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**STATE OF OREGON  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
DIVISION OF FINANCIAL REGULATION**

In the Matter of:

**MSD 18-0090**

Innovative Home Solutions, LLC and Jeff Wehrung,

**Final Order to Cease and Desist and  
Consent to Entry of Final Order Assessing  
Civil Penalties**

Respondents.

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The Director of the Department of Consumer and Business Services for the State of Oregon (Director), acting under his authority granted in Oregon Revised Statutes (ORS) 446.661 *et seq.* and Oregon Administrative Rules (OAR) 441-446-0100 through 441-446-0300 (Oregon Manufactured Structure Dealers and Dealerships Law), investigated the activities of Innovative Home Solutions LLC, (IHS) and Jeff Wehrung (Wehrung) and determined that violations had been committed.

IHS and Wehrung now wish to resolve and settle this matter with the Director. As evidenced by the authorized signatures subscribed on this order, IHS and Wehrung consent to entry of this order upon the Director's Findings of Fact and Conclusions of Law as stated below.

**FINDINGS OF FACTS**

The Director finds that:

1. On or about December 14, 2017, the Oregon Division of Financial Regulation (Division) received a complaint from a resident of Falcon Wood Village, (Falcon Wood) a manufactured home community at 1475 Green Acres Road, Eugene, Oregon. The complaint was filed on behalf of a resident of Falcon Wood.
2. At all times material, William Allard (Allard) was the resident manager of Falcon Wood. Allard retired in March of 2018 and left the state.
3. Reality Systems, Inc. (RSI) is a manufactured structure dealer that sells manufactured structures in communities affiliated with Equity LifeStyle Properties, Inc. (ELS).





1 4. ELS, through affiliated entities, operates manufactured home communities throughout  
2 the United States. ELS operates Falcon Wood.

3 5. Leisure Resorts of America (LRA) is a national RV resort consulting, property  
4 management and brokerage company with offices in Oregon. LRA is not affiliated with RSI.

5 6. At all times material, RSI was licensed in Oregon to sell manufactured structures.

6 7. RSI's manufactured structure dealer (MSD) license number is MSD58. RSI has several  
7 Supplemental MSD licenses, one of which is for 1475 Green Acres Road, Eugene, Oregon. All  
8 of RSI's licenses are set to expire on October 31, 2020.

9 8. Jeff Wehrung was employed as a financial analyst for LRA from 2002 to 2015.

10 9. While Wehrung was employed by LRA, he worked at Falcon Wood through an Asset  
11 Consulting Contract between LRA and ELS. An Asset Consulting Contract is a contract to  
12 provide manufactured structure consulting services to manufactured structure communities.

13 10. Wehrung and Allard worked closely together while Wehrung was employed by LRA and  
14 was providing consulting services to Falcon Wood.

15 10. On September 25, 2008, Wehrung formed Innovative Home Solutions, LLC (IHS). IHS  
16 bought and sold manufactured structures. IHS was a small company consisting of Wehrung and  
17 his wife although his wife was not active in the business. IHS was administratively dissolved on  
18 November 22, 2017.

19 11. Allard advised Wehrung when a manufactured structure within Falcon Wood was  
20 available for sale. Allard received a fee from IHS based on his referrals to Wehrung but only  
21 after IHS sold the structure.

22 12. IHS did not have a MSD license until 2014. On September 10, 2014, MSD License No.  
23 656 was issued to IHS. The expiration date for the license was September 30, 2017.

24 13. IHS surrendered the license and the license was cancelled on September 18, 2015.

25 14. On March 1, 2015, Wehrung was hired by RSI as a Regional Property Manager. As  
26 Regional Property Manager, Wehrung was Allard's immediate supervisor and Wehrung had

oversight for operating Falcon Wood. The Division's investigation revealed that Wehrung completed no sales through IHS after he was hired by RSI.

15. Wehrung was terminated by RSI on January 9, 2018.

16. The investigation revealed that IHS and Wehrung sold fifteen manufactured structures in Falcon Wood without first obtaining an Oregon MSD license.

17. Following is a list of homes sold by IHS and Wehrung when IHS and Wehrung did not have a MSD license. The list also includes, when known, the date and price IHS originally paid for the structures.

Home ID	Space No.	Seller	Buyer	Date	Comment	Days Owned
227070	136	IHS	DPK	7/28/2014	IHS bought 04/04/14 for \$3,000 from RT	105
315871	2	IHS	CP	5/15/2013	IHS bought 05/01/13 for \$10,000 from WC	14
167341	81	IHS	BC	7/19/2012	IHS bought 07/18/12 for \$1,500 from HR	1
199707	167	IHS	CR & KR	11/18/2011	Unknown how IHS got title back from BC	
246454	117	IHS	EC & JC	8/8/2011	IHS bought 08/03/11 from RS for \$9,000	5
156416	158	IHS	LF	12/9/2010	IHS bought 10/31/10 for \$10,000 from TD	39
157910	34	IHS	MF	12/9/2010	IHS bought 12/09/10 for \$1,505.76 from WT	1
194609	99	IHS	VD	4/1/2010		
245336	114	IHS	SH	3/8/2010	IHS bought 08/10/09 for \$10,000 from CJ	210
199707	167	IHS	BC	1/22/2010		
296086	1	IHS	RM	1/20/2010	IHS bought 06/01/09 for \$4,200 from GN	233
149635	144	IHS	P & P	5/27/2009	IHS bought 04/15/09 for \$1,000 from Washington Mutual	42
202279	20	IHS	W & Z	5/4/2009	IHS bought 05/01/09 for \$3,000 WC	3
198531	12	IHS	GW	1/15/2009	IHS bought 11/13/08 for \$6,000 from MH	63
237100	159	IHS	JC & RC	10/30/2008	IHS bought 10/22/08 for unknown \$ from RR	8

#### CONCLUSIONS OF LAW

The Director concludes that:

1. IHS and Wehrung acted as manufactured structure dealers between October 30, 2008 and July 28, 2014 when IHS and Wehrung offered to sell or sold at least 15 manufactured structures in Oregon without a license in violation of ORS 446.671(1)(a).

2. By failing to obtain a MSD license and selling 15 manufactured structures between October 30, 2008 and July 28, 2014, IHS and Wehrung engaged in a pattern or practice of noncompliance with the Oregon Manufactured Structure Dealers and Dealerships Laws



1 3. Wehrung was the only active member of IHS. He had full control of IHS and made all  
2 business decisions for IHS, including the decision to engage in unlicensed manufactured  
3 structure activity over a period of years in violation of ORS 446.671(1)(a).

4 ORDERS

5 NOW, THEREFORE, the director issues the following order:

6 1. Under ORS 446.748, the Director orders IHS and Wehrung to cease and desist from  
7 violating the Oregon Manufactured Structure Dealers and Dealership Law.

8 2. Under ORS 446.995(2)(a), the Director orders IHS and Wehrung, jointly and severally,  
9 to pay a total civil penalty of \$20,000 for 15 violations (\$1,333.33 per violation) of ORS  
10 446.671(1)(a).

11 3. However, \$12,500 of the civil penalty shall be suspended for three (3) years provided  
12 that IHS and Wehrung do not violate any terms or conditions of this Consent Order. If at the end  
13 of the three (3) year period, IHS and Wehrung have fully complied with the provisions of the  
14 Consent Order, the civil penalty will automatically expire. If IHS and Wehrung are found to  
15 have committed any violations of this Consent Order, then the suspended portion of the assessed  
16 civil penalty will become immediately due. If IHS and Wehrung do not violate the terms of this  
17 Consent Order within three years from the date of the Final Order, the suspended portion of the  
18 civil penalty is waived.

19 4. Payment of the remaining \$7,500 civil penalty shall be submitted to the Director when  
20 the signed Consent Order is submitted to the Director;

21 Dated this 30<sup>th</sup> day of October, 2019.

22 CAMERON C. SMITH Director  
23 Department of Consumer and Business Services

24 /s/ Dorothy Bean  
25 Dorothy Bean, Chief of Enforcement  
26 Division of Financial Regulation



1 CONSENT TO ENTRY OF ORDER

2 I, Jeff Wehrung state that I was a member of IHS and I am authorized to act on its  
3 behalf. I have read the foregoing order and I know and understand the contents. I have been advised of  
4 the right to a hearing. IHS and I are represented by attorney Kim McGair. I, individually and on behalf  
5 of IHS voluntarily and with no force or duress, consent to the entry of this Order expressly waiving any  
6 right to a hearing. I understand that the Director reserves the right to take further actions to enforce this  
7 Order or to take appropriate action upon discovery of other violations of the Oregon Manufactured  
8 Structure Dealers and Dealerships Law. I, individually and on behalf of IHS, will fully comply with the  
9 terms and conditions stated herein.

10 I, individually and on behalf of IHS, further assure the Director that neither I, or IHS nor its  
11 officers, directors, employees, or agents will effect Manufactured Structure Dealer transactions in  
12 Oregon unless such activities fully comply with the Oregon Manufactured Structure Dealers and  
13 Dealerships Law. I, individually and on behalf of IHS, understand that this Consent Order is a public  
14 document.

15  
16 By /s/ Jeff Wehrung  
Individually and on behalf of IHS

17 ACKNOWLEDGMENT

18 State of Oregon )  
19 )ss.  
20 County of Clackamas )

21 This instrument was acknowledged before me on Oct 8, 2019 by

22 Jeffrey D Wehrung  
23

24  
25 /s/ Malinda Fern Clair  
26 Notary Public

Division of Financial Regulation  
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