

North Dakota Real Estate Commission  
June 28, 2002  
Peace Garden Room, State Capital Building  
Bismarck, ND  
10:00 AM

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

1. Chair Bob Willer called the meeting to order.
2. HEARING IN THE MATTER OF NORTH DAKOTA REAL ESTATE COMMISSION V. DANIEL RINGUETTE (Case #2002-03). A continuance has been requested and granted. The hearing in this matter will be rescheduled.
3. APPROVE MINUTES OF THE PREVIOUS MEETING. Commissioner Sheridan moved, seconded by Commissioner Louser to approve the minutes of the May 9, 2002 meeting. M/C
4. APPROVE FINANCIAL REPORT. Commissioner Cymbaluk moved, seconded by Commissioner Youngberg to approve the financial reports for April and May 2002. M/C
5. REVIEW FORMAL COMPLAINT CASE 2002-02 – Michelle Borgen v. Scott (Donald) Cranston. The Commission reviewed a formal complaint filed by Michelle Borgen alleging that Mr. Cranston failed to adequately communicate with her during the sale of her house and that he allowed the buyers to move into the house prior to closing without her permission. Mr. Reich noted that the investigation in this matter revealed that it did not appear that Mr. Cranston was not communicating with one or the other of the parties in this transaction and he recommended dismissal of the complaint. Commissioner Sheridan moved, seconded by Commissioner Youngberg to dismiss the complaint. M/C
6. ATTORNEY GENERAL OPINION REGARDING METH LABS. Dave Reich noted that he has not received information from NDAR legal counsel Casey Chapman to date.
7. GUIDELINES FOR PERSONAL ASSISTANTS. The revised guidelines for personal assistants were discussed. Two verbiage changes were recommended. Commissioner Sheridan moved, seconded by Commissioner Louser to accept the guidelines for personal assistants subject to the changes discussed at this meeting. M/C
8. REPORT FROM AMP. Information that had been requested from AMP regarding post evaluation question responses was reviewed and it was noted that approximately 10% of those responding answered unfavorably. Ken Lang addressed the Commission again recounting his belief that there was a problem with the computer he used to take his license exam the third time. Discussion. Commissioner Cymbaluk moved, seconded by

- Commissioner Sheridan to stand by the decision made on May 9, 2002, which was that Mr. Lang must wait one year before he can take the real estate exam again in accordance with Administrative Rule 70-02-01-03. Examinations. M/C
9. REVIEW PROPOSALS FOR CONDUCTING ANNUAL AUDIT. Commissioners reviewed 3 proposals. It was the consensus to contract Senger, Mahlum and Goodhart to do the audit for this year.
  10. REVIEW PROPOSED BUDGET FOR JULY 1, 2002 – JUNE 30, 2003. Commissioners reviewed the proposed budget in detail. The operating fund is very low and steps were taken in order to operate at a minimum. The Commission will continue to research avenues to cut expenditures as well as increase funding. Possible ways to decrease legal and investigation costs will be researched. Commissioner Sheridan moved, seconded by Commissioner Louser to forgo the \$50.00 per day compensation for the Commissioners during the budget period of July 1, 2002 – June 30, 2003. M/C Commissioner Cymbaluk moved, seconded by Commissioner Youngberg to approve the proposed budget for the fiscal year July 1, 2002 – June 30, 2003 with the changes made today and if the Commission is required to abide by COLA, staff salary changes will be adjusted by the amount dedicated to legal fees. M/C Commissioner Cymbaluk moved, seconded by Commissioner Sheridan to authorize staff to utilize funds available from the Recovery Fund, within the confines of the criteria for the use of the Recovery Fund, to pay expenditures through the end of 2002. M/C (Approved budget attached to these minutes).
  11. DISCUSSION ON LEGISLATIVE ISSUES FOR 2002. The budget process demonstrated the need to increase funding for the Real Estate Commission. Commissioner Cymbaluk moved, seconded by Commissioner Sheridan to pursue an increase in license fees and fines and recovery of investigation and hearing legal costs. M/C The amount of increases to seek legislatively will be discussed after further research.
  12. REQUEST FOR CONSIDERATION FROM JACK KNUTSON. Correspondence from Jack Knutson regarding the cancellation of his broker's license due to nonpayment of his 2002 renewal fee was reviewed. Mr. Knutson stated that his nonpayment of the 2002 renewal fee was an oversight and asked that his license be put on an inactive status until he can complete the continuing education hours he is short. Commissioner Sheridan moved, seconded by Commissioner Louser to deny Mr. Knutson's request. M/C
  13. ERRORS AND OMISSIONS INSURANCE RFP. It was noted that the agreement with Rice Insurance Services, Inc. states that the contract shall be written for 1 year with the option to renew or re-negotiate each of the next 4 years. Rice Insurance Services, Inc. will be submitting a renewal option to the Commission.
  14. OTHER BUSINESS:
    - a. Commissioners reviewed the law regarding course approval and the course approval application fee. In accordance with Chapter 70-02-02-02, the course approval application fee is nonrefundable. Commissioner Youngberg moved, seconded by Commissioner Sheridan to reconsider the issue brought before the Commission by NDAR at the May 9, 2002 meeting regarding the payment of course application fees. Commissioner Youngberg moved, seconded by Commissioner Sheridan to deny the request by NDAR to waive the course application fees for the Computaught courses based on further research. M/C

- b. Housekeeping issues involving office administration were discussed.
  - c. Governor Hoeven has reappointed Commissioner Jerry Youngberg to a second 5-year term.
  - d. A conference call was scheduled for Wednesday, July 24, 2002 at 10:00 AM.
15. ELECTION OF OFFICERS. Commissioner Sheridan moved, seconded by Commissioner Youngberg to nominate Diane Louser to serve as Chair for 2002-2003. M/C Commissioner Youngberg moved, seconded by Commissioner Sheridan to nominate Roger Cymbaluk to serve as Vice Chair for 2002-2003. M/C Chair Diane Louser took over for the remainder of the meeting.
- Commissioner Sheridan moved, seconded by Commissioner Cymbaluk to adjourn the meeting. M/C

Respectfully submitted,

Patricia M. Jergenson  
Secretary Treasurer

*These minutes were amended at the July 24, 2002 meeting of the North Dakota Real Estate Commission as follows:*

*Item #10: Commissioner Kris Sheridan moved, seconded by Commissioner Bob Willer to amend the minutes of June 28, 2002 to include that the Commissioners will be responsible for their own expenses during the fiscal year July 1, 2002 – June 30, 2003. M/C*