

SOUTH DAKOTA REAL ESTATE COMMISSION
JUNE 11 & 12, 2008
SHERATON SIOUX FALLS HOTEL
1211 NORTH WEST AVENUE
SIOUX FALLS, SOUTH DAKOTA

The South Dakota Real Estate Commission convened at 8:30 a.m. on June 11, 2008 in the Cataract Room of the Sheraton Sioux Falls Hotel, Sioux Falls, South Dakota. Present for the meeting were Chairman Brian Jackson and commission members Dennis Eisnach, Charles Larkin and Paula Lewis. Vice Chairperson Eileen Fischer was absent from the meeting. Also present were legal counsel Jim Robbennolt, executive director Dee Jones Noordermeer, licensing program administrator Norma Schilling, compliance officer Angela Madsen and summer intern Shawn Ludemann.

The executive director introduced Shawn Ludemann who was hired by the commission as a summer intern.

Motion made and seconded to approve the minutes of the May 7 & 8, 2008 meeting. Motion carried.

Motion made and seconded to accept the financial reports for April and May 2008. Motion carried.

The commission reviewed the FY 2009 proposed budget. Motion made and seconded to adopt the FY 2009 proposed budget. Motion carried.

The executive director informed the commission on the ND/SD REALTORS Convention to be held in Minot, ND September 17-19, 2008. Motion made and seconded to request the attendance of four commission member and the executive director to attend the ND/SD REALTORS Convention. Motion made and seconded.

Discussion was held on combining a commission meeting with a State Regulators Seminar in Deadwood September 8-10, 2008.

Commission Member Larkin gave a report on the ARELLO Legislative Liaison Meeting he attended in Washington, DC.

Commission Member Lewis and the executive director gave a report on the National Land Council Seminar they attended in Charleston, SC.

Hearing Officer Leo Disburg at 10:25 a.m. convened the formal hearing on complaint #2008-005, SDREC vs. Sentry Home Inspection, Inc./Hone. Present for the hearing in addition to the members of the commission were legal counsel Jim Robbennolt, executive director Dee Jones Noordermeer, licensing program administrator Norma Schilling, court reporter Maxine Risty, defendant Bill Hone and his attorney Tom Wilka and witnesses Brian Pistulka, Monte Musch, Randall McMillan, Sam Britt and Terry Konechne. The hearing closed at 1:40 p.m.

Motion made and seconded to enter into executive session at 2:13 p.m. to review complaints. Motion carried.

Motion made and seconded to come out of executive session at 2:40 p.m. Motion carried.

Complaint #2008-020, Johnson vs. APlus Realty Center & APlus Rentals/Dougherty/Mark Johnsen. Motion made and seconded to hold an informal consultation. Motion carried. June minutes, page 2

Complaint #2008-021, Crowe vs. Century 21 Fischer Rounds & Associates/Somsen/Everson. Motion made and seconded to dismiss the complaint. Motion carried.

Discussion was held on the letter from Kenneth Barker regarding the Stipulation and Assurance of Voluntary Compliance for Cheri St. Pierre. Following discussion, motion made and seconded to deny the request to amend the Stipulation and Assurance of Voluntary Compliance for Cheri St. Pierre and allow the licensee ten days to sign the Stipulation and Assurance of Voluntary Compliance and if she fails to sign, then move to a formal hearing. Motion carried.

Hearing Officer Leo Disburg at 2:50 p.m. convened the formal hearing on complaint #2008-018, SDREC vs. Dustin Rallis. Present for the hearing in addition to the members of the commission were legal counsel Jim Robbennolt, executive director Dee Jones Noordermeer, licensing program administrator Norma Schilling, court reporter Maxine Risty, defendant Dustin Rallis and his attorney Chris Madsen and Derrick Nelson. The hearing closed at 3:17 p.m.

Hearing Officer Leo Disburg at 3:20 p.m. convened the formal hearing on complaint #2007-025, SDREC vs. Clayton Sonnenschein. Present for the hearing in addition to the members of the commission were legal counsel Jim Robbennolt, executive director Dee Jones Noordermeer, licensing program administrator Norma Schilling and court reporter Maxine Risty. Defendant was not present for the hearing. The hearing closed at 3:23 p.m.

Hearing Officer Leo Disburg at 3:36 p.m. convened the formal hearing on complaint #2007-023, SDREC vs. Brian DeNeui. Present for the hearing in addition to the members of the commission were legal counsel Jim Robbennolt, executive director Dee Jones Noordermeer, licensing program administrator Norma Schilling and court reporter Maxine Risty. Defendant was not present for the hearing. The hearing closed at 3:40 p.m.

Motion made and seconded to enter into executive session at 3:46 p.m. Motion carried.

Motion made and seconded to come out of executive session at 4:02 p.m. Motion carried.

Motion made and seconded to revoke the licensing privileges of Brian DeNeui and assess a penalty of \$2,500 and a reimbursement of costs to the commission. Motion carried.

Motion made and seconded to revoke the licensing privileges of Clayton Sonnenschein and assess a penalty of \$2,500 and a reimbursement of costs to the commission. Motion carried.

Motion made and seconded that Dustin Rallis retain his broker associate license under the condition that he complies with the orders set forth in his sentencing. Motion carried.

The commission reviewed the letter of apology from Clayton Sonnenschein.

Election of officers was held with a motion from Larkin, second by Lewis, to nominate Eileen Fischer as Chairperson. Motion carried. Motion by Larkin, second by Lewis, to nominate Dennis Eisnach as Vice Chairman. Motion carried with Fischer elected as Chairperson and Eisnach as Vice Chairman.

The meeting recessed at 4:25 p.m. and reconvened at 8:35 a.m. on June 12, 2008.

Education director Karen Callahan, John Gustafson, Ryan Krogman, SDAR Executive Vice President Michelle Kleven and Marcie Roggow joined the meeting.
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The executive director furnished the commission with information on licensure recognition and a draft survey that will be conducted by ARELLO.

Motion made and seconded to enter into executive session at 8:43 a.m. Motion carried.

Motion made and seconded to come out of executive session at 8:58 a.m. Motion carried.

The commission instructed the executive director to approve the broker application of Steven Pier.

The commission instructed the executive director to complete additional credit and background checks on Darryl Meadows and if no derogatory information is discovered, to approve his property manager's application.

John Gustafson and Ryan Krogman presented the proposed legislation of the South Dakota Association of REALTORS regarding prelicensing and post licensing education. The proposed legislation would increase prelicensing education by 16 hours and add post licensing education of 60 hours to be completed over the first 3 years of licensure.

Motion made and seconded, to support SDAR's position on prelicensing and post licensing education. Motion carried.

The executive director informed the commission that the rules from the rules hearing had been approved by the Rules Review Committee.

The executive director informed the commission that she will be meeting with Representative Lust and Secretary Kinsman on legislation.

Following discussion, motion was made and seconded to adopt the proposed forms. Motion carried.

The executive director informed the commission that she will be making some changes to the transaction brokerage form for an agent that is only completing the paperwork for a transaction.

Discussion was held on real estate offices placing sold properties in their advertisements that have been sold by other agencies. Legal counsel and the executive director will work together on addressing this issue.

The next meeting of the commission will be held August 4 & 5, 2008 in Pierre.

There being no further business, motion made and seconded to adjourn at 11:00 a.m. Motion carried.

Brian Jackson, Chairman

Dee Jones Noordermeer, Executive Director

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I, Dee Jones Noordermeer, hereby certify that the above is a true and correct copy of the minutes of the South Dakota Real Estate Commission meeting held on June 11 & 12, 2008.

Dee Jones Noordermeer, Executive Director