

SOUTH DAKOTA REAL ESTATE COMMISSION
APRIL 4 & 5, 2012
KNEIP BUILDING
700 GOVERNORS DRIVE
PIERRE, SOUTH DAKOTA

The South Dakota Real Estate Commission convened at 1:05 p.m. on April 4, 2012. Present for the meeting were Chairman Charles Larkin and commission members Dennis Eisnach, Paula Lewis, and Mark Wahlstrom. Commission member Doug Nelson was absent from the meeting. Also present were executive director Melissa Miller, licensing program administrator Norma Schilling, Department of Labor and Regulation legal counsel Aaron Arnold, education director Karen Callahan and compliance officers Michelle Metzinger and Brian Jackson.

Motion by Eisnach, second by Wahlstrom to approve the agenda. Motion carried.

Motion by Wahlstrom, second by Lewis to approve the minutes of the February 2, 2012 meeting. Motion carried.

Motion by Wahlstrom, second by Eisnach to accept the financial reports for January & February 2012. Motion carried.

Motion by Eisnach, second by Wahlstrom that Lana Brekhus be given credit for the prelicensing education contingent upon her passing the course exam before taking the real estate licensing exam. Motion carried.

Education director Karen Callahan gave an update on the outcome of the Webinar meeting that was held on March 26, 2012 and the current status of REEA.

Karen Callahan left the meeting at 1:50 p.m.

David Simpson appeared before the Commission at 1:52 p.m. on a request to approve his application for a broker associate license. Motion by Eisnach, second by Wahlstrom to approve the broker associate application of David Simpson. Motion carried.

Jacqueline Christenson appeared at 2:05 p.m. for a request to approve her application for a residential rental agent license.

Motion by Wahlstrom, second by Eisnach to enter into executive session at 2:15 p.m. for deliberation purposes. Motion carried.

The meeting reconvened to regular session at 2:28 p.m.

Motion by Eisnach, second by Lewis to approve the residential rental application of Jacqueline Christenson. Motion carried with Wahlstrom voting nay.

Discussion was held on the application for conditional approval of Merlin Neumiller. Motion by Wahlstrom, second by Lewis to approve the application for condition approval of Merlin Neumiller. Motion carried.

The executive director will be sending out request for proposals for E & O insurance.

Motion by Eisnach, second by Wahlstrom to enter into executive session at 2:45 p.m. for deliberation purposes. Motion carried.

The meeting reconvened to regular session at 4:45 p.m.

Complaint 2012-005, motion by Eisnach, second by Lewis to instruct staff attorney to negotiate a consent agreement. Motion carried.

Complaint 2012-023, motion by Wahlstrom, second by Eisnach to schedule a formal hearing. Motion carried.

Complaint 2012-027, motion by Eisnach, second by Lewis to instruct staff attorney to negotiate a consent agreement with both parties. Motion carried.

Complaint 2012-028, motion by Wahlstrom, second by Lewis to dismiss the complaint. Motion carried.

Complaint 2012-033, motion by Wahlstrom, second by Eisnach to instruct staff attorney to schedule a formal hearing. Motion carried.

The meeting recessed at 5:00 p.m. and reconvened at 8:30 a.m. on April 5, 2012.

Legal counsel Lindsey Riter-Rapp adjoined the meeting at 8:30 a.m.

Legal counsel Lindsey Riter-Rapp updated the Commission on the Supreme Court decision on Cheri St. Pierre and informed the Commission that the Supreme Court upheld the Commission's decision except for the repayment of attorney fees.

Motion by Lewis, second by Wahlstrom to accept the Stipulation and of Voluntary Compliance on Stephanie Dannen to the following: (A) That she pay all costs incurred by the Commission in this proceeding in an amount totaling \$276.00 within (30) thirty days after the invoice for costs is provided to her counsel. (B) That she pay a fine of \$724.00 within (30) days of the execution of this Stipulation. Motion carried.

Motion by Lewis, second by Eisnach to accept the Stipulation and Assurance of Voluntary Compliance on Joel Willette to the following: (A) That, in consideration for the Commission, upon completion of the requirements set forth herein, dismissing with

prejudice, the Formal Complaint now pending against him, Joel Willette will enter into this Assurance of Voluntary Compliance under ARSD 20:69:05:04. (B) Both parties acknowledge and agree that there has been no admission of liability nor any adjudication of liability with respect to the allegations made in this Complaint. (C) That he will attend and successfully complete six (6) hours of contract and six (6) hours of agency by December 1, 2012. The required course work must be completed in the classroom setting and will not count toward his continuing education requirement for maintaining his license. To avoid and possible conflict of interest, any education requirements ordered by the Commission, may not be taken through the South Dakota School of Real Estate. (D) That he will attend and successfully complete a three (3) hour course on short sales by July 1, 2012. The required course work may be completed on-line but must be pre-approved by the Commission, and will not count toward his continuing education requirement for maintaining his license. (E) That he shall pay one-half (1/2) the cost incurred by the Commission in this proceeding in the amount of \$3,131.84, within thirty (30) days after the invoice for costs is provided to his counsel. (F) He further acknowledges that under ARSD 20:69:05:04, proof of failure to comply with the Assurance of Voluntary Compliance is prima facie evidence of a violation of this Chapter. However, the Parties agree it is not proof of the violations alleged in the Formal Complaint. Motion carried.

Legal counsel updated the Commission on the status of the civil case on Paul Vallette and informed the Commission that the case is still in discovery.

Public Affairs Director Dawn Dovre joined the meeting at 8:57 a.m.

Legal counsel Lindsey Riter-Rapp left the meeting at 9:00 a.m.

Commission member Lewis and the executive director updated the Commission on the ND/SD ARELLO District Conference in Rapid City June 5-7, 2012.

The executive director handed out a report from Bill Wald of ARELLO on the financial and general operations of ARELLO.

The executive director informed the Commission that Commission staff and Department of Labor and Regulation legal counsel Aaron Arnold met to discuss possible legislation. Commission discussion was held on information presented to the Commission on the proposed changes.

The next meeting of the Commission will be June 13 & 14, 2012 in Pierre.

There being no further business, motion made by Wahlstrom, second Eisnach to adjourn at 11:43 a.m. Motion carried.

Minutes submitted by Norma Schilling

Charles Larkin, Chairman

Melissa Miller, Executive Director