

June 19, 2013
8:00am Central Daylight Time
North Dakota Real Estate Commission
1110 College Dr. Suite 207
Conference Room
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. Roll call was taken and all Commission members were present.
2. APPROVE MINUTES OF MAY 9, 2013 MEETING. Commissioner Schlosser moved, seconded by Commissioner Sheridan to approve the minutes of May 9, 2013. M/C
3. FINANCIAL REPORT. Executive Director Jergenson presented the financial reports for November & December 2012 and January through May 2013. Ms. Jergenson noted that all license fees are over what was budgeted as well as the Salesperson Organization Fee and expenses are below budget except for account #515 Retirement & Health Insurance due to an increase in the percentage paid to employee retirement. Commissioner Sheridan moved, seconded by Commissioner Youngberg to approve the financial reports as presented and the overage in account #515 Retirement & Health Insurance. M/C
4. LEGAL UPDATE: SPECIAL ASSISTANT ATTORNEY GENERAL CONSTANCE HOFLAND.
 - a. Consideration of Stipulated and Settlement Agreements:
 - Complaint #2013-04 NDREC v Jerome G. Voegelé. Special Assistant Attorney General Connie Hofland presented the signed Stipulation and Settlement Agreement from Jerome G. Voegelé in which Mr. Voegelé agrees to pay a fine of \$250, \$280 legal/investigative costs (both within 30 days of Notice of Entry of the Order) and attend a 3 hour continuing education course on agency within 90 days from the date of Notice of Entry of the Order not to be counted toward the regular required hours for continuing education. Commissioner Cymbaluk moved, seconded by Commissioner Schlosser to approve the Stipulation and Settlement Agreement as presented by Ms. Hofland. M/C
 - Complaint #2013-09 NDREC v Gary L. Bleth. Special Assistant Attorney General Connie Hofland presented the signed Stipulation and Settlement Agreement from Gary L. Bleth in which Mr. Bleth agrees to pay a fine of \$250, \$280 legal/investigative costs (both within 30 days of Notice of Entry of the Order) and attend a 3 hour continuing

education course on agency within 90 days from the date of Notice of Entry of the Order not to be counted toward the regular required hours for continuing education. Commissioner Sheridan moved, seconded by Commissioner Cymbaluk to approve the Stipulation and Settlement Agreement as presented by Ms. Hofland. M/C

- Complaint #2013-11 NDREC v Lavata L. Becker. Special Assistant Attorney General Connie Hofland presented the signed Stipulation and Settlement Agreement from Lavata L. Becker in which Ms. Becker agrees to pay a fine of \$250, \$280 legal/investigative costs (both within 30 days of Notice of Entry of the Order) and attend a 3 hour continuing education course on agency within 90 days from the date of Notice of Entry of the Order not to be counted toward the regular required hours for continuing education. Commissioner Youngberg moved, seconded by Commissioner Schlosser to approve the Stipulation and Settlement Agreement as presented by Ms. Hofland. M/C
 - b. Complaint #2013-12 NDREC v Terrance L. Clement: Memorandum. Special Assistant Attorney General Connie Hofland presented the results of her investigation of this complaint. Commissioner Schlosser moved, seconded by Commissioner Sheridan to set this complaint for a hearing. M/C
 - c. Memo on appointed agency issue. Ms. Hofland will present her memo on the appointed agency issue at the next meeting of the Commission.
5. REVISION OF FORMS. Executive Director provided Commissioners with copy of a form from Montana which incorporates numerous forms into 1 and suggested that the same be done with some of our forms. It was the consensus to have staff work on revising our forms into one form and bring it back to the Commission for approval.
6. DISCUSS ADVERTISING VIOLATION AND COMMENTS RECEIVED FROM ROGER L. KJONAAS. Mr. Kjonaas had received a letter from Executive Director Jergenson regarding an advertisement he placed in the newspaper. In an email to Ms. Jergenson dated May 16, 2013 Mr. Kjonaas stated that his interpretation of the law was different and he provided an explanation as to why he felt he was not in violation of NDAC 70-02-03-02.1(7). Discussion. Special Assistant Attorney General Connie Hofland will send Mr. Kjonaas a letter informing him that his advertisement is misleading to the public, gathers leads, and that he is acting like a real estate agent therefore he must comply with the advertising rule.
7. REVIEW TABLED SALESPERSON APPLICATION OF CONNOR C. PERKINS. Mr. Perkins appeared in person to discuss the issues regarding his application for a ND salesperson license. Commissioner Cymbaluk moved, seconded by Commissioner Schlosser to keep Mr. Connor's application tabled until he provides 2 references showing his responsibility and good reputation to the Commission at their next meeting. M/C
8. REVIEW LICENSE APPLICATIONS.
- a. Commissioners reviewed the application of Patrick N. Eagan for a salesperson license. Mr. Eagan joined the meeting by conference call to discuss his credit report. Commissioner Cymbaluk moved, seconded by Commissioner Youngberg to deny the application of Mr. Eagan at this time. M/C
 - b. Commissioners reviewed the application of Kamala K. Ensz for a salesperson license. Commissioner Youngberg moved, seconded by Commissioner Sheridan to approve Ms. Ensz to sit for the salesperson license examination pending receipt of a clear background check. M/C
 - c. Commissioners reviewed the application of Alton J. Foltyn for a salesperson license. Mr. Foltyn appeared before the Commission in person to discuss the misdemeanors on his background check. Commissioner Youngberg moved, seconded by Commissioner Schlosser to deny the application of Mr. Foltyn due to his background check. M/C

- d. Commissioners reviewed the application of Jamie D. Hartman for a salesperson license. Ms. Hartman appeared before the Commission in person to discuss the delinquent item on her credit report. Commissioner Cymbaluk moved, seconded by Commissioner Youngberg to table the application of Ms. Hartman and requested that she provide business references and additional information regarding her situation. M/C
 - e. Commissioners reviewed the application of Joseph R. Kachuroi for a non-resident salesperson license. Mr. Kachuroi appeared before the Commission in person to discuss why he had submitted license applications both as a resident of North Dakota and non-resident and for a broker license and a salesperson license 2 different times in the last 6 months. Commissioner Youngberg moved, seconded by Commissioner Schlosser to deny the application of Mr. Kachuroi due to conflicting information on his applications. M/C
 - f. Commissioners reviewed the application of Stephanie R. McNaughton for a salesperson license. Commissioner Schlosser moved, seconded by Commissioner Youngberg to approve Ms. McNaughton to sit for the salesperson license examination subject to her providing verification that the items in collection on her credit report have been paid. M/C
 - g. Commissioners reviewed the application of Karen K. Mostue for a reciprocal broker license. Ms. Mostue joined the meeting by conference call to discuss items showing in collection on her credit report. Commissioner Youngberg moved, seconded by Commissioner Sheridan to approve issuing a reciprocal broker license to Ms. Mostue. M/C
 - h. Commissioners reviewed the application of Cara L. Mulfinger for a salesperson license. Ms. Mulfinger joined the meeting by conference call to discuss the items in collection on her credit report. Commissioner Sheridan moved, seconded by Commissioner Schlosser to deny the application of Ms. Mulfinger and suggested that she reapply when her credit report is clear. M/C
 - i. Commissioners reviewed the application of Jarrod A. Nyland for a salesperson license. Mr. Nyland joined the meeting by conference call to discuss his bankruptcy. Commissioner Sheridan moved, seconded by Commissioner Youngberg to approve Mr. Nyland to sit for the salesperson real estate license examination. M/C
 - j. Commissioners reviewed the application of Charles R. Sund for a salesperson license. Mr. Sund joined the meeting by conference call to discuss his bankruptcy. Commissioner Schlosser moved, seconded by Commissioner Sheridan to approve Mr. Sund to sit for the salesperson real estate license examination. M/C
 - k. Commissioners reviewed the application of Joan L. Windus for a salesperson license. Commissioner Sheridan moved, seconded by Commissioner Youngberg to approve Ms. Windus to sit for the salesperson real estate license examination. M/C
 - l. Commissioners reviewed the application of Jeremiah Young for a salesperson license. Mr. Young appeared before the Commission in person to discuss the tax liens on his credit report. The tax liens are for sales and use tax Mr. Young did not pay to the State of North Dakota. Commissioner Youngberg moved, seconded by Commissioner Schlosser to deny the application of Mr. Young due to the unpaid tax liens on his credit report. M/C
9. PROPOSAL FROM MAHLUM GOODHART PC TO CONDUCT ANNUAL AUDIT. Commissioners reviewed the proposal submitted by Mahlum Goodhart, PC to conduct the annual audit of the Commission's financial statements. Commissioner Cymbaluk moved, seconded by Commissioner Sheridan to approve the proposal. M/C
 10. DISCUSS 2013/14 PROPOSED BUDGET. The 2013/14 proposed budget was reviewed in detail. Commissioner Cymbaluk moved, seconded by Commissioner Youngberg to approve the July 1, 2013 through June 30, 2014 budget as presented. M/C Executive Director Jergenson was complimented on the nice job she did putting the budget together.

11. REVIEW RISC 2013 1ST QUARTER CLAIMS REPORT. RISC (Rice Insurance Services Company) provided the Commission with the 1st quarter errors and omissions insurance claims report for informational purposes.
12. ERRORS AND OMISSIONS INSURANCE RFP. Executive Director stated that the contract with RISC (Rice Insurance Services Company) to provide E&O insurance to licensees will soon be up for renewal. It was the consensus of the Commission that it was the Commission's due diligence to send out an RFP to errors and omissions insurance providers at this time.
13. REVIEW APPROVED TRUST ACCOUNT WAIVERS. Commissioner Sheridan moved, seconded by Commissioner Youngberg to accept the approved trust account waivers as presented. M/C
14. SCHEDULE NEXT COMMISSION MEETING. Staff was asked to send out an email to Commissioners with possible meeting dates for August 2013.
15. COMMISSION GOALS. The goals of the Commission were reviewed. Staff noted that a mini training session for the Commissioners will be held when the meeting is not held via conference call.
16. OTHER BUSINESS:
 - a. Executive Director Jergenson shared with the Commission feedback she had received regarding the 2014 mandatory course topics 3 hours in either agency or fair housing. It was noted that a 6 hour mandatory course topic should be considered for 2015.

There being no further business Chair Louser adjourned the meeting.

Respectfully submitted,

Patricia M. Jergenson
Executive Director