

December 14, 2005
9:00 AM Conference Call
North Dakota Real Estate Commission Office
200 E Main Ave Suite 204
Bismarck ND 58501

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

1. CALL MEETING TO ORDER. Chair Jerry Youngberg called the meeting to order. Roll call was taken.
2. APPROVE MINUTES OF SEPTEMBER 26, 2005, OCTOBER 20, 2005 AND NOVEMBER 15, 2005. Commissioner Sheridan moved, seconded by Commissioner Schlosser to approve the minutes of the September 26, 2005, October 20, 2005 and November 15, 2005 meetings as presented. M/C
3. APPROVE FINANCIAL REPORTS FOR SEPTEMBER, OCTOBER, AND NOVEMBER 2005. Commissioner Cymbaluk moved, seconded by Commissioner Sheridan to approve the financial reports for September, October and November 2005 as presented. M/C
4. REVIEW OF FORMAL COMPLAINTS PENDING BEFORE THE NORTH DAKOTA REAL ESTATE COMMISSION.
 - a. Dave Reich reviewed the stipulated agreement before the Commissioners regarding the complaint filed by the Commission against Michael Puklich. The stipulated agreement stated that Mr. Puklich would pay a \$1000 fine, \$850 in legal costs, return and not renew his license, and noting that Mr. Puklich had added a paragraph to the agreement. Commissioner Sheridan moved, seconded by Commissioner Schlosser to approve the stipulated agreement with Mr. Puklich as prepared. M/C
 - b. Case# 2005-02 Lucille F. Grueneich v. Valerie Gunther. A hearing on this case was scheduled for 9:00 am today however the respondent, Valerie Gunther, agreed to stipulate. Mr. Reich reviewed the stipulated agreement in which Ms Gunther agrees to pay a \$150 fine, \$450 in legal costs, and complete 6 hours of education in contracts and agency within 6 months. The education requirement is in addition to the 16 hours required for license renewal. Ms Gunther will sign a promissory note. Commissioner Schlosser moved, seconded by Commissioner Cymbaluk to approve the stipulated agreement with Ms Gunther. M/C

- c. Case# 2005-01 M/M Steve Winterquist v. Cheryl Whitty and Tom McKinnon. A hearing on this case was scheduled for 11:00 am today however respondent Cheryl Whitty agreed to stipulate. Mr. Reich reviewed the stipulated agreement in which Ms Whitty agrees to pay a \$500 fine, \$450 in legal costs, and complete 6 hours of education in agency and real estate financing within 30 days of the approved agreement. The education requirement is in addition to the 16 hours required for license renewal. Commissioner Cymbaluk moved, seconded by Commissioner Louser to accept Mr. Reich's recommendation to approve the stipulated agreement with Cheryl Whitty as proposed. M/C A new hearing date will be set to hear the complaint against Tom McKinnon.
 - d. Case# 2005-04 has been withdrawn by the complainant.
 - e. Case# 2005-05 James A. Ramsey v. Gary Kramlich. Mr. Reich noted that this complaint is under investigation and also is involved in a civil trial.
5. REQUEST FOR HEARING ON DENIED APPLICATIONS:
- a. Dyer McCabe provided the Commissioners with written documentation regarding the charges on his reciprocal license application. It was noted that Mr. McCabe may be a North Dakota resident, this fact will be researched. Commissioner Sheridan moved, seconded by Commissioner Cymbaluk to table action on this appeal. M/C
 - b. Neil Wadhawan joined the conference call to answer questions from the Commissioners and to provide his explanation regarding the DUI convictions on his license application. A question arose regarding the state of residence of Mr. Wadhawan. Commissioner Cymbaluk moved, seconded by Commissioner Sheridan to deny Mr. Wadhawan's application until he has proven that he is a North Dakota resident and is able to drive in North Dakota. M/C
6. REVIEW APPLICATIONS FOR SALESPERSON LICENSE:
- a. Commissioners reviewed the application of Michael J. Boutrous for a salesperson's license. Commissioner Sheridan moved, seconded by Commissioner Schlosser to allow Mr. Boutrous to sit for the real estate exam. M/C
 - b. Commissioners reviewed the application of Wade C. DeLorme for a salesperson's license. Commissioner Sheridan moved, seconded by Commissioner Louser to allow Mr. DeLorme to sit for the real estate exam. M/C
 - c. Commissioners reviewed the application of Kayla D. Lang for a salesperson's license. Commissioner Schlosser abstained from discussion and the vote. Commissioner Sheridan moved, seconded by Commissioner Cymbaluk to request letters of reference from Ms Lang's employers in the last 4 years and reconsider her application once the letters are received. M/C
 - d. Commissioners reviewed the application of Jody L. Meckle for a salesperson's license. Commissioner Sheridan moved, seconded by Commissioner Schlosser to allow Ms. Meckle to sit for the real estate exam. M/C
 - e. Commissioners reviewed the application of Amanda K. Schoening for a salesperson's license. Commissioner Louser moved, seconded by Commissioner Sheridan to allow Ms. Schoening to sit for the real estate exam. M/C

- f. Commissioners reviewed the application of Melody J. Sundbakken for a salesperson's license. Commissioner Sheridan moved, seconded by Commissioner Schlosser to allow Ms Sundbakken to sit for the exam if the background check comes back clear without anything in addition to what information has been provided. M/C
- g. Commissioners reviewed the application of Michael L. Wolfer for a salesperson's license. Commissioner Schlosser moved, seconded by Commissioner Louser to deny the application of Mr. Wolfer until more information is provided regarding the last 2 offenses on his application. M/C
7. APPEARANCE BEFORE COMMISSION BY VERNETTA CHRISTIANSON REGARDING APPLICATION FOR A BROKER'S LICENSE. Ms Christianson postponed her appearance before the Commission until a later date.
8. REQUEST FOR SALESPERSON EXPERIENCE WAIVER FOR BROKER'S LICENSE FROM TOBY KOMMER. Mr. Kommer requested that he be allowed to skip the salesperson licensure requirements and take the broker exam. Commissioner Cymbaluk moved, seconded by Commissioner Louser to deny Mr. Kommer's request to waive the salesperson examination and experience. M/C
9. REVIEW REQUEST TO REGISTER MIZNER PLACE AT WESTON TOWN CENTER, A VACATION RESORT. The subdivided land registration of Mizner Place at Weston Town Center was reviewed. The registration included a surety bond in the amount of \$25, 000. Commissioner Sheridan moved, seconded by Commissioner Schlosser to approve the request to register Mizner Place at Weston Town Center. M/C
10. BROKERS NON-COMPLIANT WITH TRUST ACCOUNT AUDIT REQUEST. A list of brokers who have not responded in the time requested regarding items on their trust account audits that need to be corrected was given to the Commissioners. Commissioner Sheridan moved, seconded by Commissioner to have Dave Reich, legal counsel, send a letter with a timeframe in which each broker is to have the items completed or the Commission will move the matter to a hearing. M/C
11. UPDATE ON REBATE/INDUCEMENT TASK FORCE. The task force meeting was postponed due to the cancellation of the hearings.
12. UPDATE ON REVIEW OF THE BROCHURE "BROKERS' RECORDS OF PROFESSIONAL ACTIVITY". A draft of the brochure has been emailed out to numerous brokers around the state. We will be gathering their suggestions for further review.
13. ERRORS AND OMISSIONS INSURANCE STATISTICS FOR 2002 THROUGH 2005. Statistics were provided to the Commissioners by RISC regarding the number of claims, made, closed and amounts paid out for 2002-2005.
14. RFP FOR TRUST ACCOUNT AUDITS. It was the consensus of those present to have Mahlum & Goodhart give us a proposal to conduct the trust account audits for 4 years. Staff should schedule them for an appearance before the Commission to submit their proposal and to give a summary report of the audits conducted (problem areas, recommended changes, etc.).
15. LICENSE PORTABILITY. The possibility of making licenses more portable was discussed.

16. DISCUSSION ON LEGISLATION TO ALLOW BROKER ASSOCIATES TO REGISTER THEIR ORGANIZATION IN THE SAME MANNER AS SALESPEOPLE CAN.
Commissioners discussed this as a possible issue for the next legislative session.
17. REVIEW REQUESTS FOR TRUST ACCOUNT WAIVERS. Commissioner Cymbaluk moved, seconded by Commissioner Sheridan to approve the requests for trust account waivers as attached to these minutes. M/C
18. COMMISSION GOALS. The goals of the Commission were discussed. Staff was asked to find out if the license law and directory will have to be printed once our web site has been set up.
19. OTHER BUSINESS:
 - a. Any license renewals with red flag items on them will be brought to the Commission. Staff noted that the processing of renewals was going smoothly due to the efforts of our Administrative Assistant Karla Mittleider and the new data system.
 - b. Secretary Treasurer Jergenson informed the Commissioners that she had testified before the Administrative Rules Committee and the Committee had approved the rules changes and they will become effective January 1, 2006.
 - c. The protocol to be used on some issues brought to the attention of Secretary Treasurer Jergenson was discussed.
 - d. It was discussed that those licensees who do not have their ce completed by December 31, 2005 will have to put their license in escrow and once the ce is completed transfer it out of escrow for the \$10 transfer fee.
 - e. The Commission office has been made aware of a licensee who is advertising that he is now with a different company but he has never transferred his license in our office. Commissioner Cymbaluk moved, seconded by Commissioner Sheridan to send a certified letter to Linda Klebe, the broker, and Dean Ahmann, the licensee, notifying them that the proper transfer needs to be done immediately. M/C

There being no further business Chair Youngberg adjourned the meeting.

Respectfully submitted,

Patricia M. Jergenson
Secretary Treasurer