



# North Dakota Real Estate Commission

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December 12, 2017  
8:30 A.M.  
Peace Garden Room  
State Capitol  
600 East Boulevard Ave  
Bismarck, ND 58501

## Members

Chair  
Diane R. Louser  
Minot

Vice Chair  
Roger M. Cymbaluk  
Williston

Scott A. Breidenbach  
West Fargo

Sandra J. Meyer  
Niagara

Jerry Schlosser  
Bismarck

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Patricia M. Jergenson  
Executive Director

Present: Diane Louser /Chair, Roger Cymbaluk/Vice Chair, Scott Breidenbach/Member, Jerry Schlosser/Member, Sandra Meyer/Member, Patricia M. Jergenson/Executive Director, Constance Hofland/Special Assistant Attorney General

1. CALL MEETING TO ORDER. Chair Louser called the meeting to order. Roll call was taken. All commissioners were present as well as Executive Director Jergenson and Special Assistant Attorney General Connie Hofland.
2. REVIEW MINUTES OF OCTOBER 10, 2017 MEETING. Commissioner Cymbaluk moved, seconded by Commissioner Schlosser to approve the October 10, 2017 minutes as presented. M/C
3. AUDIT REPORT: MAHLUM GOODHART PC. Rhonda Mahlum presented a review of the audit conducted of the Commission's financials for fiscal year July 1, 2016 to June 30, 2017 stating that the audit had received a clean opinion. Commissioner Breidenbach moved, seconded by Commissioner Meyer to approve the audit report as presented. M/C
4. TRUST ACCOUNT AUDIT REPORT: MAHLUM GOODHART PC. Rhonda Mahlum provided the Commission with a report of things they are seeing while conducting trust account audits. Some of those items are: brokers still requesting the title companies to do their accounting of earnest money when it is held at the title company, concern regarding the Trust Funds vendor some brokerages are using to electronically transfer earnest money from the buyer's account to the brokerage firm's trust account and the amount of time those transfers are taking, and the closing of trust accounts by a brokerage. Executive Director Jergenson suggested that the Commission send letters to all brokers again reminding them of the requirement to properly track the earnest money even when it is deposited with a title company. She also stated that the Commission office has begun requesting a copy of the final bank statement of a trust account showing that the balance is zero prior to the broker closing the account.

5. TRUST ACCOUNT AUDITS WITH ISSUES: MAHLUM GOODHART PC.
  - a. Midstate Realty, LLC (Nancy Allen). The recurring issue with this firm is reconciliation of their trust account. Since February 2013, inadequate trust account records have been a recurring problem. Commissioner Breidenbach moved, seconded by Commissioner Cymbaluk to file a complaint against Nancy Allen, broker of Midstate Realty. M/C  
Commissioner Cymbaluk moved, seconded by Commissioner Breidenbach to not offer fast track on this situation. M/C
  - b. Realty 2000, LLC (Donald "Tom" McKinnon). This company closed in March 2017 and the former broker of this firm is unsure who the approximately \$1,000 remaining in their trust account belongs to. Mr. McKinnon stated that he continues to look for additional information. Commissioner Schlosser moved, seconded by Commissioner Breidenbach to give Mahlum Goodhart PC authorization to request 24 months of bank statements from Realty 2000's trust account to pinpoint who the remaining earnest money belongs to. M/C
6. FINANCIAL REPORT SEPTEMBER 2017. Executive Director Jergenson presented the financial reports for September 2017. Commissioner Cymbaluk moved, seconded by Commissioner Breidenbach to approve the September 2017 financial report as presented. M/C
7. LEGAL UPDATE: SPECIAL ASSISTANT ATTORNEY GENERAL CONSTANCE HOFFLAND:
  - a. Complaint #2017-08 Allen Schierholz v Tamara F. Dronen and Jeffrey N Botnen: Memorandum. Special Assistant Attorney General Connie Hofland presented the signed Stipulation and Settlement Agreement from Tamara F. Dronen in which Ms. Dronen agrees to the suspension of her license for a minimum of 1 year and until any probation or sentence she may receive is complete, if it extends beyond 1 year. Her license will only be reinstated upon the determination of the Commission that Ms. Dronen is sufficiently rehabilitated and fit to serve the public as a real estate salesperson. Ms. Hofland recommended dismissal of the complaint against Jeffrey N. Botnen. Commissioner Cymbaluk moved, seconded by Commissioner Breidenbach to accept the Stipulation and Settlement Agreement as presented by Ms. Hofland and to dismiss the complaint against Jeffrey F. Botnen. M/C
8. REVIEW LICENSE APPLICATIONS:
  - a. Commissioners reviewed the application Leslie K. Edwards for a reciprocal broker's license. Ms. Edwards joined the meeting by conference call to discuss any questions the Commissioners might have. Commissioner Breidenbach moved, seconded by Commissioner Schlosser to grant Ms. Edward's reciprocal license providing she provides to staff documentation showing that the credit card noted on her credit report as past due is current, a copy of the agreement to repay her student loans and if the item in collection on her credit report is a medical collection provide a copy of her agreement plan to repay that item. M/C
  - b. Commissioners reviewed the application of Christina R. Goeller for a salesperson license. Ms. Goeller joined the meeting by conference call to discuss any questions the Commissioners might have. Commissioner Cymbaluk moved, seconded by Commissioner Breidenbach to approve Ms. Goeller to sit for the salesperson license examination. M/C

- c. Commissioners reviewed the application of Emily L. Ludwig for a reciprocal salesperson license. Ms. Ludwig joined the meeting by conference call to discuss any questions the Commissioners might have. Commissioner Breidenbach moved, seconded by Commissioner Cymbaluk to issue Ms. Ludwig a reciprocal salesperson license. M/C
  - d. Commissioners reviewed the application Mikel R. Melenich for a reciprocal salesperson license. Commissioner Cymbaluk moved, seconded by Commissioner Schlosser to issue Mr. Melenich a reciprocal salesperson license. M/C
  - e. Commissioners reviewed the application of Anastasia A. Meyer for a salesperson license. Ms. Meyer joined the meeting in person to discuss any questions the Commissioners might have. Commissioner Cymbaluk moved, seconded by Commissioner Breidenbach to approve Ms. Meyer to sit for the salesperson license examination. M/C
  - f. Commissioners reviewed the application of Reid B. Middaugh for a salesperson license. Commissioner Schlosser moved, seconded by Commissioner Breidenbach to approve Mr. Middaugh to sit for the salesperson license examination pending him providing an explanation to staff of why he didn't list things that appeared on his background report on his application. M/C
  - g. Commissioners reviewed the application Angela N. Pfaff for a salesperson license. Ms. Pfaff joined the meeting by conference call to discuss any questions the Commissioners might have. Commissioner Cymbaluk moved, seconded by Commissioner Meyer to approve Ms. Pfaff to sit for the salesperson license examination. M/C
  - h. Commissioners reviewed the application of Ileana Scott for a salesperson license. Ms. Scott joined the meeting in person to answer any questions the Commissioners may have. Commissioner Breidenbach moved, seconded by Commissioner Cymbaluk to approve Ms. Scott to sit for the salesperson examination subject to her providing verification to staff that her past due accounts on her credit report are current and a copy of her student loan repayment plan. M/C
  - i. Commissioners reviewed the application Tiara G. Shareef for a reciprocal broker's license. Commissioner Cymbaluk moved, seconded by Commissioner Schlosser to deny Ms. Shareef's request for a reciprocal broker's license. M/C
  - j. Commissioners reviewed the application of JenaDee L. Wolf for a salesperson license. Ms. Wolf joined the meeting by conference call to discuss any questions the Commissioners might have. Commissioner Meyer moved, seconded by Commissioner Cymbaluk to approve Ms. Wolf to sit for the salesperson license examination. M/C
9. REVIEW ISSUE REGARDING NSF CHECK FROM ANGELA K. WITTE. Executive Director Jergenson informed the Commissioners that she forgot to inform Ms. Witte that this item would be before the Commission today. Commissioner Cymbaluk moved, seconded by Commissioner Breidenbach to table this item until the next Commission meeting. M/C

11. REQUEST FOR EXTENSION TO COMPLETE CONTINUING EDUCATION REQUIREMENTS FOR 2017. The Commission received a request for a six-month extension to complete the nine (9) hours of continuing education for 2017 from Steven Link on behalf of James LaKoduk due to health issues. Commissioner Cymbaluk moved, seconded by Commissioner Breidenbach to honor the request for a 6 month extension for Mr. Lakoduk. M/C
12. UPDATE ON CREDIT CARD PROCESSING: KRISTI HASS/ADMINISTRATIVE ASSISTANT. Ms. Hass stated she recently learned that the Bank of North Dakota does credit card processing so she will come before the Commission again when she has additional information.
13. UPDATE ON ADMINISTRATIVE RULES COMMITTEE INTERIM STUDY ON MEMBERSHIP AND STATE SUPERVISION OF THE STATE'S OCCUPATIONAL AND PROFESSIONAL LICENSING BOARDS. Executive Director Jergenson reported that the Administrative Rules Committee met on December 5, 2017 and that a representative from the Attorney General's office presented their opinion on the levels of supervision in place in ND for Boards and Commissions. In their opinion the Attorney General's office is comfortable with the levels of supervision in place and do not believe that now is the time for any changes in the makeup of the Boards and Commissions.
14. NORTH DAKOTA ASSOCIATION OF REALTORS® PRE-LICENSING EDUCATION TASK FORCE UPDATE. Executive Director Jergenson stated there is no update because the task force hasn't met.
15. NORTH DAKOTA ASSOCIATION OF REALTORS® TEAMS TASK FORCE UPDATE. Executive Director Jergenson stated there is no update because the task force hasn't met.
16. PSI ADVISORY BOARD MEETING UPDATE: COMMISSIONERS BREIDENBACH AND CYMBALUK. Commissioners Breidenbach and Cymbaluk both thought this was very interesting. The number of hours isn't as important as instructors and methods.
17. NDAR MEETING UPDATE: EXECUTIVE DIRECTOR JERGENSON. Executive Director Jergenson filed a written report.
18. REVIEW APPROVED TRUST ACCOUNT WAIVERS. Commissioners received a report of trust account waivers granted since the October 10, 2017 meeting. A list of those waivers is attached to these minutes.
19. COMMISSION PRIORITIES. Commissioner Breidenbach spoke about the renewal process and wanting to speed that up. Also credit card processing all year long is a high priority. He feels paper newsletters are outdated so maybe we can email important information or send electronic newsletters.
20. OTHER BUSINESS.
  - a. Executive Director Jergenson announced her retirement effective April 1, 2018. The Commissioners then discussed the timeline for finding Ms. Jergenson's replacement.
    - i. January 12, 2018 at 8:30 a.m. - Commission meeting via conference call to finalize job description and salary guidelines for Executive Director position.
    - ii. February 2, 2018 – Deadline for applicants
    - iii. February 8, 2018 – Commission meeting to review applicants
    - iv. February 20-21, 2018 – Interviews of successful applicants
    - v. March 1, 2018 – Make job offer by this date

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There being no further business Chair Louser adjourned the meeting at 11:35 a.m. Commissioner Cymbaluk moved, seconded by Commissioner Schlosser.

Respectfully submitted,



Kristi Hass

Administrative Assistant