requirements of ORS 696.810.

1 (2) A real estate licensee acting pursuant to a disclosed limited agency agreement has the fol-
 2 lowing duties and obligations:

3 (a) To the seller, the duties under ORS 696.805 **as applicable**;

4 (b) To the buyer, the duties under ORS 696.810 **as applicable**; and

5 (c) To both seller and buyer, except with express written permission of the respective person,
 6 the duty not to disclose to the other person:

7 (A) That the seller will accept a price lower or terms less favorable than the listing price or
 8 terms;

9 (B) That the buyer will pay a price greater or terms more favorable than the offering price or
 10 terms; or

11 (C) Specific confidential information as defined in ORS 696.800 (3).

12 (3) Nothing in this section implies a duty to investigate matters that are outside the scope of
 13 the real estate licensee's expertise unless the licensee agrees in writing to investigate a matter.

14 (4) In a real estate transaction in which different real estate [*brokers*] **licensees** associated with
 15 the same [*principal real estate broker*] **managing principal broker** establish agency relationships
 16 with different parties to the real estate transaction, the [*principal real estate broker*] **managing**
 17 **principal broker** shall be the only broker acting as a disclosed limited agent representing both
 18 seller and buyer. Other brokers shall continue to represent only the party with whom the broker
 19 has an agency relationship unless all parties agree otherwise in writing.

20 (5) The [*principal real estate broker*] **managing principal broker** and the real estate licensees
 21 representing either seller or buyer shall owe the following duties to the seller and buyer:

22 (a) To disclose a conflict of interest in writing to all parties;

23 (b) To take no action that is adverse or detrimental to either party's interest in the transaction;
 24 and

25 (c) To obey the lawful instructions of both parties.

26 **SECTION 30.** ORS 696.822 is amended to read:

27 696.822. (1) A principal is not liable for an act, error or omission by an agent or subagent of the
 28 principal arising out of an agency relationship established under ORS 696.805, 696.810, 696.815 or
 29 696.820:

30 (a) Unless the principal participates in or authorizes the act, error or omission; and

31 (b) Only to the extent that:

32 (A) The principal benefited from the act, error or omission; and

33 (B) A court or arbitrator determines that it is highly probable that the claimant would be unable
 34 to enforce a judgment against the agent or subagent of the principal.

35 (2) A real estate licensee is not liable for an act, error or omission by a principal or an agent
 36 of a principal that is not related to the licensee unless the licensee participates in or authorizes the
 37 act, error or omission. This subsection does not limit the liability of a [*principal real estate broker*]
 38 **managing principal broker** for an act, error or omission by a real estate licensee under the prin-
 39 cipal broker's supervision.

40 (3) Unless acknowledged by a principal in writing, facts known by an agent or subagent of the
 41 principal may not be imputed to the principal if the principal does not have actual knowledge.

42 (4) Unless acknowledged by a real estate licensee in writing, facts known by a principal or an
 43 agent of the principal may not be imputed to the licensee if the licensee does not have actual
 44 knowledge. This subsection does not limit the knowledge imputed to a [*principal real estate broker*]
 45 **managing principal broker** of facts known by a real estate licensee under the supervision of the

1 *[principal real estate broker]* **managing principal broker.**

2 **SECTION 31.** ORS 696.990 is amended to read:

3 696.990. (1) Violation of any provision of ORS 696.010 to 696.130, 696.200, 696.205, 696.241 to
4 696.375, 696.392, 696.395 to 696.430, 696.490, 696.600 to 696.785 and 696.995 is a Class A misdemeanor.

5 (2) Any officer, director or shareholder or agent of a corporation, or member or agent of a
6 partnership or association, who personally participates in or is an accessory to any violation of ORS
7 696.010 to 696.130, 696.200, 696.205, 696.241 to 696.375, 696.392, 696.395 to 696.430, 696.490, 696.600
8 to 696.785 and 696.995 by the partnership, association or corporation, is subject to the penalties
9 prescribed in subsection (1) of this section.

10 (3) A violation of any one of the provisions of ORS 696.505 to 696.590 is a Class A misdemeanor.

11 (4) Any person that violates ORS 696.020 (2) may be required by the Real Estate Commissioner
12 to forfeit and pay to the General Fund of the State Treasury a civil penalty in an amount determined
13 by the commissioner of:

14 (a) Not less than \$1,000 nor more than \$2,500 for the first offense of unlicensed professional real
15 estate activity; and

16 (b) Not less than \$2,500 nor more than \$5,000 for the second and subsequent offenses of unli-
17 censed professional real estate activity.

18 (5) In addition to the civil penalty set forth in subsection (4) of this section, any person that
19 violates ORS 696.020 may be required by the commissioner to forfeit and pay to the General Fund
20 of the State Treasury a civil penalty in an amount determined by the commissioner but not to ex-
21 ceed the amount by which such person profited in any transaction that violates ORS 696.020.

22 (6)(a) Except as provided in paragraph (b) of this subsection, a real estate licensee who is a real
23 estate property manager or *[principal real estate broker]* **managing principal broker** and who is
24 engaging in or who has engaged in the management of rental real estate may be required to forfeit
25 and pay to the General Fund of the State Treasury a civil penalty of up to \$1,000 per day of vio-
26 lation, or a lesser penalty in an amount determined by the commissioner, if the licensee fails to
27 comply with rules that require the licensee to produce for inspection records related to the man-
28 agement of rental real estate that are maintained by the licensee as provided by ORS 696.280.

29 (b) A civil penalty imposed under this subsection may not exceed \$10,000.

30 (7) Civil penalties under this section shall be imposed as provided in ORS 183.745.

31 (8) The civil penalty provisions of subsections (4) to (6) of this section are in addition to and
32 not in lieu of the criminal penalties for unlicensed professional real estate activity in subsections
33 (1) and (2) of this section.

34 (9) For the purposes of subsection (4) of this section, any violation of ORS 696.020 (2) that re-
35 sults from a failure of a real estate licensee to renew a license within the time allowed by law
36 constitutes a single offense of unlicensed professional real estate activity for each 30-day period af-
37 ter expiration of the license during which the individual engages in professional real estate activity.
38 A civil penalty imposed for a violation of ORS 696.020 (2) that results from a failure of a real estate
39 licensee to renew a license within the time allowed by law is not subject to the minimum dollar
40 amounts specified in subsection (4) of this section.

41 (10) Subsection (5) of this section does not apply to a violation of ORS 696.020 (2) that results
42 from a failure of a real estate licensee to renew a license within the time allowed by law.

43 **SECTION 32.** (1) **The amendments to ORS 696.174 by section 9 of this 2025 Act apply to**
44 **real estate licenses renewed or reactivated on or after the effective date of this 2025 Act.**

45 (2) **Sections 13 and 20 of this 2025 Act and the amendments to ORS 696.010, 696.020,**

1 696.022, 696.026, 696.030, 696.125, 696.130, 696.174, 696.182, 696.200, 696.241, 696.245, 696.280,
2 696.290, 696.301, 696.310, 696.315, 696.320, 696.365, 696.385, 696.445, 696.710, 696.800, 696.815,
3 696.822 and 696.990 by sections 1 to 11, 14 to 18 and 21 to 31 of this 2025 Act apply to conduct
4 occurring on or after the effective date of this 2025 Act.

5 SECTION 33. The section captions used in this 2025 Act are provided only for the con-
6 venience of the reader and do not become part of the statutory law of this state or express
7 any legislative intent in the enactment of this 2025 Act.

8

ADMINISTRATIVE ACTIONS

Reported 11/22/2024
through 01/21/2025

REVOCATIONS

Raissner, Felicia D, Property Manager, PM.201234743, Stipulated Order dated December 10, 2024, issuing a revocation.

Coria, Leonel R., Real Estate Broker. B.980600153 Final Order dated January 2, 2024, issuing a revocation.

SUSPENSIONS

None.

REPRIMANDS

None.

CIVIL PENALTIES

None.

Expired — Late Renewal civil penalties are computed using each 30-day period as a single offense. The civil penalty for the first 30-day period can range from \$100-\$500, with each subsequent 30-day period ranging from \$500-\$1,000. ORS 696.990

REAL ESTATE AGENCY
BEFORE THE REAL ESTATE COMMISSIONER

In the Matter of the Real Estate License of)
FELICIA DOREEN RAISSNER) STIPULATED FINAL ORDER

The Oregon Real Estate Agency (Agency) and Felicia Raissner (Raissner) do hereby agree and stipulate to the following:

FINDINGS OF FACT
AND
CONCLUSIONS OF LAW

1.

1.1 At all times mentioned herein, Felicia Raissner (Raissner) was licensed as a property manager acting in the capacity of a sole practitioner and doing business under the registered business name of Twin Rivers Property Management.

1.2 On January 19, 2024, Raissner and Twin Rivers Property Management (TRPM) were selected by the Agency for a reconciliation review for clients' trust account ending in 4936 (CTA #4936) for the month of November 2023. Records were due to the Agency on February 2, 2024.

1.3 Reconciliation records for CTA #4936 were received by the Agency on January 26, 2024.

1.4 The reconciliation records received included a three-way reconciliation form, bank statement, and journal of receipts and disbursements.

1.5 The reconciliation documents included a letter dated October 23, 2023, from an attorney for the estate of Phyllis King Barker (Barker) terminating any agreement between Barker and Twin Rivers Property Management with a termination date of November 30, 2023.

1 This letter referred to a security deposit clients' trust account that was not registered with the
2 Agency as required by rule and statute.

3 **(1) Conclusion of Law:** By failing to notify the Agency that clients' trust account ending in
4 2415 (CTA-SD #2415) had been opened Raissner violated ORS 696.301(3) and its
5 implementing rule OAR 863-025-0025(3)(6) (1/1/2019, 1/1/2020, 1/1/2021, 1/1/2022, 1/1/2023
6 Edition). This is also a violation of ORS 696.245(2)(a)(b)(c)(d)(e) 2019, 2021, and 2023
7 Editions.

8 1.6 On February 1, 2024, Agency Compliance Specialist Helen Wilson (Wilson)
9 requested a copy of the Property Management Agreement between TRPM and Barker.

10 1.7 On March 21, 2024, Wilson requested reconciliation records for TRPM's security
11 deposit clients' trust accounts.

12 1.8 On April 24, 2024, Raissner provided partial reconciliation records for the security
13 deposit clients' trust account ending in 2415 (CTA-SD#2415)

14 1.9 On June 16, 2024, an investigation was initiated by the Agency and assigned to
15 Investigator John Moore (Moore).

16 1.10 On June 17, 2024, Raissner sent an email to Agency Compliance Specialist
17 Jenifer Wetherbee (Wetherbee) stating that TRPM would be shutting down in a month and a
18 half.

19 1.11 On July 26, 2024, Moore emailed Raissner requesting reconciliation records and
20 supporting documents for CTA #4936 and CTA-SD#2415 for the month of June 2024. Records
21 were to be submitted by Friday, August 2, 2024.

22 1.12 Raissner did not submit June 2024 reconciliation records for either clients' trust
23 account to the Agency.

24 **(2) Conclusion of Law:** By failing to provide the Agency reconciliation records and
25 accompanying supporting documentation for the month of June 2024 for CTA #4936 and CTA-
26 SD#2415, Raissner violated ORS 696.301(3) as it incorporates ORS 696.280(1)(3) (2023
27 Edition). This is also a violation of ORS 696.301(3) and its implementing rule, OAR 863-025-
28 0035(2)(a)(c) (1/1/ 2024 Edition)

29 1.13 Moore reviewed the November 2023 reconciliation records provided by Raissner.
30

1 1.14 The November 2023 three-way reconciliation document for CTA #4936 was not
2 signed and dated by Raissner.

3 **(3) Conclusion of Law:** By failing to sign and date the November 2023 reconciliation
4 document for CTA #4936 attesting to its accuracy and completion, Raissner violated ORS
5 696.301(3) and its implementing rule, OAR 863-025-0028(2)(d)(B) (1/1/2023 Edition)

6 1.15 Parts III and IV of the November 2023 three-way reconciliation document for CTA
7 #4936 were incomplete, and the reconciliation document did not clearly identify and explain
8 unreconciled differences between balances provided on the form.

9 **(4) Conclusion of law:** By failing to complete all requisite components of the November
10 2023 reconciliation document for CTA #4936, and to ensure balances entered on the
11 documents reconciled with one another as required by rule and statute, Raissner violated ORS
12 696.301(3) and its implementing rule OAR 863-025-0028(2)(a)(C)(b) (1/1/2023 Edition).

13 1.16 The November 2023 Owners' Ledger for CTA #4936 shows a negative balance
14 of -\$2,542.50.

15 **(5) Conclusion of Law:** By failing to ensure CTA #4936 maintained a sufficient balance to
16 support disbursements, resulting in a negative balance, Raissner violated ORS 696.301(3) and
17 its implementing rule OAR 863-025-0027(3) (1/1/2023 Edition)

18 1.17 The individual Owners' Ledgers and the cumulative Owners' Ledger do not have
19 daily balances recorded after each entry.

20 **(6) Conclusion of Law:** By failing to record the balance after each entry on the owners'
21 ledger for CTA #4936, Raissner violated ORS 696.301(3) and its implementing rule, OAR 863-
22 025-0055(3)(d) (1/1/2023 Edition)

23 1.18 The November 2023 bank statement for CTA #4936 does not contain any
24 reference to 'Clients' Trust Account' or 'Client Trust Account.'

25 **(7) Conclusion of Law:** By failing to label the November 2023 bank statement for CTA
26 #4936, Raissner violated ORS 696.301(3) and its implementing rule, OAR 863-025-0025(1)(a)
27 (1/1/2023 Edition)

28 1.19 The November 2023 bank statement for CTA #4936 shows that interest was
29 disbursed to the account. None of TRPM's Property Management Agreements identify to
30 whom interest inures.

1 **(8) Conclusion of Law:** By allowing earned interested not accounted for in any Property
2 Management Agreement to be paid to CTA #4936, Raissner violated ORS 696.301(3) and its
3 implementing rule OAR 863-025-0020(3)(b)(A)(B) (1/1/2023 Edition)

4 1.20 The 'Notice of Clients' Trust Account' document provided to the Agency by
5 Raissner was signed by Raissner but not the bank.

6 **(9) Conclusion of Law:** By failing to ensure the bank signed the Notice of Clients' Trust
7 Account document. Raissner violated ORS 696.301(3) as it incorporates ORS 696.245(1)(2)(e)
8 (2023 Edition)

9 1.21 The three-way reconciliation document balances to do not match the balances
10 provided on the Owners' Ledger or Owners Balance Summary report documents.

11 **(10) Conclusion of Law:** By failing to maintain complete and adequate records of receipts
12 and disbursements for the month of November 2023 for CTA #4936 to reconcile balances,
13 Raissner violated ORS 696.301(3) and its implementing rule, OAR 863-025-0035(3)(b)
14 (1/1/2023 Edition)

15 1.22 Raissner provided to the Agency, Property Management Agreements for owners
16 Phyllis Barker, Norman and Barbara Few, and Joann Plant.

17 1.23 The Property Management Agreement for Joann Plant is unsigned by all parties,

18 1.24 The Property Management Agreements for Few and Barker were dated 2010,
19 and signed by the owners and Cynthia Webber, whose property manager license was revoked
20 by the Agency on June 9, 2020. No active, signed, and dated Property Management
21 Agreements were provided to the Agency by Raissner.

22 **(11) Conclusion of Law:** By failing to maintain active, signed, and dated Property
23 Management Agreements, Raissner violated ORS 696.301(3) and its implementing rule OAR
24 863-025-0020(1) (1/1/2018, 1/1/2019, 1/1/2020, 1/1/2021, 1/1/2022, 1/1/2023, 1/1/2024
25 Editions). This is also a violation of ORS 696.301(3) as it incorporates ORS 696.890(3) (2017,
26 2019, 2021, 2023 Editions).

27 1.25 The November 2023 three-way reconciliation form Raissner provided to the
28 Agency for CTA-SD#2415 was not signed and dated by Raissner.

29
30

1 **(12) Conclusion of Law:** By failing to sign and date the three-way reconciliation form for
2 CTA-SD #2415 attesting to its accuracy and completion, Raissner violated ORS 696.301(3)
3 and its implementing rule, OAR 863-025-0028(3)(d)(B) (1/1/23 Edition).

4 1.26 Part IV of the reconciliation form provided for the month of November 2023 for
5 CTA-SD #2415 was incomplete, and did not clearly identify and explain unreconciled
6 differences between balances provided on the form.

7 **(13) Conclusion of Law:** By failing to complete all requisite components of the November
8 2023 reconciliation document for CTA-SD#2415 and to ensure balances entered on the
9 document reconciled with one another as required by rule and statute, Raissner violated ORS
10 696.301(3) and its implementing rule, OAR 863-025-0028(3)(a)(C)(b) (1/1/2023 Edition)

11 1.27 The balances provided on the documents received for CTA-SD #2415 did not
12 reconcile three-ways.

13 **(14) Conclusion of Law:** By failing to reconcile CTA-SD#2415 three-ways within 30 days of
14 the bank statement date for the month of November 2023 as required by rule and statute,
15 Raissner violated ORS 696.301(3) and its implementing rule OAR 863-025-0028(3) (1/1/2023
16 Edition)

17
18 1.28 All of the above demonstrates incompetence or untrustworthiness in performing
19 acts for which the real estate licensee is required to hold a license and conduct that is below
20 the standard of care for the practice of professional real estate activity in Oregon.

21 **(15) Conclusion of Law:** Based on the foregoing, Licensee is subject to discipline under
22 ORS 696.301(12) and (15) (2019, 2021 2023 Editions)

23
24 2.

25 2.1 The foregoing violations are grounds for discipline pursuant to ORS 696.301.

26 2.2 The Agency reserves the right to investigate and pursue additional complaints
27 that may be received in the future regarding this licensee.

28 2.3 In establishing the violations alleged above, the Agency may rely on one or more
29 of the definitions contained in ORS 696.010.

3.

STIPULATION AND WAIVER

I, Felicia Raissner, have read and reviewed this Stipulated Final Order and its Findings of Fact, Statements of Law and Conclusions of Law. I understand that the Findings of Fact, Conclusions of Law and this Stipulation and Waiver of Hearing rights embody the full and complete agreement and stipulation between the Agency and me. I further understand that if I do not agree with this stipulation, I have the right to request a Hearing on this matter and to be represented by legal counsel at such a Hearing. I also understand that any Hearing would be conducted in accordance with the procedures set forth in ORS Chapter 183 and in accordance with the Rules of Practice and Procedure adopted by the Attorney General of the State of Oregon. By signing this Stipulated Final Order, I freely and voluntarily waive my rights to a Hearing, to representation by legal counsel at such a Hearing, and to judicial review of this matter.

I hereby agree and stipulate to the above Findings of Fact and Conclusions of Law and understand that the Order which follows hereafter, which I have also read and understand, may be completed and signed by the Real Estate Commissioner or may be rejected by the Real Estate Commissioner. I further understand that, in accordance with the provisions of ORS 696.445(3), notice of this Order shall be published in the Oregon Real Estate News Journal.

In addition to all of the above, I agree that once the Commissioner executes this Stipulated Final Order, I will accept service of the Stipulated Final Order by email, and hereby waive the right to challenge the validity of service.

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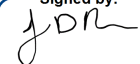
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ORDER

IT IS HEREBY ORDERED that Felicia Raissner’s property manager license be, and hereby is revoked.

IT IS SO STIPULATED:

IT IS SO ORDERED:

Signed by:

0684BC6C01714F7...
FELICIA RAISSNER


Signed by:

E2C2D0097AD8471...
STEVEN STRODE

Real Estate Commissioner

Date 12/10/2024 | 1:29 PM PST

Date 12/10/2024 | 3:52 PM PST

Date of Service: 12/10/2024

**BEFORE THE REAL ESTATE AGENCY
STATE OF OREGON**

IN THE MATTER OF:)	FINAL ORDER
)	
LEONEL CORIA)	OAH Case No. 2024-ABC-06496
)	Agency Case Nos. 2023-425, 2023-426, 2023-
)	628
)	

This matter came before the Real Estate Agency to consider the proposed order issued by Administrative Law Judge (ALJ) Alison G. Webster, on December 11, 2024. The Proposed Order advised Mr. Coria of his right to file exceptions to the proposed order. Mr. Coria did not file exceptions to the proposed order within twenty (20) days of the issuance of the proposed order. The time to file exceptions to the Proposed Order has lapsed with no exceptions filed.

Based on the foregoing and as explained below, the Agency enters the following Final Order revoking Mr. Coria’s real estate broker license.

HISTORY OF THE CASE

On March 21, 2024, the Real Estate Agency (Agency or REA) issued a Notice of Intent to Revoke License to Leonel R. Coria (Licensee), proposing to revoke Licensee’s license (license number B.980600153) for violations of ORS 696.301. On April 11, 2024, Licensee requested a hearing.

On April 29, 2024, the Agency referred the hearing request to the Office of Administrative Hearings (OAH). The OAH assigned Senior Administrative Law Judge (ALJ) Alison G. Webster to preside at hearing.

On May 29, 2024, ALJ Webster convened a prehearing conference. Senior Assistant Attorney General (AAG) Raul Ramirez participated for the Agency with Agency Representative Amanda Moser also present. Licensee participated without counsel. During the prehearing conference, the parties set the hearing for November 19-20, 2024.

ALJ Webster held the hearing on November 19, 2024, in Salem, Oregon. AAG Ramirez represented the Agency. Licensee appeared without counsel. The following witnesses testified on behalf of the Agency: Cidia Nanez, REA Investigator; Dylan Ray, REA Investigator; Gustavo Coria; Manuel Coria; Maria Angelica Dominguez de Coria; Luis Coria; and Carmen Rojas. Spanish interpreter Sergio Renteria-Lopez translated for witnesses Manuel Coria, Maria Angelica Dominguez de Coria, Luis Coria, and Carmen Rojas. Licensee testified on his own behalf. The record closed at the conclusion of the hearing on November 19, 2024.

ISSUES

1. Whether Licensee violated ORS 696.301(1) and (14) by promising investors a monthly return on investment from his real estate business venture and then failing to pay investors what they were owed.
2. Whether Licensee violated ORS 696.301(14) by entering into agreements with new investors and using the new investors' investment money to pay interest owed to other investors.
3. Whether Licensee violated ORS 696.301(14) by failing to use the investment income to purchase real estate as he had promised and advertised.
4. Whether Licensee violated ORS 696.301(3) and OAR 863-015-0125 by advertising his business venture as guaranteeing a return on investment in real estate.
5. Whether Licensee violated ORS 696.301(3) and OAR 863-015-0175 by failing to report adverse judgments to the Agency.
6. Whether Licensee violated ORS 696.301(12) and (15) by demonstrating incompetence or untrustworthiness in engaging in the practice of professional real estate activity in Oregon.
7. If Licensee violated ORS 696.301 in one or more ways as set out above, whether the Agency should revoke Licensee's real estate license.

EVIDENTIARY RULINGS

Agency Exhibits A1 through A109 were admitted into the record without objection.

FINDINGS OF FACT

1. Licensee has been a licensed real estate broker with the Agency since February 9, 2001. (Ex. A2.)
2. On October 6, 2021, Licensee filed Articles of Organization with the Oregon Secretary of State, Corporation Division for a domestic limited liability company named Unitus Real Estate LLC, Registry Number 187811097, with a principal place of business located at 3000 Market St. NE #113, Salem, Oregon. Licensee listed himself as the registered agent, organizer, and sole member of the LLC. (Ex. A19.) On January 25, 2022, Licensee filed with the Oregon Secretary of State Articles of Amendment for Registry Number 187811097, changing the business entity's name to Unified Real Estate LLC, effective January 18, 2022. (Ex. A20.)
3. Since November 5, 2021, Licensee's real estate license has been associated with Unified Real Estate LLC, a brokerage located at 3000 Market St. NE, Suite 113, in Salem, Oregon. (Ex. A6 at 2.)
4. In the latter part of 2021, around the time he organized and registered Unitus Real Estate LLC with the Oregon Secretary of State, Licensee came up with a new business venture.

He decided to solicit money from others for real estate investments with the promise that he would pay a monthly return of 10 or 20 percent of the investment amount. Then, over the next year and a half, Licensee met with clients and potential investors at his real estate office at 3000 Market St. NE in Salem to discuss his investment opportunity. He provided prospective investors with his real estate business card. He explained that he would accept whatever amount the investor was willing to invest and that he would pay a monthly return of 10 percent (or, in some cases, 15 or 20 percent) on the investment amount. He told his investors they could withdraw their money at any time and that, if the monthly profit was not withdrawn, then he would add that amount to their investment and reinvest it. He told the investors that he was a licensed real estate broker with Unified Real Estate as well as a licensed notary. Licensee also told these investors that he planned to use the investment money to purchase, remodel, and sell homes.¹ Licensee assured investors he was investing their money in real property and that it was a safe and legal investment. (See Exs. A1, A35, A36, A37, A38, A39, A46, A47, A48, A49, A50, A51, A58, A59, A60-A63.)

5. When investors agreed to invest in Licensee's business venture, Licensee entered into written and signed agreements ("Documento de Acuerdo-Inversion Personal") with the investor(s) documenting the investment amount, the percentage of return, and amount to be paid each month. He also completed and affixed his notary stamp to a notary certificate, an "Acknowledgement in an Individual Capacity" form, attached to the investment agreement.² (See, e.g., Exs. A8, A38 at 3, A56 at 2, A57, A59, A60- A63.)

6. Over the course of about a year and a half, Licensee accepted several hundred thousand dollars from investors who believed that Licensee was investing their money in real estate ventures. Licensee failed to make the monthly interest payments to the majority of the investors. Licensee also failed to refund the principal investment amounts to many of his investors. (See Exs. A1, A24, A38, A39, A46, A49, A50, A58, A64, A68; test of G. Coria; test. of M. Coria; test. of MA Coria; test. of Rojas; test. of Ray.)

7. At some point in late 2021 or early 2022, Licensee met with Maria Angelica Dominguez de Coria³ and her two sons, Oscar Coria and Osvaldo Coria, at Licensee's real estate

¹ For example, in a complaint against Licensee and Unified Real Estate LLC filed with the Oregon Department of Justice on August 18, 2023, the complainant (Juan Carlos Bobadilla) asserted that he signed an agreement with Licensee in which Licensee agreed to pay 10 percent month-to-month of whatever money invested and that the money invested would be used to purchase homes, remodel them, and sell them. The complainant added that Licensee "mentioned that he works for Unified Real Estate, LLC." (Ex. A46 at 3, 7.) And, in another complaint filed with the Oregon Department of Justice against Licensee and Unified Real Estate LLC in September 2023, the complainant (Maria D. Perez) stated: "My husband saw an announcement on a laundry about investment. We went to see [Licensee] and he told us that he was working for Unified Real Estate LLC and he was the one to collect money to invest in properties for the company." (Ex. A50 at 6.)

² In this form, Licensee, as a notary, recorded that the investors entered into the investment agreement. (See, e.g., Ex. A8 at 10-13.)

³ Despite the common surname, Ms. Coria is not related to Licensee. (Test. of MA Coria.)

business office on Market St. NE in Salem to discuss the investment opportunity. Ms. Coria's husband had recently passed away and she had received proceeds from his life insurance policy. She was looking for a way to invest the life insurance proceeds and maximize the return on investment. During the meeting, Licensee advised Ms. Coria that he would use invested funds to buy homes in need of repair, repair the homes, and then sell them at a profit. Licensee also promised Ms. Coria that he would pay a monthly return of 10 percent on any investment in this business. Ms. Coria invested approximately \$45,000 with Licensee on the understanding that she would receive a monthly return on her investment. Licensee paid interest on the investment as promised for the first few months but then the interest payments ceased. (Test. of MA Coria.)

8. When Ms. Coria first invested her money with Licensee, she told family members, including her brother-in-law, Manuel Coria, and her nephew, Gustavo Coria, about her investment.⁴ In February 2022, Ms. Coria put Manuel Coria and Gustavo Coria in contact with Licensee. They later met with Licensee at his real estate business office on Market St. SE in Salem. During the meetings Licensee explained that he would provide a 10 percent profit on any investment each month. Licensee added that he would reinvest the profits if the investor opted not to cash out that month. Licensee advised that his investors could cash out at any time and get their initial investment back. Licensee said that his business purchased properties, fixed them up, and sold ("flipped") them for profit. (Test. of G. Coria; test. of M. Coria; Ex. A33 at 1.)

9. Licensee told Gustavo Coria that he was a real estate broker and a notary. Gustavo Coria and his wife invested their money (approximately \$10,000) with Licensee because they believed he was licensed and "legit." (Test. of G. Coria.)

10. On or about February 27, 2022, Manuel Coria and his wife Estela Coria delivered \$15,000 in cash to Licensee and entered into a written "Documento de Acuerdo" (Agreement Document) with Licensee setting out the "terminus de inversion" (investment terms). The Agreement Document stated that Manuel and Estela Coria were investing \$15,000 with Licensee to earn profits per month for the amount of the investment. The agreement further stated that Licensee agreed to invest the money and pay 10 percent interest per month (specifically, \$1,500 per month) beginning March 27, 2022. (Ex. A8 at 4-5, 18; test. of M. Coria.)

11. On March 27, 2022, Manuel Coria and Estela Coria invested the amount of \$5,500 with Licensee and entered into a written Agreement Document with Licensee in which Licensee agreed to pay the Manuel and Estela a profit of \$550 per month as of April 27, 2022. (Ex. A8 at 2, 16-17.)

12. That same date, Manuel Coria and Estela Coria invested an additional \$10,000 with Licensee and entered into another Agreement Document with Licensee in which Licensee agreed to pay a 10 percent profit of \$1,000 per month. (*Id.* at 3.)

13. Also on March 27, 2022, Manuel Coria and Maria Hernandez⁵ invested \$5,000 with Licensee and entered into an Agreement Document with Licensee in which Licensee agreed to

⁴ Neither Manuel Coria nor Gustavo Coria is related to Licensee. (Test. of M. Coria; test. of G. Coria.)

⁵ Ms. Hernandez is Manuel Coria's sister. (Ex. A5 at 6.)

pay 10 a percent profit of \$500 per month beginning April 27, 2022. (Ex. A8 at 9, 19-20.)

14. In April 2022, Manuel Coria and Maria Hernandez invested \$5,500 with Licensee and entered into an Agreement Document with Licensee in which Licensee agreed to pay a 10 percent profit of \$550 per month beginning May 27, 2022 (Ex. A8 at 8, 20.)

15. Manuel Coria and Estela Coria invested an additional \$21,000 with Licensee and entered into an Agreement Document with Licensee in which Licensee agreed to invest the money and pay Manuel and Estela Coria a 10 percent profit of \$2,100 per month as of May 27, 2022. (Ex. A8 at 1 and 16.)

16. On June 27, 2022, Manuel Coria and Maria Hernandez invested \$6,655 with Licensee and entered into an Agreement Document with Licensee in which Licensee agreed to pay a 10 percent profit of \$665.50 per month to Mr. Coria and Ms. Hernandez beginning July 27, 2022. (Ex. A8 at 9, 21.)

17. Also on or about June 27, 2022, Manuel Coria and Estela Coria invested \$25,410 with Licensee to earn a monthly return. They entered into another Agreement Document with Licensee in which Licensee agreed to pay 10 percent profit of \$2,541 per month beginning on July 27, 2022. (Ex. A8 at 6, 19.)

18. In May or June 2022, Luis Coria, brother of Manuel Coria, met with Licensee at Licensee's real estate office in Salem and invested \$10,000 with Licensee on the promise that Licensee would pay good interest on the investment each month, and that interest would be reinvested each month. (Test. of L. Coria.)

19. On August 12, 2022, Gustavo Coria sent Licensee a text message requesting the return of half of his investment. Licensee acknowledged receipt of the request and told Gustavo Coria that he would check with the title company. On August 24, 2022, Gustavo Coria followed up with Licensee, advising that he needed the money back before September 7th. Licensee promised to get the check ready but he failed to send Gustavo Coria any money. Thereafter, during September 2022, Gustavo Coria asked Licensee for the return of his entire investment. Licensee responded that he needed 30 days to complete a transaction. (Exs. A11 and A12.) In December 2022, Gustavo Coria followed up with Licensee. Licensee advised that the "sellers signed," but he did not return any money to Gustavo Coria. (Ex. A13; test. of G. Coria.)

20. Also, in August or September 2022, Maria Angelica Coria asked Licensee to return some of her initial investment money. Licensee sent Ms. Coria a signed check from Unitus Real Estate LLC dated September 10, 2022 in the amount of \$4,365.77. Ms. Coria deposited the check into her bank account on September 16, 2022. It was later rejected for insufficient funds. When Ms. Coria notified Licensee that the check had bounced, Licensee claimed to be surprised. (Test. of MA Coria; Exs. A16, A17, A18.)

21. In September 2022, Carmen Rojas and her husband contacted Licensee about buying a house. They met with Licensee at his real estate office in Salem. During that meeting, Licensee advised them that it was not a good time to buy because interest rates were high.

Licensee added that he was in the business of buying, remodeling, and selling homes. Ms. Rojas and her husband each agreed to invest \$10,000 with Licensee. Licensee promised he would pay them a monthly return of 10 percent on the investment and then return the investment from the proceeds of houses he had remodeled and sold. (Test. of Rojas; Ex. A38 at 10.)

22. Licensee never paid Ms. Rojas or her husband any profit on their investments and never returned their initial investment. (Test. of Rojas.)

23. On July 16, 2023, Gustavo Coria and Manuel Coria submitted a joint complaint against Licensee to the Agency.⁶ (Ex. A5.) During the Agency's investigation of the joint complaint, several other individuals who invested money with Licensee's purported real estate business also filed complaints against Licensee with the Agency.⁷ (Test. of Ray; *see* Exs. A1 and A64.)

24. Meanwhile, other individuals who had invested money in Licensee's business venture and who were not paid profits as promised filed suit against Licensee in Marion County Circuit Court. Licensee defaulted in these lawsuits and the following money judgments were entered against him:

- Karina Bustos Ramirez v. Leonel Coria, Case no. 22CV32495 – General Judgment and Money Award by Default filed in Marion County Circuit Court on July 31, 2023, plus a supplemental judgment and money award for attorney fees and costs and disbursements, totaling \$76,758.74 (Ex. A7 at 1-8.)
- Artemio Bustos Soria v. Leonel Coria, Case no. 23CV09531 – General Judgment and Money Award by Default filed on July 31, 2023, plus a supplemental judgment and money award for attorney fees and costs and disbursements, totaling \$202,881.08 (Ex. A7 at 9-15.)
- Lucina Bustos v. Leonel Coria, Case no. 23CV09533 – General Judgment and Money Award by Default filed in Marion County Circuit Court on July 31, 2023, plus a supplemental judgment and money award for attorney fees and costs and disbursements, totaling \$20,454.46 (Ex. A7 at 17-24.)
- Carlos Llerenas and Esmeralda Llerenas v. Leonel Coria, Case no. 23CV23622 – General Judgment and Money Award by Default signed September 25, 2023, totaling \$196,263.50.

⁶ The Agency assigned file number 2023-425 to Gustavo Coria's complaint and file number 2023-426 to Manuel Coria's complaint.

⁷ For example, on July 19, 2023, the Agency received complaints against Licensee from Audelia Aguilera, Brenda Tapia, and Maria Elena Tapia. These complainants alleged that they had invested money with Licensee, that Licensee had promised to pay 10 percent profits on the investment, and that Licensee had not paid the promised profits or returned their investment money. These complainants also asserted that they had seen Licensee "announcing his investment on social media." (Exs. A35 at 3, A36 at 3, and A37 at 3.)

(Exs. A7 at 1-28; A98 – A109.)

25. Licensee failed to notify the Agency of these money judgments entered against him. (Ex. A1 at 3; Ex. A98; test. of Ray.)

26. At some point during 2023, Licensee printed up flyers promising a five percent return on money invested with him. (Ex. A34 at 1.) Translated to English, the flyer states:



(Id. at 2.)

27. On Licensee’s behalf and with Licensee’s knowledge, Licensee’s friend posted Licensee’s flyer on Facebook alongside a photo of a house for sale in Salem, Oregon. The Facebook advertisement stated (in Spanish) “Houses for sale and investments in real estate. Contact Leo Coria at 971-338-8972.” (Ex. A34; test. of Licensee.)



(Id.) Investor Gustavo Coria and others saw this advertisement on Facebook in November 2023 and provided it to the Agency. (Test. of G. Coria; Ex. A33 at 2.)

28. Licensee did not keep any records to document the investments he received or the money he paid to investors. The only documents Licensee provided to investors were the Agreement Documents with the notarized Acknowledgment certificates. (Test. of Licensee.)

29. Licensee did not use the money his investors gave to him to purchase real estate or to remodel properties he owned. Instead, Licensee used the money given to him by Manuel Coria, Gustavo Coria, Maria Angelica Coria, Luis Coria, Carmen Rojas and others to make payments to other investors in his business venture. (Test. of Licensee; test. of Ray.)

30. Licensee's failure to pay the promised profits on investments and his failure to repay investors' their initial investments as promised caused substantial harm to many of Licensee's investors. For example, the loss of \$45,000 or more caused Maria Angelica Coria financial, psychological, and physical distress. The stress made it difficult for her to control her blood sugar levels. The loss of this money also caused her chest palpitations and neck pain and necessitated a visit to the emergency department. Similarly, the loss of \$25,000 caused Manuel Coria financial harm and physical and emotional distress. The loss of \$10,000 caused Gustavo Coria significant stress and financial difficulty. The loss of \$10,000 caused Luis Coria to experience depression and made it difficult to control his diabetes. Carmen Rojas' loss of \$20,000 with Licensee's business venture resulted in both her and her husband having to work two jobs, seven days a week, to stay afloat.⁸ (Test. of MA Coria; test. of M. Coria; test. of G. Coria, test. of L. Coria; and test. of Rojas.)

31. On November 3, 2023, Agency investigator Dylan Ray conducted an investigatory interview with Licensee. During the interview, Licensee acknowledged that he used the money invested by later investors to pay returns he had promised to his initial investors. Licensee explained: "I was borrowing money and trying to catch up trying to pay interest, but then what really happened? People stopped calling in." (Ex. A24 at 9.) Licensee advised Investigator Ray that he first accepted investment money in late 2021 and that, by about November 2022, he ran out of money and could not afford to pay the promised returns. (*Id.* at 11-12.) Licensee also admitted that, despite what he led his investors to believe, he did not have any specific plans to purchase properties, remodel them and resell them.⁹ He explained that he did not have any

⁸ The evidence also establishes that Licensee's fraudulent conduct caused harm to investor Juan Carlos Bobadilla. After losing more than \$30,000 to Licensee's investment scam, Mr. Bobadilla sought psychological counseling. He was diagnosed with major depressive disorder and generalized anxiety disorder and referred to a physician for psychotropic medication given the severity of his symptoms. (Ex. A46 at 3, 8-9, and 12.)

⁹ During the interview, Licensee admitted the following:

Ray: But these people, these people, they're calling you and they're hearing about all the great returns that your providing, right?

Licensee: Yes.

Ray: But you know that when these people are calling you that you don't have a business? Is that, am I understanding that correct[ly]?

business plan to generate profits and he considered the investors' money as personal loans.¹⁰ (*Id.* at 45-58.)

32. During the November 3, 2023 interview, Licensee also told Investigator Ray that he dealt mostly in cash and, other than the initial agreement documents, did not keep records of the money received from investors or the money he paid to investors. (*Id.* at 35-42.) In addition, Licensee acknowledged that he was aware of, and had received notice of, the money judgments entered against him in Marion County. He admitted he was aware of his obligation to report these adverse judgments to the Agency and had not done so. (*Id.* at 28-29.)

CONCLUSIONS OF LAW

1. Licensee violated ORS 696.301(1) and (14) by promising investors a monthly return on investment from his real estate business venture and then failing to pay investors what they were owed.

2. Licensee violated ORS 696.301(14) by entering into agreements with new investors and using the new investors' investment money to pay interest owed to other investors.

3. Licensee violated ORS 696.301(14) by failing to use the investment income to purchase real estate as he had promised and advertised.

4. Licensee violated ORS 696.301(3) and OAR 863-015-0125 by advertising his business venture as guaranteeing a return on investment in real estate.

5. Licensee violated ORS 696.301(3) and OAR 863-015-0175 by failing to report adverse judgments to the Agency.

6. Licensee violated ORS 696.301(12) and (15) by demonstrating incompetence or untrustworthiness in engaging in the practice of professional real estate activity in Oregon.

7. The Agency should revoke Licensee's real estate license.

OPINION

In the Notice of Intent to Revoke License at issue in this matter, the Agency proposes to revoke Licensee's real estate broker license based upon six alleged violations of ORS 696.301

Licensee: Yes. No they didn't. They didn't know they were.

(Ex. A24 at 51.) Later in the interview, Licensee acknowledged that he never used any of the investment money for other purposes beyond paying interest. (*Id.* at 73.)

¹⁰ Inspector Ray specifically asked Licensee "how did you plan to make money?" Licensee responded, "The plan to make money, it was like the money that they will bring me. My plan was to talk also to contractors." (Ex. A24 at 69.)

and the Oregon Real Estate Law. The Agency has the burden of establishing by a preponderance of the evidence that Licensee violated ORS 696.301 in the manners alleged and that the proposed sanction is appropriate. ORS 183.450(2) (“The burden of presenting evidence to support a fact or position in a contested case rests on the proponent of the fact or position”); *Dixon v. Board of Nursing*, 291 Or App 207, 213 (2018) (the standard of proof that generally applies in agency proceedings, including license-related proceedings, is the preponderance of the evidence standard). *Metcalf v. AFSD*, 65 Or App 761, 765 (1983) (in the absence of legislation specifying a different standard, the standard of proof in an administrative hearing is preponderance of the evidence). Proof by a preponderance of the evidence means that the fact finder is persuaded that the facts asserted are more likely than not true. *Riley Hill General Contractor v. Tandy Corp.*, 303 Or 390, 402 (1987).

Applicable Law

ORS 696.301 sets out the grounds for which the Real Estate Commissioner may discipline a real estate licensee or applicant for licensure and provides, in pertinent part:

Subject to ORS 696.396,¹¹ the Real Estate Commissioner may suspend or revoke the real estate license of any real estate licensee, reprimand any real estate licensee or deny the issuance or renewal of a license to an applicant who has:

(1) Created a reasonable probability of damage or injury to a person by making one or more material misrepresentations or false promises in a matter related to professional real estate activity.

* * * * *

(3) Disregarded or violated any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency.

* * * * *

(12) Demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license.

¹¹ ORS 696.396 requires the Commissioner to establish rules for the progressive discipline of real estate licensees. Pursuant to ORS 696.396(2)(c), the Agency may not suspend or revoke a real estate license unless the licensee’s violation(s) of ORS 696.301:

- (A) Results in significant damage or injury;
- (B) Exhibits incompetence in the performance of professional real estate activity;
- (C) Exhibits dishonesty or fraudulent conduct; or
- (D) Repeats conduct or an act that is substantially similar to conduct or an act for which the real estate licensee was disciplined previously.

ORS 696.396(2)(c).

* * * * *

(14) Committed an act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of real estate activity.

(15) Engaged in any conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

The term “professional real estate activity” is defined in ORS 696.301(17) as follows:

“Professional real estate activity” means any of the following actions, when engaged in for another and for compensation or with the intention or in the expectation or upon the promise of receiving or collecting compensation, by any person who:

- (a) Sells, exchanges, purchases, rents or leases real estate;
- (b) Offers to sell, exchange, purchase, rent or lease real estate;
- (c) Negotiates, offers, attempts or agrees to negotiate the sale, exchange, purchase, rental or leasing of real estate;
- (d) Lists, offers, attempts or agrees to list real estate for sale;
- (e) Offers, attempts or agrees to perform or provide a competitive market analysis or letter opinion, to represent a taxpayer under ORS 305.239 or 309.100 or to give an opinion in any administrative or judicial proceeding regarding the value of real estate for taxation, except when the activity is performed by a state certified appraiser or state licensed appraiser;
- (f) Auctions, offers, attempts or agrees to auction real estate;
- (g) Buys, sells, offers to buy or sell or otherwise deals in options on real estate;
- (h) Engages in management of rental real estate;
- (i) Purports to be engaged in the business of buying, selling, exchanging, renting or leasing real estate;
- (j) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange, leasing or rental of real estate;

(k) Assists or directs in the negotiation or closing of any transaction calculated or intended to result in the sale, exchange, leasing or rental of real estate;

(L) Except as otherwise provided in ORS 696.030 (12), advises, counsels, consults or analyzes in connection with real estate values, sales or dispositions, including dispositions through eminent domain procedures;

(m) Advises, counsels, consults or analyzes in connection with the acquisition or sale of real estate by an entity if the purpose of the entity is investment in real estate; or

(n) Performs real estate marketing activity as described in ORS 696.600.

OAR 863-015-0125 addresses the advertising of services related to professional real estate activity. The rule provides:

(1) As used in this rule, “advertising” and “advertisement” include all forms of meaningful communication by or on behalf of a real estate broker or principal broker designed to attract the public to the use of services related to professional real estate activity. This includes, but is not limited to:

(a) Print, including, but not limited to mail, publications, brochures, postcards, business cards, and stationery;

(b) Signs, including but not limited to lawn signs, displays, and billboards;

(c) Phone, including but not limited to mobile phone, text messaging, cold calling, and outgoing voicemail messaging;

(d) Broadcast media, including but not limited to radio, television, podcasts, and video; and

(e) Electronic media, including but not limited to multiple listing services, websites, email, social media, mobile apps, and other online marketing.

(2) *Advertising shall:*

(a) Be identifiable as advertising of a real estate licensee;

(b) *Be truthful and not deceptive or misleading[.]*

Emphasis added.

OAR 863-015-0175 requires real estate licensees to notify the Commissioner of litigation related to the licensee, and provides in pertinent part:

(1) A real estate licensee must notify the Commissioner of the following:

(b) Any adverse decision or judgment resulting from any civil or criminal suit or action or arbitration proceeding or any administrative or Oregon State Bar proceeding related to the licensee in which the licensee was named as a party and against whom allegations concerning any business conduct or professional real estate activity is asserted; and

(c) Any adverse decision or judgment resulting from any other criminal or civil proceeding that reflects adversely on the “trustworthy and competent” requirements contained in ORS Chapter 696 and its implementing rules.

* * * * *

(3) The notification required by this rule must be in writing and must include a brief description of the circumstances involved, the names of the parties, and a copy of the adverse decision, judgment, or award and, in the case of a criminal conviction, a copy of the sentencing order. If any such judgment, award, or decision is appealed, each subsequent appellate court decision is subject to this rule’s notification requirements.

(4) The notification required by this rule must be made within twenty 20 calendar days after receiving written notification of an adverse judgment, award, or decision described in this rule. Notification must be made under this rule whether or not the decision is appealed.

Finally, OAR 863-027-0020, pertaining to the progressive discipline of Licensees, states in pertinent part:

(1) The goal of progressive discipline is to correct a licensee's inappropriate behavior, deter the licensee from repeating the conduct, and educate the licensee to improve compliance with applicable statutes and rules. Progressive discipline means the process the Real Estate Agency follows, which may include using increasingly severe steps or measures against a licensee when a licensee fails to correct inappropriate behavior or exhibits subsequent instances of inappropriate behavior.

(2) The Real Estate Commissioner will evaluate all relevant factors to determine whether to issue a non-disciplinary educational letter of advice or to discipline a licensee through reprimand, suspension or revocation under ORS 696.301, including but not limited to:

- (a) The nature of the violation;
- (b) The harm caused, if any;
- (c) Whether the conduct was inadvertent or intentional;

- (d) The licensee's experience and education;
- (e) Whether the licensee's conduct is substantially similar to conduct or an act for which the licensee was disciplined previously;
- (f) Any mitigating or aggravating circumstances;
- (g) The licensee's cooperation with the investigation;
- (h) Any Agency hearing orders addressing similar circumstances; and
- (i) The licensee's volume of transactions.

Violations

1. False promises of monthly returns

The Agency first contends that Licensee violated ORS 696.301(1) and (14) by entering into an "Agreement Document" with multiple investors promising a monthly return on their investment in his real estate business venture, and then failing to pay the promised returns. Notice at 6. As set out above, ORS 696.301(1) authorizes the Agency to discipline a licensee who causes injury or damage to a person by making false promises in a matter related to real estate activity. ORS 696.301(14) authorizes the Agency to discipline a licensee who commits an act of fraud or dishonesty substantially related to the licensee's fitness to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of professional real estate activity.

Licensee maintains that his investment business venture was separate from his professional real estate activity and he had no intent to defraud his investors. However, the evidence belies this contention. The evidence in this record overwhelmingly establishes that Licensee caused harm to others by making false promises related to professional real estate activity. Licensee repeatedly entered into written contracts with investors in which he acknowledged receipt of their personal investment money and, in return, promised to pay the investor a specific percentage of the investment amount in profits per month. Licensee conducted his investment business at his real estate office. He provided his real estate business card to investors. Licensee told investors that he was using their investment money in connection with real estate activity, *i.e.*, that he was planning to buy and sell homes to earn the promised profits.

Licensee's promises and representations to these investors were knowingly false as he had no plans to invest the money. He did not pay the promised profits and did not use the money to purchase, repair, sell, or rent any homes. Finally, the evidence establishes that Licensee's conduct in this regard caused significant damage and injury to his investors. Maria Angelica Coria, Manuel Coria, Gustavo Coria, Luis Coria, and Carmen Rojas all testified that they experienced financial distress, mental anguish, and/or physical manifestations of stress as a result of Licensee's misconduct. Consequently, the Agency has proven this first violation of ORS

696.301(1) and (14).

2. *Using new investors' investment money to pay interest owed to other investors*

The Agency next contends that Licensee violated ORS 696.301(14) by “continuing to enter into agreements with new investors and using their investment money to pay other investors.” Notice at 7. The Agency has also proven this second violation. As Licensee acknowledged during his November 3, 2023 investigatory interview, he used the money invested by later investors (investors such as Gustavo Coria, Manuel Coria, Luis Coria, and Carmen Rojas) to pay the returns promised to his initial investors. Indeed, Licensee’s new business venture was nothing more than a “Ponzi scheme,” an investment scam in which he promoted a nonexistent investment opportunity, promised a high rate of return with no risk to his investors, and then used the money from later investors to pay earlier investors. The scam worked for a few months, but when the supply of new investors dwindled (*i.e.*, when “people stopped calling in”), the business venture collapsed, leaving Licensee without funds to pay the promised profits. By engaging in this investment scam of using new investors’ money to pay returns to earlier investors, Licensee committed acts of fraud substantially related to his fitness to conduct professional real estate activity in violation of ORS 696.301(14). *See, e.g., Kerley v. Real Estate Agency*, 337 Or 309 (2004) (holding that a person’s prior acts of dishonesty and untrustworthiness relate substantially to his or her fitness and ability to engage in real estate activity and can justify denial or revocation of licensure).

3. *False statements regarding use of money invested*

As Violation 3, the Agency alleges that Licensee violated ORS 696.301(1) and (14) by failing to use the investment income to purchase property as his investors expected him to do based upon his statements and advertising. Notice at 8. As above, under ORS 696.301(1) and (14) the Agency is authorized to discipline a licensee who causes injury or damage to a person by making false promises in a matter related to real estate activity or who commits an act of fraud or dishonesty in a manner related to the conduct professional real estate activity.

A preponderance of the evidence establishes that Licensee represented to his investors that he planned to use the money they invested for purposes related to real estate, *i.e.*, to purchase, repair, sell, or rent homes.¹² Licensee also advertised his business venture as investments in real estate.¹³ The evidence further establishes that Licensee’s representations and promises to investors were false, because Licensee did not own any properties nor did he have any concrete plans to purchase properties to rent or remodel and sell. Also, as discussed above, Licensee never used the investment money to purchase or repair any homes. Licensee conceded in his investigatory interview that he made false promises to his investors. The Agency has therefore proven that Licensee violated ORS 696.301(1) and (14) by making false statements and promises to investors regarding his use of their investment money.

¹² Testimony of G. Coria, M. Coria, MA Coria, and Rojas. *See also* Exhibits A38, A39, A46, A50, and A58.

¹³ Exhibit A34. *See also* Exhibit A50 at 6.

4. *False, deceptive, or misleading advertising*

The Agency next alleges that Licensee violated ORS 696.301(3) and OAR 863-015-0125 by advertising his business as guaranteeing a return on investment in real estate. Notice at 8. As set out above, under ORS 863-015-0125(1), advertising includes all forms of meaningful communication by, or on behalf of, a real estate broker designed to attract the public to use services related to professional real estate activity. Under ORS 863-015-0125(2)(a), such advertising must be “truthful and not deceptive or misleading.”

The evidence establishes that at some point, Licensee published flyers advertising his investment business and guaranteeing a five percent return on investment each month. Then in 2023, Licensee’s friend posted Licensee’s flyer on Facebook alongside a house for sale in Salem, Oregon. The Facebook post stated: “Houses for sale and investments in real estate. Contact Leo Coria at 971-338-8972.” Exhibit A34. Although Licensee did not post this advertisement on Facebook himself, it was posted by Licensee’s friend with Licensee’s knowledge. The evidence also establishes that, by the time this advertisement was posted on Facebook, Licensee knew that it was false and misleading.

As Licensee admitted during his investigatory interview, he never had any established business model nor any concrete plan to invest the money in real estate. Furthermore, Licensee admitted that he ran out of money in late 2022 and spent the next year trying to recruit more investors so that he could repay his initial investors. Thus, he could not “guarantee” any returns on investments in real estate. Accordingly, the Agency has also established this violation of ORS 696.301(3) and OAR 863-015-0125.

5. *Failing to report adverse judgments*

As Violation 5, the Agency alleges that Licensee violated ORS 696.301 and OAR 863-015-0175(1)(b) (2003) when he failed to report judgments against him to the Agency. Notice at 9. As set out above, OAR 863-015-0175(1)(b) requires real estate licensees to notify the Agency of “any adverse decision or judgment resulting from any civil or criminal suit or action or arbitration proceeding * * * in which the licensee was named as a party and against whom allegations concerning any business conduct or professional real estate activity is asserted.” OAR 863-015-0175(4), in turn, requires that this notification be made within 20 days after the licensee receives written notice of the adverse judgment.

In the first half of 2023, Licensee knowingly defaulted in at least four lawsuits in Marion County Circuit Court related to his purported real estate investment business. The following adverse money judgments were entered against him in July and September of 2023:

- Case no. 22CV32495 – judgment and money award totaling \$76,758.74
- Case no. 23CV09531 – judgment and money award totaling \$202,881.08
- Case no. 23CV09533 – judgment and money award totaling \$20,454.46
- Case no. 23CV23622 – judgment and money award totaling \$196,263.50.

Licensee never reported these judgments to the Agency and his failure to report them

violated OAR 863-015-0175(1)(b). In failing to report these adverse judgments in violation of OAR 863-015-0175(1)(b) Licensee also violated ORS 696.301(3) (disregarding a rule of the Agency) and ORS 696.301(15) (engaging in conduct that is below the standard of care for the practice of professional real estate activity in Oregon). Accordingly, the Agency has also proven Violation 5.

6. *Incompetence in the practice of real estate*

Finally, as Violation 6, the Agency alleges that by engaging in the misconduct described above, Licensee also violated ORS 696.301(12) and (15). Notice at 9. As previously discussed, under ORS 696.301(12), the Agency may suspend or revoke the real estate license of a licensee who demonstrates incompetence or untrustworthiness in performing any act for which the licensee is required to hold a license. Under ORS 696.301(15), the Agency may sanction a licensee who engages in conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

The terms “incompetence” and “untrustworthiness” are not defined in the Agency’s statutes and rules. However, the plain meanings of these two terms are straightforward. “Incompetence” means “the state or fact of being incompetent,” and “lack of physical, intellectual or moral ability.” *Webster’s Third New Int’l Dictionary* 1144 (unabridged ed. 2002). “Incompetent” means “one incapable of doing properly what is required.” *Id.* “Untrustworthiness” means “the quality or state of being untrustworthy.” *Id.* at 2514. And “untrustworthy” means “not trustworthy” and “unreliable.” *Id.*

By repeatedly entering into written contracts with investors in which he promised to pay the investor a specific percentage of the investment amount in profits per month, by leading his investors to believe he was using their investment money in connection with professional real estate activity, by failing to pay the promised profits and returns, and by failing to use the money in connection with professional real estate activity as he represented, Licensee demonstrated both incompetence and untrustworthiness. By engaging in a new business venture that was nothing more than an investment scam (Ponzi scheme), by falsely advertising his business as guaranteeing a return on investment, and by failing to keep records of the money received from investors or the money paid to investors, Licensee demonstrated incompetence (specifically, a lack of moral ability) and trustworthiness. Furthermore, by engaging in such conduct and by failing to timely report the adverse money judgments against him to the Agency, Licensee fell below the standard of care for the practice of professional real estate activity in Oregon. The Agency has proven Violation 6 as well.

Sanction

Professional real estate activity is a matter of public concern and is to be conducted with high fiduciary standards. *See* ORS 696.015(1).¹⁴ In addition to fiduciary duties to their clients,

¹⁴ ORS 696.015(1) provides: The Legislative Assembly finds the activity of persons seeking to assist others, for compensation, to deal in real estate in this state to be a matter of public concern. The provisions of ORS 696.010

licensed brokers have an affirmative duty to, among other things, deal honestly and in good faith and disclose known material facts. *See, e.g.*, ORS 696.805, 696.810 and 696.815.

As discussed above, ORS 696.396 requires that the agency provide for progressive discipline. However, under ORS 696.396(2)(c)(A)(B) and (C), the Agency may revoke a real estate license where the material facts establish one or more violations that “result[] in significant damage or injury,” “exhibit[] incompetence in the performance of real estate activity,” or “exhibit[] dishonesty or fraudulent conduct.” The Agency has an established record of revoking the real estate licenses of licensees who have been found to have engaged in dishonest or fraudulent conduct. OAR 863-027-0020 identifies factors to be considered in determining the appropriate discipline, including the following: (a) the nature of the violation; (b) the harm caused; (c) whether the conduct was inadvertent or intentional; (d) Licensee’s experience and education; (e) any mitigating or aggravating circumstances; and (f) the volume of transactions.

In this case, the Agency has proven that Licensee repeatedly violated the provisions of ORS 696.301(1), (3), (14) and (15) and that his multiple violations of the Oregon Real Estate Law caused significant harm and injury to many of his investors and their families. Licensee’s conduct was dishonest and fraudulent. There are aggravating circumstances, including the intentional nature of Licensee’s conduct, the improper use of his notary public commission,¹⁵ and Licensee’s failure to keep records documenting investments received and/or the returns and profits paid. Licensee’s claimed sympathy for the investors and his claimed remorse for the situation are not a basis for mitigation. Licensee collected a substantial sum of money from investors using false promises and false statements. Licensee’s conduct bears an obvious and substantial relationship to his fitness, or lack thereof, to engage in professional real estate activity.

Considering nature and extent of Licensee’s dishonesty and fraudulent conduct in this matter, revocation of Licensee’s Oregon real estate license is warranted under of ORS 696.301 and 696.396(2)(c)(A), (B), and (C).

to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and 696.995 are enacted to assist in creating for the public a healthy real estate market atmosphere and to assure that professional real estate activity is conducted with high fiduciary standards.

¹⁵ *See, e.g.*, ORS 194.350(6), prohibiting a notary public from committing any act involving dishonesty, fraud, or deceit with the intent to substantially benefit the notary public or another or substantially injure another.

FINAL ORDER

Leonel Coria's real estate broker license is REVOKED.

Dated this 2nd day of January, 2025.

OREGON REAL ESTATE AGENCY

Signed by:
Steven Strobe
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Steven Strobe
Real Estate Commissioner



NOTICE OF RIGHT TO APPEAL: You are entitled to judicial review of this Order. Judicial review may be obtained by filing a petition for review within 60 days from the date of service of this order. Judicial review is to the Oregon Court of Appeals, pursuant to the provisions of ORS 183.482.

**REAL ESTATE BOARD
REGULATION DIVISION REPORT
February 3rd, 2025**

Regulation Division Manager: Elli Kataura

Compliance Specialist 3s (Senior Case Analysts): Meghan Lewis

Financial Investigators (Investigator-Auditors): Aaron Grimes, Lindsey Nunes, Cidia Nañez, Frank Leonard,
Dylan Ray, Megan Donovan, Amanda Moser.

Administrative Specialist 2 (Case Resolution Coordinator): Jack Brady

Division Overview

The Agency receives complaints and determines if an investigation is appropriate. Open cases are assigned to investigators to gather facts (from interviews and documents), prepare a detailed written report, and submit for Administrative Review. The Senior Case Analysts conducting the Administrative Review work evaluate whether the evidence supports a violation of Agency statutes or administrative rules. When a case finds sufficient cause to sanction a license, the case is elevated to the Commissioner for review. When the Commissioner supports a sanction, the Senior Case Analysts offer a settlement conference to resolve cases without a contested case hearing. If the respondent requests a hearing, the Investigator works with the Assistant Attorney General in preparing for and presenting the case at hearing.

Personnel

We have no changes to report.

Workload and Activity Indicators

<u>Average # in this status at the time</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Current 1/15/25</u>
Complaint	23	34	16	7	10
Investigation	53	22	26	64	34
<i>(# of Investigators)</i>	7	7	6*	6*	7
Admin Review	9	13	3	4	5
Settlement Process	7	5	2	8	15

* We had an investigator that was on extended leave for the majority of 2022-2023.

**REAL ESTATE BOARD
COMPLIANCE DIVISION REPORT
February 3, 2025**

Compliance Division Manager: Liz Hayes
Compliance Specialist 2: Jen Wetherbee
Compliance Specialist 1: Rick Marsland, Helen Wilson, Katie Nash
Senior Auditor (Escrow): Roger McComas

Division Overview

The Compliance Division ensures that licensees meet their fiduciary and administrative responsibilities by reviewing financial and administrative records. This division aims to conduct clients’ trust account and compliance reviews and develop other compliance-related programs. This work includes providing technical assistance and sharing knowledge on the interpretation and application of laws and rules administered by the Agency (excluding legal advice) to licensees, the public, and other governmental agencies.

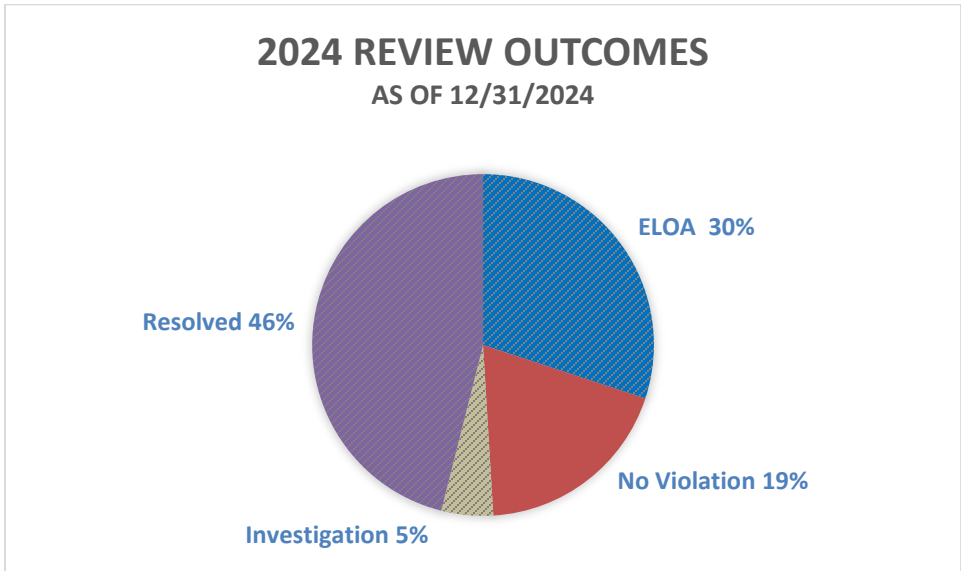
Presentation

Presentation hosted by Oregon Rental Housing Association on February 20th via Teams. Second presentation hosted by Salem Rental Housing Association in person at the Scottish Rite in Salem on March 18th.

Workload and Activity Indicators

As of 12/31/2024	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
ELOA	3	2	2	4	44	79	81	13	55	101	141
No Violation	351	356	192	172	375	216	87	10	98	94	89
Open Investigation	14	5	3	8	10	29	7	2	13	20	23
Resolved									72	182	216
Reviews Closed	368	363	197	184	429	324	175	25	238	397	469

(# of Staff)	3	4	4	5	6	6	1	1-2	2-4	3-4	3-4
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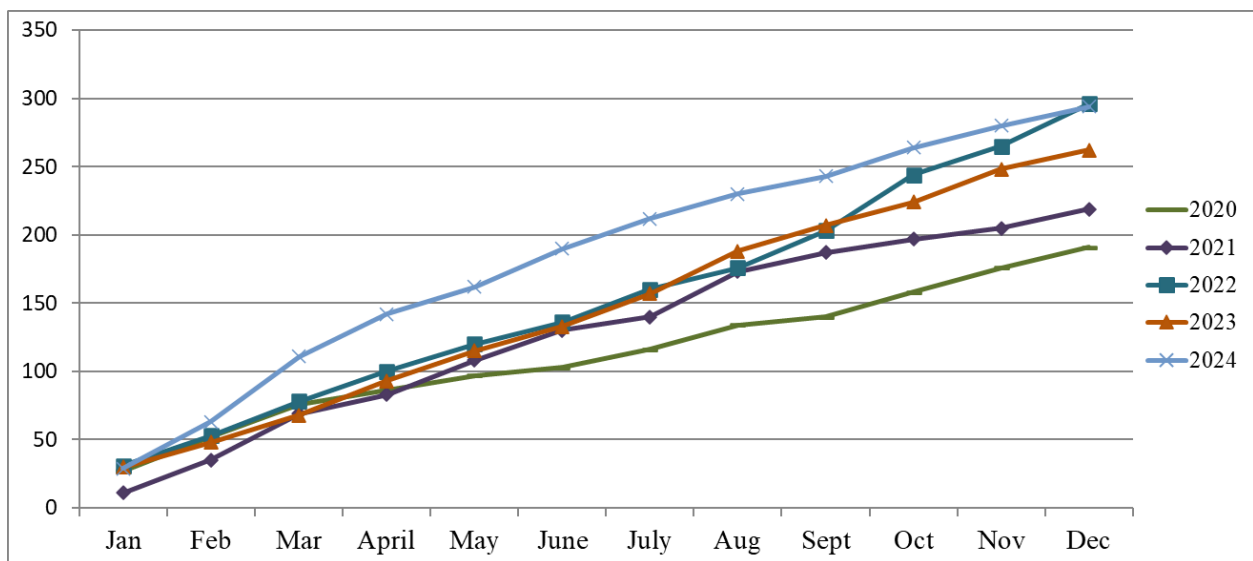
**Report to the Real Estate Board
Land Development Division
February 3rd, 2025**

Division Manager: Michael Hanifin

Section Overview:

The Land Development Division reviews and approves filings related to condominiums, timeshares, subdivisions, manufactured home subdivisions, and membership campgrounds. The section reviews and approves the foundational documents creating these types of properties, as well as later amendments to those documents, to verify compliance with statutory requirements. We also issue the Disclosure Statement (sometimes referred to as a Public Report) required for sales of these interests to Oregonians. The Disclosure Statement summarizes key information about the condominium for the consumer, somewhat like the owner’s manual for a car.

Workload and Activity Indicators



The division has had 294 filings through year end, which is approximately 30 more than last year and equal to our filing volume from 2023. The above chart contrasts filing volume for the current year with the previous four years.

Rulemaking:

Permanent rulemaking orders were filed in December related to listing and buyer agreements (REA 2-2024, effective January 1st, 2025) and wholesaler registrations and wholesaler disclosures (REA 4-2024, effective July 2st, 2025).

Legislative Activity:

Below is a list of six bills in the current legislative session that affect the agency. **(HB 2373, HB 2438 and HB 3137 are attached to this report.)**

HB 2373 - The Act creates a license for timeshare sales agents. Prohibits selling or offering for sale a timeshare without a license. Establishes a timeshare real estate license. Directs the Real Estate Agency and Real Estate Commissioner to regulate and issue timeshare sales agent licenses. Becomes operative January 1, 2026. Declares an emergency, effective July 1, 2025.

HB 2438 - The Act says that real estate agents may access the MLS and do not have to be a part of a group that represents real estate agents. Prohibits a person from denying a real estate licensee access to the multiple listing service because the licensee is not a member of a professional real estate association or organization. Punishes violation of the Act as an unlawful practice under the Unlawful Trade Practices Act.

HB 3137 - Modifies laws related to regulation of real estate professionals. Defines "managing principal broker" and prescribes responsibilities.

SB 13 - A board that issues job licenses must let a person who wants one to show job experience instead of schooling if the license needs a high school diploma. Requires a professional licensing board to consider experience in lieu of a high school diploma or an equivalent for licensure, certification or other authorization to provide certain occupational or professional services. Takes effect on the 91st

SB 476 - Licensing boards have to train their staff. Requires professional licensing boards to provide culturally responsive training to specified staff members and publish guidance on pathways to professional authorization for internationally educated individuals.

HB 5036 – Budget bill.

**REAL ESTATE BOARD
LICENSING DIVISION REPORT
February 3, 2025**

Licensing Manager: Nenah Darville
Compliance Specialist: Tami Schemmel,
Administrative Specialist: Elizabeth Hardwick, Kaely Salem, Cory King

Division Overview

The Licensing Division acts as the first point of contact for the public. This division manages reception, licensing services, public inquiry and complaint intake.

Personnel

The Division is currently recruiting for a Receptionist position at the Administrative Specialist 1 classification with preference given to applicants with fluency in Spanish.

Licensing Update

For the month of December, the Division handled 1,482 calls with an average hold time of 55 seconds. The Division reviewed 26 complaints averaging 19 days to complete.

RBN Renewal

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<u>Eligible to Renew</u>	411	328	341	327	318	266	242	258	267	273	272	324
<u>Failed to Renew</u>	17	12	19	15	4	18	13	12	13	21	8	20
<u>% Renewed</u>	96%	96%	94%	95%	99%	93%	95%	95%	95%	92%	97%	94%

Licensing Statistics

Total Licensee Counts by Month:

Individuals (Persons)	Nov-24	Dec-24
Broker – Total	17,008	16,924
Active	15,334	15,169
Inactive	1,674	1,755
Principal Broker - Total	6,107	6,099
Active	5,708	5,670
Inactive	399	429
ALL BROKERS Total	23,115	23,023
Active	21,042	20,839
Inactive	2,073	2,184
Property Manager - Total	1,026	1,020
Active	914	914
Inactive	112	106
MCC Salesperson	17	17
MCC Broker	0	0
TOTAL INDIVIDUALS	24,158	24,060
Active	21,973	21,770
Inactive	2,185	2,290
Facilities (Companies)		
REMO	4	4
Registered Business Name (RBN)	3,720	3,704
Registered Branch Office (RBO)	760	763
Escrow Organization	81	82
Escrow Branch	185	186
Condominium Filing (CO)	647	653
Unit Owners Association	800	806
Pre-License Education Provider (PEP)	25	25
CEP	292	270
MCC Operator	25	25
TOTAL FACILITIES	6,539	6,518
TOTAL INDIVIDUALS & FACILITIES	30,697	30,578

New Licenses by Month:

Individuals (Persons)	Nov-24	Dec-24
Broker	77	70
Principal Broker	9	12
TOTAL BROKERS	86	82
Property Manager	9	7
MCC Salesperson	0	0
MCC Broker	0	0
TOTAL INDIVIDUALS	95	89
Facilities (Companies)		
Continuing Education Provider (CEP)	1	5
REMO	0	0
Registered Business Name	33	25
Registered Branch Office	3	9
Escrow Organization	0	1
Escrow Branch	0	1
Condominium Filing	9	6
Unit Owners Association	14	13
Pre-License Ed Provider	0	0
MCC Operator	0	0
TOTAL FACILITIES	60	60
TOTAL INDIVIDUALS & FACILITIES	155	149

Exam Statistics

December 2024

ALL LICENSING EXAMS Total

Broker	261
Property Manager	19
Principal Broker	41
Reactivation	4

Pass Rates

<i><u>First Time Pass Rate</u></i> <i><u>Percentage</u></i>	<i><u>2020</u></i>	<i><u>2021</u></i>	<i><u>2022</u></i>	<i><u>2023</u></i>	<i><u>2024</u></i>
Broker State	50	47	44	42	44
Broker National	68	67	66	64	62
Principal Broker State	53	57	54	47	51
Principal Broker National	63	55	65	54	71
Property Manager	58	66	65	63	60

Oregon Real Estate Agency Education & Licensing Division
Licensee Application & Renewal 2024 Data

New Applications													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Brokers	219	204	217	176	197	181	159	171	173	156	171	164	2188
Principal Brokers	29	24	23	19	21	18	21	24	17	23	12	16	247
Property Managers	28	23	24	23	28	27	18	25	29	28	17	21	291
Total	276	251	264	218	246	226	198	220	219	207	200	201	2726

Renewal Activity														
Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	519	498	533	555	584	550	534	528	554	568	445	505	6373
	Inactive	43	37	23	32	43	31	38	36	44	39	26	41	433
Late	Active	48	34	41	50	57	54	55	55	56	61	57	61	629
	Inactive	27	11	6	12	4	12	11	14	15	19	5	15	151
Lapse		144	126	140	141	135	135	141	149	139	113	127	145	1635
Total		781	706	743	790	823	782	779	782	808	800	660	767	9221

Principal Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	213	235	230	223	230	242	203	214	247	221	197	202	2657
	Inactive	13	14	10	9	19	15	12	10	7	7	11	12	139
Late	Active	8	9	5	12	10	6	7	6	13	10	7	8	101
	Inactive	3	4	1	2	1	3	2	4	1	3	2	6	32
Lapse		32	26	29	14	28	23	28	23	16	23	28	27	297
Total		269	288	275	260	288	289	252	257	284	264	245	255	3226

Oregon Real Estate Agency Education & Licensing Division
Licensee Application & Renewal 2024 Data

Property Managers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	31	28	26	22	40	28	32	31	37	27	22	28	352
	Inactive	1	2	2	0	4	1	2	1	1	1	3	3	21
Late	Active	3	2	4	2	1	1	1	1	0	0	1	1	17
	Inactive	0	1	1	1	0	1	1	0	0	1	0	0	6
Lapse		11	10	5	10	5	13	11	10	8	11	7	6	107
Total		46	43	38	35	50	44	47	43	46	40	33	38	503

Grand Total (Brokers, Principal Brokers, Property Managers)														
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Total Eligible to Renew		1096	1037	1056	1085	1161	1115	1078	1082	1138	1104	938	1060	12950
On Time	Active	763	761	789	800	854	820	769	773	838	816	664	735	9382
	Inactive	57	53	35	41	66	47	52	47	52	47	40	56	593
Late	Active	59	45	50	64	68	61	63	62	69	71	65	70	747
	Inactive	30	16	8	15	5	16	14	18	16	23	7	21	189
Total Renewed		909	875	882	920	993	944	898	900	975	957	776	882	10911
Lapse		187	162	174	165	168	171	180	182	163	147	162	178	2039

% On Time		74.8%	78.5%	78.0%	77.5%	79.2%	77.8%	76.2%	75.8%	78.2%	78.2%	75.1%	74.6%	77.0%
% Late		8.1%	5.9%	5.5%	7.3%	6.3%	6.9%	7.1%	7.4%	7.5%	8.5%	7.7%	8.6%	7.2%
% Failed to Renew (Lapsed)		17.1%	15.6%	16.5%	15.2%	14.5%	15.3%	16.7%	16.8%	14.3%	13.3%	17.3%	16.8%	15.7%
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Oregon Real Estate Agency Education & Licensing Division
Licensee Application & Renewal 2023 Data

New Applications													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Brokers	262	211	275	209	253	247	228	266	226	178	177	177	2709
Principal Brokers	37	24	37	16	24	30	32	30	21	25	26	17	319
Property Managers	26	26	35	24	30	20	21	28	32	20	29	21	312
Total	325	261	347	249	307	297	281	324	279	223	232	215	3340

Renewal Activity														
Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	482	509	544	527	581	559	557	579	555	540	473	495	6401
	Inactive	42	28	30	29	28	39	25	39	33	46	34	47	420
Late	Active	74	48	50	52	67	43	63	57	63	59	50	44	670
	Inactive	12	8	13	12	12	9	9	8	9	15	9	15	131
Lapse		111	104	120	121	117	133	168	148	155	137	119	147	1580
Total		721	697	757	741	805	783	822	831	815	797	685	748	9202

Principal Brokers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	206	175	212	230	194	235	252	238	240	210	195	219	2606
	Inactive	20	12	7	10	10	8	9	11	7	7	13	11	125
Late	Active	13	6	9	10	7	13	11	13	11	14	4	11	122
	Inactive	2	3	1	3	1	2	0	6	3	2	4	2	29
Lapse		21	27	27	29	28	29	21	28	27	23	30	28	318
Total		262	223	256	282	240	287	293	296	288	256	246	271	3200

Oregon Real Estate Agency Education & Licensing Division
Licensee Application & Renewal 2023 Data

Property Managers		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
On Time	Active	35	29	35	26	38	29	36	36	27	26	31	36	384
	Inactive	3	1	1	3	2	0	1	1	1	3	1	3	20
Late	Active	3	2	0	2	1	0	4	1	0	1	2	3	19
	Inactive	2	1	0	0	0	1	1	2	0	0	0	0	7
Lapse		5	5	11	9	7	7	6	11	6	6	10	8	91
Total		48	38	47	40	48	37	48	51	34	36	44	50	521

Grand Total (Brokers, Principal Brokers, Property Managers)														
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Total Eligible to Renew		1031	958	1060	1063	1093	1107	1163	1178	1137	1089	975	1069	12923
On Time	Active	723	713	791	783	813	823	845	853	822	776	699	750	9391
	Inactive	65	41	38	42	40	47	35	51	41	56	48	61	565
Late	Active	90	56	59	64	75	56	78	71	74	74	56	58	811
	Inactive	16	12	14	15	13	12	10	16	12	17	13	17	167
Total Renewed		894	822	902	904	941	938	968	991	949	923	816	886	10934
Lapse		137	136	158	159	152	169	195	187	188	166	159	183	1989

% On Time		76.4%	78.7%	78.2%	77.6%	78.0%	78.6%	75.7%	76.7%	75.9%	76.4%	76.6%	75.9%	77.0%
% Late		10.3%	7.1%	6.9%	7.4%	8.1%	6.1%	7.6%	7.4%	7.6%	8.4%	7.1%	7.0%	7.6%
% Failed to Renew (Lapsed)		13.3%	14.2%	14.9%	15.0%	13.9%	15.3%	16.8%	15.9%	16.5%	15.2%	16.3%	17.1%	15.4%
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Oregon Real Estate Agency Education & Licensing Division Phone Counts

(Minutes: seconds)	Jan – 24	Feb – 24	Mar – 24	Apr – 24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov--24	Dec-24	2024 Average
Call Count	1588	1447	1509	1471	1415	1138	1252	1205	1232	1279	897	1213	1304
Average Wait Time	:30	:42	:45	:32	:25	:29	:27	:40	:33	:55	:55	:55	:39
Maximum Wait Time	0:09:48	0:12:50	0:11:01	0:10:00	0:13:36	0:13:28	0:20:09	0:13:37	0:10:11	0:17:29	0:16:03	0:18:31	0:13:54

Oregon Real Estate Agency Education & Licensing Division Phone Counts

(Minutes: seconds)	Jan – 23	Feb – 23	Mar – 23	Apr – 23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov--23	Dec-23	2023 Average
Call Count	1642	1368	1603	1428	1438	1286	1283	1468	1382	1445	1222	1265	1403
Average Wait Time	:33	:32	:35	:28	:28	:35	:38	:29	:32	:29	:40	:30	:32
Maximum Wait Time	0:11:07	0:11:14	0:10:58	0:09:13	0:10:11	0:16:20	0:09:26	0:11:08	0:11:55	0:11:53	0:10:46	0:10:44	0:11:15

Oregon Real Estate Agency Education & Licensing Division Phone Counts

(Minutes: seconds)	Jan – 22	Feb – 22	Mar – 22	Apr – 22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov--22	Dec-22	2022 Average
Call Count	1730	1520	1776	1510	1437	1444	1303	1510	1555	1444	1469	1295	1499
Average Wait Time	:33	:23	:45	:33	:35	:36	:42	:58	:50	:36	:29	:43	:39
Maximum Wait Time	0:20:37	0:12:03	0:26:17	0:13:25	0:10:53	0:11:15	0:11:13	0:31:05	0:32:16	0:13:58	0:10:52	0:11:53	0:17:09

**REAL ESTATE BOARD
ADMINISTRATIVE SERVICES DIVISION REPORT
February 3, 2025**

Business & Human Resources Services Manager: Reba Dunnington

Accountant: Caty Karayel

Systems Administrator: Tiffani Miller

Program Analyst: Rus Putintsev

IT Helpdesk: Denise Lewis

Section Overview

The Administrative Services Division serves as the foundation of the Agency's operations by providing comprehensive support in accounting, purchasing and contracting, inventory control, facilities, payroll, human resources, special projects, information technology (IT), and performance management.

Personnel

Our team is made up of four employees that are individual subject matter experts in their fields of IT, accounting, and program analysis. We have had no personnel changes since our last board meeting.

Accounting Update

The total number of licensees continues to gradually decline with **24,158** reported in November, **24,060** in December.

As of January 2025, projected revenue for the 2023-2025 biennium is **\$11.0 million**. Projected expenses are **\$11.7 million**, reflecting the \$1 million eLicense replacement project. The anticipated ending cash balance is **\$5.1 million** and represents approximately seven months of operating expenses.

Real Estate Agency - AY25

2023-2025 Budget - Biennium to Date Through June 30th 2025

Budget Codes (ORBITS)		23-2025 LAB	Expected Total Expenditures for Biennium (current)	Expected Remaining Limitation at end of Biennium	Percentage
	Total Personal Services	9,391,241	8,833,591	557,650	5.94%
4100 & 4125	In-State Travel & Out-of-StateTravel	107,334	66,546	40,788	38.00%
4150	Employee Training	40,206	58,728	(18,522)	-46.07%
4175	Office Expenses	58,989	29,303	29,686	50.32%
4200	Telecom/Tech Services & Support	70,231	71,639	(1,408)	-2.01%
4225	State Government Services	646,658	504,533	142,125	21.98%
4250	Data Processing	118,785	70,876	47,909	40.33%
4275	Publicity & Publications	39,905	279	39,626	99.30%
4300 & 4315	Professional Services & IT Professional Services	378,671	418,593	(39,922)	-10.54%
4325	Attorney General Legal Fees	365,688	144,986	220,702	60.35%
4375	Employee Recruitment	8,420	0	8,420	100.00%
4400	Dues & Subscriptions	10,406	11,075	(669)	-6.43%
4425	Facilities Rent & Taxes	276,712	266,641	10,071	3.64%
4475	Facilities Maintenance	4,911	14,556	(9,645)	-196.40%
4575	Agency Program Related S&S	982,084	982,510	(426)	-0.04%
4650	Other Services & Supplies	4,269	179,693	(175,424)	-4109.26%
4700	Expendable Property \$250-\$5000	31,678	6,038	25,640	80.94%
4715	IT Expendable Property	155,803	58,890	96,914	62.20%
	Total Services & Supplies	3,300,750	2,884,887	415,863	12.60%
5550	Data Processing Software	2,000,000	1,000,000	1,000,000	50.00%
	Total Capital Outlay	2,000,000	1,000,000	1,000,000	50.00%
	Totals	14,691,991	12,718,479	1,973,512	13.43%