

June 9, 2004
Peace Garden Room
ND State Capitol Building
Bismarck, ND
8:00 AM Central Time

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

Chair Roger Cymbaluk called the meeting to order.

1. APPROVE MINUTES OF THE PREVIOUS MEETING. Commissioner Sheridan moved, seconded by Commissioner Louser to approve the minutes of the previous meeting as written. M/C
2. APPROVE FINANCIAL REPORTS FOR APRIL AND MAY 2004. Commissioner Youngberg moved, seconded by Commissioner Schlosser to approve the April and May 2004 financial reports as presented. M/C
3. REVIEW OF FORMAL COMPLAINTS PENDING BEFORE THE NORTH DAKOTA REAL ESTATE COMMISSION.
Complaint# 2001-06 Adam & Anna Funk v. Ron Schoch and Complaint# 2002-05 Wayne & Jonna Praus v. Ron Schoch. Mr. Reich recommended approval of a stipulated agreement of a \$500.00 fine, that Mr. Schoch maintain his currently inactive license inactive for the remainder of the year 2004, and that he does not renew his license after it expires. Commissioner Sheridan moved, seconded by Commissioner Youngberg to accept the stipulated agreement as presented. M/C
Complaint# 2003-09 Les & Karen Luther v. Ken Hiltner. Mr. Reich recommended approval of a stipulated agreement of a \$500.00 fine and completion of a 6-hour education course within 90 days of notice of the stipulated agreement. Commissioner Schlosser moved, seconded by Commissioner Sheridan to accept the stipulated agreement as presented. M/C
4. APPEARANCE BY GERI CHILLEMI. Geri Chillemi, broker for Main & Company REALTORS®, came before the Commission to inform the Commission of a lawsuit involving her company and Wes Bailey, a salesperson with Main & Company, and the findings of the jury.
5. DISCUSSION OF LIMITED SERVICES REAL ESTATE COMPANIES – AT WHAT POINT IS A LICENSE REQUIRED. Discussion. NDCC 43-23-06.1(8) addresses this issue.
6. PROPOSAL TO CONDUCT AUDITS. Rhonda Mahlum, CPA and Lynnell Rude were present to discuss the proposal for services to conduct trust account

audits. Commissioner Sheridan moved, seconded by Commissioner Youngberg to approve the proposal. M/C

7. REVIEW APPLICATION OF TANA M. BECKER FOR BROKER LICENSE.

Commissioners reviewed the application for a broker license from Tana M. Becker. Commissioner Sheridan moved, seconded by Commissioner Louser to deny Ms Becker's application to sit for the broker exam due to discrepancies on her application. M/C

8. REVIEW APPLICATIONS FOR SALESPERSON LICENSE.

Carryover from April 14, 2004 meeting:

- a. Commissioners were informed that Howard F. Euneau had not provided the additional information requested at this time.
- b. Commissioners reviewed the credit report provided by Daryn T. Fryer. Commissioner Schlosser moved, seconded by Commissioner Sheridan to deny Mr. Fryer's application to sit for the real estate examination based on the fact that a second bankruptcy appeared on the credit report, which had not been indicated on his application. M/C
- c. Commissioners reviewed the requested documentation provided by David L. Hanson and a background check. Commissioner Sheridan moved, seconded by Commissioner Louser to approve Mr. Hanson to sit for the real estate exam. M/C
- d. Commissioners reviewed the requested documentation provided by Anthony R. Kleinwaechter. Commissioner Sheridan moved, seconded by Commissioner Youngberg to approve Mr. Kleinwaechter to sit for the real estate exam. Commissioner Schlosser excused himself from discussion and the vote. M/C
- e. Commissioners were informed that David P. Murphy had not provided the additional information requested at this time.
- f. Commissioners reviewed the requested documentation provided by Larry A. Rosecrans. Commissioner Sheridan moved, seconded by Commissioner Louser to approve Mr. Rosecrans to sit for the real estate exam. M/C (1 nay vote, Commissioner Schlosser)
- g. Jeffrey L. Skaare appeared before the Commissioners to appeal the denial of his application. Mr. Skaare was informed that the denial of his application still stands pending the outcome of the complaint that is pending against him at the State Bar Association. He is to provide that information when it is settled or dismissed.

New applications:

- a. Commissioners reviewed the application for a salesperson license from Paula C. Brueckner. Commissioner Youngberg moved, seconded by Commissioner Louser to approve Ms Brueckner to sit for the real estate exam. M/C
- b. Commissioners reviewed the application for a salesperson license from Karen L. Burns. Commissioner Youngberg moved, seconded by Commissioner Schlosser to approve Ms Burns to sit for the real estate exam. M/C with Commissioner Sheridan abstaining.
- c. Commissioners reviewed the application for a salesperson license from Jason Carpenter. Application was tabled until requested additional court documents are received.
- d. Commissioners reviewed the application for a salesperson license from Ryan G. Eckroth. Commissioner Sheridan moved, seconded by Commissioner Youngberg to

- have staff check the status of Mr. Eckroth's insurance license and the lien against him. M/C
- e. Commissioners reviewed the application for a salesperson license from Judy L. Gartner. Commissioner Sheridan moved, seconded by Commissioner Youngberg to have staff check the status of Ms Gartner's insurance license and to approve Ms Gartner to sit for the real estate exam if there is nothing against said license upon relaying this information to the Commissioners. M/C
 - f. Commissioners reviewed the application for a salesperson license from Corey J. Krueger. Commissioner Youngberg moved, seconded by Commissioner Schlosser to approve Mr. Krueger to sit for the real estate exam. M/C
 - g. Commissioners reviewed the application for a salesperson license from Linsey J. Pinson. Commissioner Youngberg moved, seconded by Commissioner Schlosser to approve Ms. Pinson to sit for the real estate exam. M/C
9. APPEARANCE OF CHRISTOPHER CONLEY REGARDING THE DENIAL OF HIS BROKER APPLICATION. Mr. Conley appealed the denial of his request for a waiver of the 2 years of sales experience and the education he submitted with his broker application. Commissioner Sheridan moved, seconded by Commissioner Youngberg to waive the 2 years of sales experience subject to Mr. Conley completing the 90 hours of required education for a broker's license. M/C
 10. CONTINUING EDUCATION AFFIDAVITS. Commissioners discussed the possibility of having the designated broker certify that licensees in his/her office are in compliance with the ce requirements at the time of renewal. Random audits would be conducted to verify compliance. Staff was requested to develop the procedure to put this into place.
 11. EMAIL FROM RITA SCHUSTER. Commissioners reviewed the email received from Ms Schuster regarding the "banking" of ce hours for new licensees. It is understood that NDAR is considering proposals regarding education and the Commission will take both into consideration.
 12. 2004/05 PROPOSED BUDGET. Commissioners reviewed the proposed budget in detail. Commissioner Sheridan moved, seconded by Commissioner Youngberg to approve the 2004/05 proposed budget with revisions as discussed. M/C (Approved budget is attached to these minutes).
 13. SCHEDULE 2004-05 COMMISSION MEETINGS. The next Commission meeting was set for Wednesday, September 15, 2004 at 2:30pm in Bismarck with another meeting possibly in late October.
 14. ELECTION OF OFFICERS. Commissioner Youngberg moved, seconded by Commissioner Schlosser to nominate Commissioner Sheridan to serve as Chair for 2004/05. M/C
Commissioner Sheridan moved, seconded by Commissioner Louser to nominate Commissioner Youngberg to serve as Vice Chair for 2004/05. M/C
 15. REVIEW CORRESPONDENCE FROM MARK TOPP. Mr. Topp was approved to take his real estate exam August 30, 2002 however he was called to active military service and sent to Iraq in January 2003. He returned from Iraq in March 2004. He was unable to complete taking the real estate exam prior to his leaving and requested the Commission consider allowing him to take the test without reapplying. Commissioner Schlosser moved, seconded by Commissioner Youngberg to allow Mr. Topp to take the national portion of the exam and not require him to reapply. M/C
 16. UPDATES ON PSI ADVISORY MEETING AND ARELLO MIDYEAR CONFERENCE. A synopsis of these two events was provided to the Commissioners for informational purposes.

17. RISC E&O FIRST QUARTER REPORT. RISC provided the Commission with a Claims Listing report for the first quarter ending March 31, 2004.
18. REVIEW REQUEST FOR TRUST ACCOUNT WAIVER. Commissioners reviewed a request for a trust account waiver from Kay L. Schlosser. Commissioner Youngberg moved, seconded by Commissioner Sheridan to approve the trust account waiver for Ms Schlosser.
M/C
19. Other business:
 - a. Claus Lembke, NDAR EVP provided the Commission with an overview of the legislative issues his organization would be addressing this session.
 - b. Moving the Commission office was discussed.

There being no further business, Chair Cymbaluk adjourned the meeting.

Respectfully submitted,

Patricia M. Jergenson
Secretary Treasurer