

State of Oregon Real Estate Agency

**REAL ESTATE BOARD
Regular Meeting Minutes
October 4, 2010**

MEMBERS PRESENT: Art Kegler, Chair
Byron Hendricks, Vice-Chair
Warren (Lee) Dunn
Marcia Edwards
Joann Hansen
Chris Hermanski
Robert LeFeber
Kimberly Medford
George Slape

STAFF PRESENT: Gene Bentley, Commissioner
Dean Owens, Deputy Commissioner
Laurie Hall, Licensing Division Manager
Stacey Harrison, Education Division Manager
Laurie Skillman, Land Development Division Manager
Selina Barnes, Regulations Division Manager
Leandra Hagedorn, Board Liaison

GUESTS: Lynn Johnson, Central Oregon Coast Board of Realtors
Stacy Salladay, LCOG
Jo Becker, Fair Housing Council
Sam Livingston, Pillar to Post
Toija Beutler, 1PX1031
James Zupancic, Zupancic & Rathbone LLC
Mike Forbes, Superior Schools
Alta Taylor, Key Realty
David Moore, Equity Advantage Inc. IRA Advantage
Tom Ramsey, Vanguard Restoration
Desiree Johnson, Central Oregon Coast Board of Realtors
Maureen Hewlett, Central Oregon Coast Board of Realtors
Jan Kinslow, Central Oregon Coast Board of Realtors
Bob Freeman, Central Oregon Coast Board of Realtors
Maria Eaton, Central Oregon Coast Board of Realtors
Christina Voagd, Central Oregon Coast Board of Realtors
Delbert Phelps, Central Oregon Coast Board of Realtors
John Wallace, Oregon Association of Realtors
Rob Shiplore, CBC

I. BOARD BUSINESS

A. Call to Order. Chair Kegler called the meeting to order at 10 a.m.

- B. Roll Call. All members present. Self-introduction of all board members.
- C. Approval of the Agenda and Order of Business. Agenda approved as submitted.
- D. Approval of August 2, 2010, regular meeting minutes. Minutes approved as submitted.
- E. Date of the Next Meeting: December 6, 2010 at 10 a.m. at the Columbia Gorge Hotel, 4000 Westcliff Drive, Hood River, Oregon 97031.

II. PUBLIC COMMENT. None.

III. REQUESTS FOR WAIVERS. Waiver Request Log. No changes.

IV. PETITION TO QUALIFY AS A CONTINUING EDUCATION PROVIDER

- A. Investment Property Exchange Services, Inc. Toija Beutler, Manager, has been with the company since 1992 and affiliated with four different title companies in Oregon. The company maintains a licensed school in Washington, an escrow license in Idaho, and she teaches nearly 100 classes per week.

MOTION BY BYRON HENDRICKS TO APPROVE INVESTMENT PROPERTY EXCHANGE SERVICES, INC. Discussion. Commissioner Bentley asked Beutler if she had an escrow operation in Idaho. Ms. Beutler responded they do not but are licensed as escrow in Idaho.

MOTION CARRIED BY UNANIMOUS VOTE.

- B. Equity Advantage Inc. David Moore provides services to allow people to make deals certified in Washington State. Mr. Hendricks asked if he was licensed. Mr. Moore responded that he is not. Mr. LeFerber asked if Moore's business was similar to Investment Property Exchange. He answered yes.

MOTION BY BYRON HENDRICKS TO APPROVE EQUITY ADVANTAGE INC.

MOTION CARRIED BY UNANIMOUS VOTE.

- C. Fair Housing Council of Oregon. Jo Becker is a former licensee in Oregon. Fair Housing Council is federal housing, trains realtors and landlords on their obligations and responsibilities.

MOTION BY BYRON HENDRICKS TO APPROVE FAIR HOUSING COUNCIL OF OREGON. Discussion. Chris Hermanski offered that he has used Fair Housing Council as provider for his staff and he supports the approval. Commissioner Bentley stated that SB 640 contained specific language and defined seven areas allowing the approval. The legislation is rather restrictive.

MOTION CARRIED BY UNANIMOUS VOTE.

D. Pillar to Post Professional Home Inspection. Sam Livingston explained that they are a national company. He feels home inspectors are educators and try to help realtors. He is the administrator for that school. There are 34 classes designed for realtors to help better understand surrounding issues so they can help their clients. They have been working through title companies for six or seven years. Commissioner Bentley asked if they were requesting for individual inspectors. Mr. LeFeber clarified that individuals vs. organization is the difference. Mr. Hendricks asked Laurie Skillman to clarify what groups qualify. Ms. Skillman responded that the language is constrained by legislation. Ms. Medford points to the portion of legislation that says approval can be at the board's discretion. Mr. Moore interjects and indicates that each inspector is their own businessman. Marcia Edwards said she looks at this as a precedent setting opportunity and we need to stay close to the language for criteria. Deputy Commissioner Owens stated the intent was to strengthen the education process and not all situations were foreseen given that OREA has the authority to hold people to the proper standards.

MOTION BY BYRON HENDRICKS TO APPROVE PILLAR TO POST PROFESSIONAL HOME INSPECTION.

MOTION CARRIED BY 8 AYES AND 1 NAY (SLAPE).

E. Lane Council of Governments. Stacy Salladay explained her organization works a lot on the back end of the program. They have approximately seven title companies and work with over 200 lenders. State and local governments use their company. Marcia Edwards stated that Lane Council is a wonderful resource/tool for her as a realtor. Mr. LeFeber stated that classes and software training were excluded during work groups.

MOTION BY BYRON HENDRICKS TO APPROVE LANE COUNCIL OF GOVERNMENTS.

MOTION CARRIED BY UNANIMOUS VOTE.

F. Vanguard Restoration. Tom Ramsey explained that the company has a 16-year history in restoration, hazardous clean-up of environmental hazards, providing inspector services. They currently provide classes for insurance agents and property managers and feel they have a lot to offer for their breadth of knowledge. Mr. Ramsey has been a licensee for eight years and principal brokers are authorized to provide education. Stacey Harrison clarifies that principal broker status alone is not sufficient for approval. Ms. Medford says it is different in this group because everyone who works for Vanguard has a license of some sort. The Commissioner

asked if they were a stand-alone company and if he is the owner. Mr. Ramsey responded that he is not the owner but was here as a representative.

MOTION BY BYRON HENDRICKS TO DENY VANGUARD RESTORATION.

Discussion. Mr. LeFeber offered that the challenge is the way the exception is written. The rule says we cannot approve individual firms unless an escrow or trade organization. Ramsey asked what the difference is. Ms. Medford clarified that Vanguard is one big organization.

MOTION CARRIED BY UNANIMOUS VOTE.

G. James D. Zupancic, Esq. CRE. Mr. Zupancic said he practiced law for 31 years focusing on real estate law. He is a counselor of real estate dispute resolution. The firm has seven attorneys and is growing. They provide seminars and have high standards and expectations of excellence. Mr. LeFeber pointed out that law firms are not one of the groups listed. Mr. Zupancic responded that it was unclear how they should apply. They have licensees under their organization and want to oversee the education provided by its licensees. They provide education as themselves and via other organizations which should warrant the approval. Lee Dunn suggested that the Oregon State Bar (OSB) would be the vehicle. Mr. Zupancic responded that the premise is to have authority over licensees/instructors. Attorneys do not report to OSB for providing education. Mr. Slape asked if he was talking about the organization rather than individual. Mr. Zupancic stated he was a representative of the organization and would be happy to amend. If we were an organization that provided education for others only, that is different. Brokers are looking for continuing education credit. We are a local organization that has licensees. Mr. Slape would be more comfortable if petitioned as a group. Mr. Owens asked that the partner come to the next meeting. Zupancic offered an oral amendment to the petition. Chair Kegler clarified that from an individual to a firm may suffice. Commissioner Bentley stated that there is proposed legislation that will hopefully correct this issue (allowing attorneys to be providers). Mr. LeFeber asked if that means law firms or attorneys.

MOTION TO APPROVE ZUPANCIC RATHBONE AS PROVIDER RATHER THAN ZUPANCIC AS AN INDIVIDUAL. Discussion. Mr. LeFeber commented that essentially we are interpreting firms who have members/employees who are licensed qualify.

MOTION CARRIED WITH 7 AYES AND 2 NAYS (DUNN AND LEFEBER).

Commissioner Bentley asked if the board wants to continue approving the continuing education providers or should agency take over. The Board consensus is that petitioners should continue to appear before the board

V. BOARD ADVICE/ACTION

- A. Agency recommendation to Board on Advanced Real Estate Practices Course Petition/Stacey Harrison
 - 1. Career Real Estate School
 - 2. Superior Schools, Inc.
 - 3. ProSchools, Inc.
 - 4. Online Ed, Inc.

MOTION BY LEE DUNN TO APPROVE ALL FOUR PETITIONS.

MOTION CARRIED BY UNANIMOUS VOTE.

- B. Make recommendations to the Agency for filing on proposed rule/Laurie Skillman. Laurie Skillman explained the process and basis for recommendation for filing proposed amended rule OAR 863-025-0065 and also reviewed the draft of proposed rule OAR 863-0115-0068 regarding owner information request. Mr. Hendricks asked for a clarification of "provide." Ms. Skillman explained that they have a certain amount of time to provide information. Mr. Hendricks asked that a definition be put in the rule. Ms. Medford also clarifies that the current draft reads that information must be received on the fifth day and suggests that clarification be written in and the method of delivery should be specified.

MOTION TO APPROVE WITH SUGGESTED AMENDMENTS. Discussion. Joann Hansen asked for clarification as to what will be included in the property management agreement. Ms. Skillman clarified that this section of the rule has nothing to do with the property management agreement. Division 25 is what regulates the property management agreement.

MOTION CARRIED WITH UNANIMOUS VOTE.

Ms. Skillman also addressed the amended draft rule regarding funds received. She explained the issue and how the rule will address it.

MOTION BY BOB LEFEBER TO APPROVE RECOMMENDATION TO ADDENDUM.

MOTION CARRIED BY UNANIMOUS VOTE.

MOTION BY JOANN HANSEN TO APPROVE HOUSEKEEPING RULE.

MOTION CARRIED BY UNANIMOUS VOTE.

VI. COMMUNICATIONS – Administrative Actions Summary. No discussion.

VII. OREGON REAL ESTATE NEWS JOURNAL-Commissioner Gene Bentley. The Commissioner reminded the Board that the *OREN-J* has gone “live” and if anyone wants to receive it, they must subscribe. The Commissioner’s Bulletin can also be subscribed to.

VIII. REPORTS

- A. Chair Kegler. The Chair thanked all for being present and the local association for having us.
- B. Commissioner Gene Bentley
 - 1. ARELLO Meeting. OREA is a member of ARELLO and the Annual Conference was held in Anchorage, Alaska September 16-18, 2010. ARELLO is currently in the process of developing a Facebook page. ARELLO has excellent information on dealing with media issues. OREA investigators attended the investigator workshop held in Denver, Colorado August 2-5, 2010.
 - 2. Database/Online software RFP. In the last budget there was a policy option package for the Agency to explore obtaining a new database/licensing system. We are very close to signing a contract with a vendor who will be providing that new system to us. The new system will allow us to improve on our services, etc.
 - 3. OAR Buyers Advisory. This document does not meet the standards for the Agency to be the author. We offer a link to this on our Website but will not take credit for it.
 - 4. Meeting with Sen. Bonamici. Investigation of Bend matter has been brought to Senator Bonamici’s attention. The Commissioner met with the Senator on September 22, 2010. Law enforcement did not respond in a timely manner and there was a suggestion that OREA have more authority, or property managers should be bonded. The OREA was given the authority to issue cease and desist orders and obtain court order injunctions.
 - 5. April 2011 Board Meeting. Request moving the April 4, 2011 due to a scheduling conflict. It was agreed to move the meeting to April 11, 2011. Suggest the first two meetings of 2011 will be held in Salem, due to legislative session.
- C. Agency division reports-Deputy Commissioner Dean Owens
 - 1. Regulation Division – Selina Barnes. Ms. Barnes asked board members if they prefer the actual administrative action orders or just the summary. Board prefers orders. She also addressed the court ordered receivership that the Agency put in place and the receivership is in progress. The end of the packet provides statistics in general. Ms. Barnes reviewed the division statistics in the new format.
 - 2. Licensing Division – Laurie Hall. Ms. Hall reported that a new public inquiry position was moved from the Education Division to the Licensing Division. She also reviewed the division statistics. Commissioner Bentley shared a glowing/complimentary e-mail

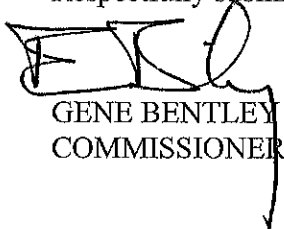
regarding excellent customer service from the Licensing Staff/Agency. The list of licensees is now available on the Agency Website.

3. Education Division – Stacey Harrison. Ms Harrison reviewed the statistics provided in the packet.
4. Land Development Division – Dean Owens for Laurie Skillman. Mr. Owens reviewed the division statistics and mentioned that due to the economy the number of condominium filings have decreased significantly. The division is currently using the ARELLO Timeshare Registry at no cost to the Agency.
5. Administration/Information Systems Division – Dean Owens for Erica Kleiner. Mr. Owens reported that the Agency budget was submitted to DAS/BAM and has been approved as submitted and is ready for the next step. The request for proposal for an exam provider will be in progress.
6. Information Technology Division - Dean Owens for Greg DeMaderios. IT maintains a strong edge on keeping Agency electronic information secure and confidential.

IX. ANNOUNCEMENTS. Date of Next meeting: December 6, 2010 at 10 a. m. at the Columbia Gorge Hotel, 4000 Westcliff Drive, Hood River, Oregon 97031.

X. ADJOURNMENT

Respectfully submitted:


GENE BENTLEY
COMMISSIONER

Respectfully submitted:


ART KEGLER
BOARD CHAIR