

North Dakota Real Estate Commission
August 20, 2003
Pearce & Durick Law Office
Conference Room
9:00 AM Central Time

Present: Roger Cymbaluk/Chair, Kris Sheridan/Member, Jerry Youngberg/Member,
Jerry Schlosser/Member, Diane Louser/Member, Patricia M.
Jergenson/Secretary Treasurer, David Reich/Legal Counsel

1. Chair Roger Cymbaluk called the meeting to order.
2. APPROVE MINUTES OF THE PREVIOUS MEETING. Commissioner Sheridan moved, seconded by Commissioner Youngberg to approve the minutes of the previous meeting. M/C
3. FINANCIAL REPORT. The financial reports for June and July 2003 were reviewed. Commissioners requested that the accountant be present at the next Commission meeting to review the balance sheet. Commissioner Sheridan moved, seconded by Commissioner Youngberg to approve the financial reports for June and July 2003. M/C
4. REVIEW FORMAL COMPLAINTS.
Case# 2002-05 Wayne & Jonna Praus v. Ron Schoch. Action on this complaint was tabled in February 2003 because of pending civil litigation. Mr. Reich informed the Commission that he has not received any additional information to date.
Case# 2002-11 Faye Rivers v. Geri Chillemi and Brenda Mattern. The Commission reviewed the formal complaint filed by Faye C. Rivers alleging that Geri Chillemi and Brenda Mattern failed to 1.) make certain that a cabinet would be fixed by the seller, 2.) give accurate information in response to her request whether the walls were fireproof and 3.) inform her that the seller did not have an obligation to remove nails and screws and paint the walls. Mr. Reich recommended dismissal of the complaint as it appears that there is not sufficient evidence of a violation of statutes or regulations to proceed to hearing. Commissioner Louser moved, seconded by Commissioner Schlosser to dismiss the complaint. M/C
Case# 2003-01 Gene Engraf v John Wegleitner. The Commission reviewed the formal complaint filed by Gene Engraf alleging that John Wegleitner, agent for the seller, failed to properly submit Mr. Engraf's offers to purchase the subject property prior to the time the seller accepted another offer. Mr. Reich recommended dismissal of the complaint as it appears that there is not sufficient evidence of a violation of statutes or regulations to proceed to

hearing. Commissioner Sheridan moved, seconded by Commissioner Louser to dismiss the complaint. M/C

Case# 2003-02 Daniel Zimney v. Rosalie Wibstad. The Commission reviewed the formal complaint filed by Daniel Zimney alleging that Rosalie Wibstad violated certain regulations regarding agency disclosure, conflict of interest and personal interest. Mr. Reich recommended dismissal of the complaint as it appears that there is not sufficient evidence of a violation of statutes or regulations to proceed to hearing. Commissioner Sheridan moved, seconded by Commissioner Youngberg to dismiss the complaint. M/C

Case# 2003- 04 Debora Calavera v. Michael Puklich and John Sauter. The Commission reviewed the formal complaint filed by Debora Calavera alleging that Michael Puklich took unfair advantage of her situation and that she was unhappy with the service provided by John Sauter. Commissioner Sheridan moved, seconded by Commissioner Louser to table this complaint subject to further investigation by Mr. Reich. M/C Commissioners will review this case and Case# 2002-10 at their next meeting.

5. ELECTION OF VICE CHAIR. Commissioner Youngberg sent a letter of resignation as Vice Chair. Commissioner Schlosser moved, seconded by Commissioner Louser to accept the resignation of Jerry Youngberg as Vice Chair. M/C Commissioner Youngberg moved, seconded by Commissioner Louser to nominate Commissioner Sheridan as Vice Chair. M/C
6. REVIEW APPLICATION FOR SALESPERSON LICENSE. Commissioners reviewed the application for a salesperson license from Vanessa S. Nutt. Commissioner Sheridan moved, seconded by Commissioner Youngberg to approve Ms. Nutt to sit for the examination. M/C
7. REVIEW REQUEST FOR TRUST ACCOUNT WAIVER. Commissioners reviewed the request for a trust account waiver from Scott Louser. Commissioner Louser abstained from discussion and voting. Commissioner Sheridan moved, seconded by Commissioner Youngberg to approve the trust account waiver for Scott Louser. M/C
8. REVIEW ERRORS AND OMISSIONS CLAIMS REPORT. RISC provided the Commission with a Claims Listing report for the second quarter ending June 30, 2003. Staff will request additional information regarding the claims that were denied.
9. REVIEW RENEWAL LETTER FOR ERRORS AND OMISSIONS INSURANCE FROM RISC. The correspondence from RISC states that there will be no changes in the coverage in the policy for 2004 and the premium will remain at \$125.00. Commissioner Sheridan moved, seconded by Commissioner Schlosser to accept the extension of insurance service with RISC. M/C
10. REVIEW JOB DESCRIPTIONS FOR AUDITOR AND ADMINISTRATIVE ASSISTANT. Staff presented revised job descriptions for the positions of auditor and administrative assistant. It was the consensus of the Commissioners to review and discuss the job descriptions at a future meeting.
11. UPDATE ON STAFF REVIEW OF LICENSE EXAMINATION QUESTIONS. Secretary Treasurer Jergenson reported that she had reviewed the questions in the license examination and those questions that relate to pending rules changes and the new statutes have been removed until the new license law books are printed.

12. DISCUSS TRAVEL TO AMP ADVISORY BOARD MEETING. Secretary Treasurer Jergenson requested that consideration be given for her to attend the AMP Advisory Board meeting October 5th & 6th. It was noted that this is not a budgeted item, however it should be added to future budgets. Commissioner Youngberg moved, seconded by Commissioner Louser to approve the attendance of Secretary Treasurer Jergenson at the AMP Advisory Board meeting. M/C
13. DISCUSS TRAVEL TO ARELLO ANNUAL CONFERENCE. Commissioners Cymbaluk, Commissioner Schlosser and Secretary Treasurer Jergenson will attend the ARELLO Annual Conference.
14. DISCUSS PLANS TO HOST ARELLO CENTRAL DISTRICT MEETING IN 2004. It was the consensus of the Commissioners to wait to schedule a district conference in Bismarck until the need for a district meeting is finalized at the ARELLO Annual Conference.
15. DISCUSS OFFICE LEASE. The office lease expires on September 30, 2003. Discussion followed regarding the possibility of moving the office to another location. Commissioner Youngberg moved, seconded by Commissioner Sheridan to authorize staff to negotiate a lease with the current landlord for up to one year. M/C
16. REQUEST FROM CLAUS LEMBKE TO ADDRESS THE COMMISSION. Mr. Lembke and Ms. Splichal appeared before the Commission on behalf of NDAR regarding the protocol for NDAR to receive a copy of the Real Estate Commission's preliminary budget. Discussion.
17. DISCUSS REQUIRED COURSE(S) FOR CE CYCLE 2004-2005. Commissioners provided NDAR with several possible course topics which included: handling multiple offers, contracts and assorted addenda, how to address issues such as hail damage, write a contingency offer, and other factors in risk reduction.
18. REVIEW CORRESPONDENCE REGARDING ATTORNEYS SELLING REAL ESTATE. It was noted that the Real Estate Commission has no jurisdiction over attorneys.
19. Other business:
 - a. Staff suggested that when the new license law books are printed the changes in the law be underlined and those portions that were removed have a line drawn through them for easier reference by the licensees. It was the consensus of the Commissioners to have the license law books printed as recommended.
 - b. The issue of reciprocal continuing education with Minnesota was discussed and it was determined that the Minnesota Association of REALTORS® will handle the situation with their Department of Commerce.
 - c. Darin Milbrath sent a letter to the Commission requesting exemption from 70-02-01-03(5). Examinations and that he be allowed to rewrite the examination a fourth time. Commissioner Sheridan moved, seconded by Commissioner Louser to deny permission for Mr. Milbrath to sit for the examination. M/C
 - d. Commissioners reviewed a request to approve the course "Real Estate Finance and Investment", offered through UND, as hours to be used towards a broker's license. Commissioner Sheridan moved, seconded by Commissioner Youngberg to not approve the course for broker license education requirements. M/C

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- e. Staff requested direction regarding a situation involving two brothers who own a real estate company. The consensus of the Commissioners is that the Commission office acted upon the instructions of the broker of record and therefore the disagreement is between the two brothers.
- f. South Dakota Real Estate Commission Executive Director Larry Lyngstad is retiring in October. It was the consensus of the Commissioners that the North Dakota Real Estate Commission recognizes Mr. Lyngstad with a gift upon his retirement.

Commissioner Sheridan moved, seconded by Commissioner Youngberg to adjourn the meeting. M/C

Respectfully submitted,

Patricia M. Jergenson
Secretary Treasurer