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

In the Matter of: RESOURCE REAL ESTATE OPPORTUNITY REIT, INC. Respondent.	Case No. S-19-0066 FINAL ORDER TO CEASE AND DESIST, FINAL ORDER ASSESSING CIVIL PENALTY, AND CONSENT TO ENTRY OF ORDER.

The Director of the Department of Consumer and Business Services for the State of Oregon (the "Director"), acting under the authority granted by ORS 59.235 investigated Resource Real Estate Opportunity REIT, Inc. ("Resource") for possible violations of Oregon Revised Statutes ("ORS") 59.005 to 59.451, 59.991 and 59.995 (the "Oregon Securities Law") and concluded that Resource did violate one or more of those provisions.

Resource self-reported the violations and cooperated with the Director's investigation. It now wishes to resolve and settle this matter.

Now, therefore, as evidenced by the signature subscribed on the Consent to Entry of Order, Resource CONSENTS to the entry of the following findings of fact, conclusions of law, and final orders:

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387

FINDINGS OF FACT

The Director FINDS that:

Resource Real Estate Opportunity REIT, Inc.

1. Resource Real Estate Opportunity REIT, Inc. is a Maryland corporation that was

formed on June 3, 2009. Its principal executive offices are located at 1845 Walnut Street, 18th Floor, Philadelphia, PA 19103.

Background

2. On June 16, 2010, Resource commenced an initial primary public offering of up to 75,000,000 shares and a public offering of up to an additional 7,500,000 shares pursuant to Resource's distribution reinvestment plan (the "DRIP"). Under the DRIP, any cash distribution from Resource to an investor would automatically be reinvested in Resource's common stock.

3. In order to register its primary and DRIP shares by qualification in Oregon, on July 2009 Resource submitted an application to the Director under Oregon Administrative Rule ("OAR") 441-065-0020. (File 2009-767). On June 25, 2010, the Director issued an Order of Registration that registered the securities from the date of the order to June 25, 2011.

4. Between 2011 through 2016, Resource timely submitted applications to renew the Order of Registration. Resource did not, however, submit an application to renew the Order of Registration that was issued on June 25, 2016 and expired on June 25, 2017. As a result, securities issued under the DRIP have not been registered since June 25, 2017.

Sale of Unregistered Securities

5. On July 11, 2019 and July 16, 2019, Resource disclosed to the Director that between June 30, 2017 and June 29, 2019, Resource made $993,097 worth of distributions under the DRIP to Oregon residents that were not exempt from the securities registration requirements.

6. In connection with that disclosure, Resource noted that an Oregon investor that held 1,000 shares of Resource common stock between June 25, 2017 to June 2019 would have received $1,250 had they opted to receive their distributions in cash. Based on the current net asset value of Resource, the same investor would have received Resource common stock worth $1,294 during the same time period had the investor opted instead to participate in the DRIP.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

7. Reinvesting an investor's cash distributions into Resource's common stock under the DRIP constitutes the "sale" of a "security" under ORS 59.015(17)(a).

8. By selling securities between June 30, 2017 and June 29, 2019 that were not registered, Resource violated ORS 59.055.

ORDERS

The Director issues the following ORDERS:

Final Order to Cease and Desist

9. Under ORS 59.245, the Director ORDERS Resource to CEASE AND DESIST from:

A. Offering and selling unregistered securities in Oregon, in violation of ORS 59.055, unless 1) the security is exempt under ORS 59.025 or the sale is exempt under ORS 59.035; or 2) the security is a federal covered security for which a notice has been filed and fees have been paid under ORS 59.049; and

B. Violating any provision of the Oregon Securities Law or the administrative rules promulgated thereunder.

Final Order Assessing Civil Penalty

10. Under ORS 59.995(3), the Director may assess CIVIL PENALTIES allowed by ORS 59.995(1) against persons who violate or who procure, aid or abet a violation of the Oregon Securities Law in an amount equal to not more than $20,000 per violation. Each violation is a separate offense. In the case of a continuing violation, each day's continuance is a separate violation, but the maximum penalty for any continuing violation shall not exceed $100,000.

11. Under ORS 59.995(3) the Director ORDERS Resource to pay a CIVIL PENALTY in the total amount of $2,979 (two thousand nine hundred seventy nine dollars) for violation of ORS 59.055.

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12. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, the entry of this Order does not limit the remedies available to the Director under Oregon law.

SO ORDERED this 29th day of July, 2019.

CAMERON C. SMITH, Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER
BY RESOURCE REAL ESTATE OPPORTUNITY REIT, INC.

Resource Real Estate Opportunity REIT, Inc. ("Resource") states that one or more of its employees and/or officers with the appropriate authority has read this Order; fully understand its contents; consents to the entry of this Order; and will take any necessary steps to ensure that Resource fully complies with the terms of the Order.

Resource further states that it has been advised of its right to a hearing and of the right to be represented by counsel in this matter. Resource voluntarily and without any force or duress consents to the entry of this Order, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this Order. Resource understands that the Director reserves the right to take further actions to enforce this Order or to take appropriate action upon discovery of other violations of the Oregon Securities Law.

Resource understands that this Order is a public document.

Shelle Weisbaum is the Chief Legal Officer, Senior Vice President and Secretary of Resource and is authorized to execute this Consent to Entry of Order on behalf of Resource.

Resource Real Estate Opportunity REIT, Inc.

By: */s/ Shelle Weisbaum*
Shelle Weisbaum
Chief Legal Officer, Senior Vice President and Secretary

State of Pennsylvania

County of Philadelphia

There appeared before me this 23 day of July, 2019, Shelle Weisbaum, who was first duly sworn on oath, and stated that she was and is an officer or employee of Resource Real Estate Opportunity REIT, Inc. ("Resource") and that she is authorized and empowered to sign this Consent to Entry of Order on behalf of Resource and to bind Resource to the terms hereof.

/s/ Edward J McCarron Jr
Notary Public

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