

December 11, 2012
8:00am Central Time
North Dakota Real Estate Commission
Conference Room (1st Floor)
200 E Main Ave
Bismarck ND

Present: Diane Louser/Chair, Roger Cymbaluk/Vice Chair, Kris Sheridan/Member, Jerry Youngberg/Member, Jerry Schlosser/Member, Patricia M. Jergenson/Executive Director, Constance Hofland/Special Assistant Attorney General

1. CALL MEETING TO ORDER. Chair Louser called the meeting to order. All members were present. Guests were welcomed.
2. APPROVE MINUTES OF OCTOBER 17, 2012 MEETING. Commissioner Sheridan moved, seconded by Commissioner Schlosser to approve the minutes of October 17, 2012. M/C
3. APPROVE OCTOBER 2012 FINANCIAL REPORT. Executive Director Jergenson went over the October 2012 financial reports. Commissioner Youngberg moved, seconded by Commissioner Schlosser to approve the financial reports for October 2012. Jergenson recommended to pay the cost of printing the newsletter and postage out of the general fund rather than the Recovery Fund. Commissioner Schlosser moved, seconded by Commissioner Sheridan to approve the recommendation to pay the newsletter costs and postage out of the general fund. M/C This is to be reviewed at the next budget meeting.
4. REPORT ON AUDIT OF REAL ESTATE COMMISSION FINANCIAL RECORDS: RHONDA MAHLUM/MAHLUM GOODHART PC. Ms. Mahlum presented the annual audit report and stated that it received a clean opinion. Commissioner Youngberg moved, seconded by Commissioner Schlosser to accept the auditor's report. M/C
5. LEGAL UPDATE: SPECIAL ASSISTANT ATTORNEY GENERAL CONSTANCE HOFLAND.
 - a. Complaint #2012-15 NDREC v Laurel J. Haake Stipulated Agreement. Special Assistant Attorney General Connie Hofland presented the signed Stipulation and Settlement Agreement from Laurel J. Haake in which Ms. Haake agrees to pay a fine of \$250 and \$280 legal/investigative costs within 30 days of Notice of Entry of the Order. Commissioner Sheridan moved, seconded by Commissioner Youngberg to approve the Stipulation and Settlement Agreement as presented by Ms. Hofland. M/C
 - b. Complaint #2012-23 NDREC v Kevin C. Ritterman Stipulated Agreement. Commissioner Youngberg recused himself from discussion and action on this complaint. Special Assistant Attorney General Connie Hofland presented the signed Stipulation and Settlement Agreement from Kevin C. Ritterman in which Mr. Ritterman agrees to pay a fine of \$250 and \$280 legal/investigative costs within 30 days of Notice of Entry of the Order. Commissioner Schlosser moved, seconded by Commissioner Sheridan to

- approve the Stipulation and Settlement Agreement as presented by Ms. Hofland. M/C
- c. Complaint #2012-11 Erika L. Sleger v Dennis G. Nelson status report. Special Assistant Attorney General Connie Hofland stated the terms offered to Mr. Nelson in a proposed stipulated agreement were \$1200 legal/investigative costs and \$250 fine. Mr. Nelson countered with \$650 legal/investigative costs and \$250 fine. Commissioner Sheridan moved, seconded by Commissioner Youngberg that Ms. Hofland inform Mr. Nelson that the stipulated agreement offer is \$1200 legal/investigative costs and \$250 fine and if he does not find that acceptable then the complaint will go to hearing. M/C
 - d. Report on unlicensed activity letters. Ms. Hofland stated that 6 letters have been sent to individuals appearing to be practicing real estate in North Dakota without a license. Of those 6 two have notified her that they will cease their activity. It was the consensus of the Commissioners that if the individual has a real estate license in another state the licensing agency should be carbon copied on the letter as well.
6. REQUEST FOR WAIVER TO OBTAIN BROKER LICENSE.
- a. Adam Metzker appeared before the Commission to request a waiver of the two year active experience as a salesperson and asked that he be allowed to take the broker license examination. Mr. Metzker stated that he has been in the real estate industry for over 10 years prior to moving to North Dakota. Commissioner Sheridan moved, seconded by Commissioner Youngberg to waive the two year salesperson experience requirement however Mr. Metzker must complete the 60 hours of broker education before he may sit for the broker examination. M/C
7. REVIEW LICENSE APPLICATIONS:
- a. Commissioners reviewed the application of Jeremy D. Anderson for a salesperson license. Commissioner Sheridan recused herself from discussion and action on this application. Commissioner Schlosser moved, seconded by Commissioner Youngberg to approve Mr. Anderson to sit for the salesperson real estate license examination. M/C
 - b. Commissioners reviewed the application of William G. Barber for a salesperson license. Commissioner Sheridan moved, seconded by Commissioner Schlosser to approve Mr. Barber to sit for the salesperson real estate license examination. M/C
 - c. Commissioners reviewed the application of Paul L. Chevalier, Jr. for a non-resident broker license. Commissioner Schlosser moved, seconded by Commissioner Youngberg to approve Mr. Chevalier, Jr. to sit for the non-resident state portion of the real estate license examination. M/C
 - d. Commissioners reviewed the application of Andrew F. Colburn for a non-resident broker license. Mr. Colburn appeared in person before the Commission to address the issues on his credit report. Commissioner Schlosser moved, seconded by Commissioner Sheridan to approve Mr. Colburn to sit for the non-resident state portion of the real estate license examination subject to Mr. Colburn providing clear evidence to staff that he is consistently making payments as he has agreed. M/C
 - e. Commissioners reviewed the application of Joshua J. Hanson for a reciprocal salesperson license. Commissioner Sheridan moved, seconded by Commissioner Schlosser to deny Mr. Hanson's application for a reciprocal salesperson license due to items on his credit report. M/C
 - f. Commissioners reviewed the application of Sherri L. Johnson for a salesperson license. Commissioner Youngberg moved, seconded by Commissioner Schlosser to approve Ms. Johnson to sit for the salesperson real estate license examination. M/C
 - g. Commissioners reviewed the application of Justin L. Mikkelsen for a salesperson license. Commissioner Schlosser moved, seconded by Commissioner Youngberg to approve Mr. Mikkelsen to sit for the salesperson real estate license examination. M/C

- h. Commissioners reviewed the application of David D. Mulske for a salesperson license. Commissioner Schlosser moved, seconded by Commissioner Sheridan to deny Mr. Mulske's application for a reciprocal salesperson license due to items on his credit report. M/C
 - i. Commissioners reviewed the application of Andrew J. Nelson for a salesperson license. Commissioner Schlosser moved, seconded by Commissioner Sheridan to approve Mr. Nelson to sit for the salesperson real estate license examination. M/C
 - j. Commissioners reviewed the application of Andrea J. Nordling for a reciprocal broker license. Executive Director Jergenson noted discrepancies on Ms. Nordling's application. Commissioner Youngberg moved, seconded by Commissioner Sheridan to table Ms. Nordling's application and request information from the Badlands Board of REALTORS® regarding any real estate activity Ms. Nordling may have conducted in their area. Motion failed. Commissioner Sheridan moved, seconded by Commissioner Schlosser to deny Ms. Nordling's application for a reciprocal broker license. M/C
 - k. Commissioners reviewed the application of SuLin E. Reyerson for a salesperson license. Commissioner Schlosser moved, seconded by Commissioner Sheridan to approve Ms. Reyerson to sit for the salesperson real estate license examination. M/C
 - l. Commissioners reviewed the application of Kimberly M. Semenko for a salesperson license. Commissioner Sheridan moved, seconded by Commissioner Youngberg to approve Ms. Semenko to sit for the salesperson real estate license examination. M/C
 - m. Commissioners reviewed the application of Michael L. Soulis for a salesperson license. Commissioner Youngberg moved, seconded by Commissioner Schlosser to approve Mr. Soulis to sit for the salesperson real estate license examination. M/C
8. REVIEW TABLED APPLICATIONS:
- a. Ms. Corona's application for a salesperson license was reviewed at the October 17, 2012 Commission meeting. The Commission moved to table action on her application until Ms. Corona provided an explanation regarding the items in collection on her credit report. Ms. Corona submitted a letter to the Commission explaining the items on her credit report and an email in which she stated that she has hired a credit restoration company to help her clear up her credit report. Commissioner Sheridan moved, seconded by Commissioner Schlosser to approve Ms. Corona to take the salesperson license examination. M/C
 - b. Mr. Timm's application for a broker license was reviewed at the October 17, 2012 Commission meeting. The Commission moved to table action on his application until Mr. Timm provided more information regarding the restraining order filed against him and that there has been a resolution to the situation. Mr. Timm joined the meeting via conference call. Mr. Timm had provided the Commission with a copy of the dismissal of the restraining order and Ms. Ryan provided a transcript of the hearing. Assistant Attorney General Hofland discussed the broker inspection letters and stated that Mr. Blake Krabseth was willing to discuss his comments further. Mr. Timm commented on the dismissal and filing of the restraining order by Ms. Ryan. Commissioner Sheridan moved, seconded by Commissioner Schlosser to continue to table Mr. Timm's application for a broker license pending further information is received from Mr. Krabseth. M/C Mr. Timm will have a chance to respond to the written response from Mr. Krabseth.
9. APPEAL OF DENIED NON-RESIDENT BROKER APPLICATION OF JAMES B. MAHN.
Mr. Mahn's application for a non-resident broker license was denied at the October 17, 2012 Commission meeting on the basis that Mr. Mahn had provided false or misleading information on his application regarding how he is licensed in the state of Wisconsin. Mr. Mahn joined the meeting via conference call to appeal the denial of his non-resident broker license application. He addressed items that were of concern on his application and clarified information received by the Commission staff from the Wisconsin Department of Safety and Professional Services.

- Commissioner Sheridan moved, seconded by Commissioner Youngberg to approve Mr. Mahn to sit for the non-resident state portion of the real estate license examination subject to the Executive Director getting verification from the State of Wisconsin regarding Mr. Mahn's license. M/C
10. INFORMATION ON THE UND PRE-LICENSING COURSE REVISIONS. UND submitted a document outlining the improvements they have made to the online pre-licensing course they offer. It was suggested that UND write an article for the newsletter.
 11. CORRESPONDENCE SENT TO AND RECEIVED FROM THERESA HALVORSON REGARDING HER ONGOING EDUCATION PRE-LICENSING COURSE. Ms. Halvorson addressed the issues noted in correspondence from the Executive Director and also stated that she would no longer provide the rosters of her class attendees as she believed the Commission felt that providing the roster was inappropriate. It was the consensus of the Commission that it is Ms. Halvorson's business decision whether or not to provide the rosters publicly and not the Commission's.
 12. NORTH DAKOTA ASSOCIATION OF REALTORS® LEGISLATIVE UPDATE: CLAUS LEMBKE. Mr. Lembke stated that NDAR is monitoring/legislating the following: referred measure to prohibit transfer tax, changing the good funds law, supporting meaningful reduction of property tax, expanded Homestead credit, and appraisal issues (approve situation through AMC legislation). They will not be taking action on the following: rental management licensure, disclosure of sale price, term limits for ND Real Estate commissioners, and meth disclosure (have discovered it is required). Additional items discussed: mandatory broker education (NDAR has established a task force to study this and are not looking for legislative changes), reciprocal licensing (after receiving input from the Commission staff NDAR is satisfied that the Commission is being fair in its handling of reciprocal license applications), and requirement of auctioneers to hold a real estate license.
 13. REVIEW CORRESPONDENCE FROM MARK WALCZAK REGARDING THE STATE PORTION OF THE REAL ESTATE LICENSE EXAMINATION. Mr. Walzak emailed his opinion of the real estate examination. No action was taken.
 14. OFFICE SPACE. Chad Moldenhauer appeared in person to talk about his purchase of the building in which we are tenants. He stated that he will honor our lease, which expires July 31, 2013, and that he will also allow us to leave earlier if we find another location.
 15. CONSIDER REVISING THE CONSUMER GUIDE TO BUYING AND SELLING REAL ESTATE BOOKLET. Staff noted that the guide is 10 years old and should be updated or discontinued distributing it. It was suggested to approach the North Dakota Association of REALTORS® to see if they would be interested in establishing a task force to revise the booklet.
 16. REVIEW APPROVED TRUST ACCOUNT WAIVERS. Commissioners received a report of trust account waivers granted since the October 17, 2012 meeting. A list of those waivers is attached to these minutes.
 17. COMMISSION GOALS. The goals of the Commission were reviewed.
 18. OTHER BUSINESS.
 - a. It was the consensus to have the next Commission meeting in early March.

There being no further business Chair Louser adjourned the meeting.

Respectfully submitted,

Patricia M. Jergenson
Executive Director