

June 14, 2006
8:30 AM
ND Real Estate Commission
1st Floor Conference Room
200 Main St
Bismarck ND

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

1. CALL MEETING TO ORDER. Chair Youngberg called the meeting to order and welcomed those present.
2. APPROVE MINUTES OF MAY 10, 2006. Commissioner Sheridan moved, seconded by Commissioner Cymbaluk to approve the minutes of May 10, 2006. M/C
3. APPROVE FINANCIAL REPORTS FOR APRIL AND MAY 2006. Commissioner Sheridan moved, seconded by Commissioner Louser to accept the May and June 2006 financial reports. M/C Commissioner Sheridan moved to move the general checking account to the Bank of North Dakota. M/C Commissioner Schlosser moved, seconded by Commissioner Sheridan to not renew the lease on the safety deposit box at Wells Fargo bank. M/C
4. LEGAL UPDATE: CONNIE HOFLAND. Commission legal counsel Connie Hofland gave the Commissioners a report on the following items:
 - a. Complaint # 2006-02 (Lynette L. Lauer v. Kathy Feist) is currently in civil litigation. Commissioner Sheridan moved, seconded by Commissioner Schlosser to table complaint#2006-02 until the civil litigation is resolved. M/C
 - b. Complaint #'s 2006-03 (Opland v. Sheldon Gudmunson) and 2006-04 (Doug Adam v. Curt Tjon): legal counsel has a conflict with these two complaints and recommended that they be turned over to another Assistant Attorney General for investigation. Commissioner Schlosser moved, seconded by Commissioner Sheridan to have Connie Hofland and Pat Jergenson meet with Jerome Kettleison of Pearce & Durick Law firm to see if he would be able to act as our counsel in those cases in which our legal counsel has a conflict. M/C
 - c. Complaint# 2006-10 (NDREC v. Dean Ahmann): Legal counsel & the Secretary Treasurer will provide the Commissioners with possible dates to set this for an August hearing.

- d. Complaint# 2005-05 (James Ramsey v. Gary Kramlich): the civil litigation has been resolved and Connie will begin the investigation on this complaint.
5. AUDITOR'S TRUST ACCOUNT AUDIT REPORT AND BID FOR CONDUCTING AUDITS FOR 2006/07. Commissioners reviewed the written report submitted by Mahlum & Goodhart PC on the 2005/06 trust account audits. Problem areas were pinpointed and discussed. It was noted that the feedback on the audits has been very positive. Robert Chambers, broker for Savesite Realty, was not present for either of the 2 attempts the auditors made to audit his trust account. Commissioner Cymbaluk moved, seconded by Commissioner Louser to draft a complaint against Mr. Chambers for trust account violation and set the hearing for the same date as the hearing for Dean Ahmann. M/C The audit report for Clyde Trautmann, broker for Keller Williams Roers Realty, was discussed including the fact that Darlene Feil was paid a commission and is an unlicensed salesperson. Commissioner Cymbaluk moved, seconded by Commissioner Louser to draft a complaint against Mr. Trautmann for trust account violations and Darlene Feil with the hearings to be set for the same date as Mr. Ahmann & Mr. Chambers. M/C Commissioner Sheridan moved, seconded by Commissioner Louser to schedule trust account audits for new companies within the first year of their operation. M/C The proposal for services submitted by Mahlum & Goodhart to conduct trust account audits in 2007/08 was reviewed. Commissioner Cymbaluk moved, seconded by Commissioner Sheridan to accept the contract with Mahlum & Goodhart as proposed. M/C
6. REVIEW 2006/07 BUDGET. The proposed budget was reviewed in detail. A \$500 per month salary increase was approved for Secretary Treasurer Jergenson. Commissioner Cymbaluk moved, seconded by Commissioner Sheridan to approve the 2006/07 budget as discussed. M/C
7. REQUEST FOR HEARING ON DENIED APPLICATIONS.
 - a. Douglas Kocourek appeared before the Commission regarding the denial of his application for a salesperson's license. Jim Christianson and Chris Carlson were also present in support of Mr. Kocourek. It was the consensus of the Commissioners that no new information had been provided and they would stand by their original decision to deny Mr. Kocourek's application.
 - b. DeWayne E. Hofer appeared before the Commission regarding the denial of his application for a reciprocal broker's license. It was the consensus of the Commissioners that no new information had been provided and they would stand by their original decision to deny Mr. Hofer's application.
8. REVIEW APPLICATIONS FOR SALESPERSON LICENSE.
 - a. Commissioners reviewed the application of Cheryl A. Glasoe for a salesperson's license. Commissioner Sheridan moved, seconded by Commissioner Cymbaluk to approve Ms Glasoe to sit for the real estate examination. M/C
 - b. Commissioners reviewed the application of Terrance M. Skjerseth for a salesperson's license. Commissioner Cymbaluk moved, seconded by Commissioner Sheridan to have staff review the status of the licenses listed on Mr. Skjerseth's application and have Mr. Skjerseth provide a copy of the receipt of the release of the federal tax lien filed against him. M/C

- c. Commissioners reviewed the application of Patricia J. Stein for a salesperson's license. Commissioner Sheridan moved, seconded by Commissioner Schlosser to approve Ms Stein to sit for the real estate examination. M/C
 - d. Commissioners reviewed the application of Stephanie I. Rynestad for a salesperson's license. Commissioner Cymbaluk moved, seconded by Commissioner Louser to approve Ms Rynestad to sit for the real estate examination. M/C
 - e. Commissioners reviewed the application of Angela M. Wentz for a salesperson's license. Commissioner Cymbaluk moved, seconded by Commissioner Louser to deny the application of Ms Wentz due to the number of items that are currently in collection on her credit report. M/C
9. ELECTION OF OFFICERS FOR 2006/07. Commissioner Sheridan moved, seconded by Commissioner Cymbaluk to nominate Commissioner Schlosser to serve as Chair and Commissioner Louser to serve as Vice Chair for 2006/07. M/C
 10. REVIEW REQUEST FOR APPROVAL OF TELECONFERENCE SEMINARS AS CONTINUING EDUCATION. Lorman Education Services requested approval of their proposal to provide continuing education via teleconference. Commissioners requested more details from Lorman Education Services as to how they would monitor attendance at a teleconference seminar and a list of other jurisdictions that have approved this means of providing continuing education.
 11. REVIEW REQUESTS FOR APPROVAL OF CRB COURSES TO QUALIFY FOR BROKER LICENSING EDUCATION. Staff presented 3 courses and a summary of each course to Commissioners for approval to be used towards the education requirements for a broker's license. The course titles and hours are: Balancing the Scales of Risk Management (6 hours), The Selling Manager (6 hours) and Financial Planning & Management (14 hours). Commissioner Sheridan moved, seconded by Commissioner Schlosser to approve these three CRB courses as requested by applicants to be used towards the broker license education requirements. M/C
 12. REQUEST FOR AUDITORS TO CONDUCT AN AUDIT OF A NEW COMPANY'S TRUST ACCOUNT TO INSURE THAT THEY HAVE SET UP THEIR TRUST ACCOUNT USING THE PROPER GUIDELINES. Staff had received a request from a broker of a new firm to have his trust account audited to be sure that he was in compliance. Earlier in this meeting the Commissioners moved to have new companies trust accounts audited within the first year.
 13. DISCUSS WEB SITE. Staff presented an outline for the content of the Commission's web site for discussion. Staff was asked to get proposals and present them at the next meeting.
 14. REVIEW REQUESTS FOR TRUST ACCOUNT WAIVERS. Commissioner Cymbaluk moved, seconded by Commissioner Schlosser to approve the requests for trust account waivers as attached to these minutes. M/C
 15. AMP DEMONSTRATION ON SIMULATION TESTING FOR BROKERS: LARRY FABREY/AMP. Mr. Fabrey demonstrated what a simulation test is and discussed the benefits of this type of testing. The broker simulation test has 8 scored simulation problems (plus 2 pre-test) and within the 8 problems all 15 issues (topics rated to be of importance by a core design group) must be addressed at least once – ethics must be addressed in at least 4 problems. Applicants do not received immediate test scores with this format. South Dakota

& Montana will soon begin using the broker simulation as the examination to receive the broker license. Issues for North Dakota: 1. broker simulation tests cover national items only – will ND still require a test on the state items? and 2. if we determine that the broker applicant should still test on the state specific items should it be a separate test, should it be given at a different time, and what should the passing score be. We will need to review the statutes and administrative rules regarding license examinations and see if there are any issues that may arise with reciprocity. Commissioner Sheridan moved, seconded by Commissioner Cymbaluk to approve simulation testing for broker licensing in concept and to work towards implementing it in North Dakota. M/C

16. OTHER BUSINESS:

- a. A request to use the name FMHomes for a real estate firm in the Fargo area was reviewed. It was the consensus of the Commissioners that the use of this name would not cause confusion or endanger the public.
- b. Commissioners reviewed the contract from AMP to continue providing North Dakota licensing examinations. Commissioner Cymbaluk moved, seconded by Commissioner Sheridan to accept the contract with AMP with the changes as discussed. M/C
- c. Commissioners had been polled by various individuals regarding the requirement of non-resident licensees to take both the national and state portions of the examination. Currently non-resident applicants are required to take both the national and state portions of the test even if they have been licensed in another state. This does not refer to those licensees making application for a reciprocal license. Staff conducted a survey of all of the states asking if they required an applicant for a non-resident license to take both portions of the test. Of the 12 states that responded by this meeting 4 states did not require applicants to take the national portion of the exam. One of those 4 states requires the licensee to comply with that state's ce requirements including their 3 hour core course. A question regarding Certificates of Licensure was posed in the same survey. Commissioner Sheridan moved, seconded by Commissioner Cymbaluk to establish the policy that non-resident applicants and applicants for a reciprocal license are required to provide Certificates of Licensure from any state in which they have or did hold a real estate license. M/C

There being no further business Chair Youngberg adjourned the meeting.

Respectfully Submitted,

Patricia M. Jergenson
Secretary Treasurer