

**Meeting Minutes**  
**SOUTH DAKOTA REAL ESTATE COMMISSION**  
123 W Missouri Ave  
September 7, 2017 8:45 a.m. CDT

Chairman Ken Cotton called the meeting to order at 8:45 a.m. A quorum was participating.

**Members Participating:** Ryan Wordeman  
Mark Wahlstrom  
Ken Cotton  
Matt Krogman  
Dave Bonde

**Members Absent:**

**Others Participating:** Melissa Miller, Executive Director, SDREC  
Brian Jackson, Compliance Officer, SDREC  
Michelle Metzinger, Compliance Officer, SDREC  
Stephanie Howard, Licensing Program Administrator, SDREC  
Graham Oey, Staff Attorney, South Dakota Department of Labor and Regulation

Cotton asked for a motion to approve the agenda as presented. Bonde made a motion to approve the agenda. Wahlstrom seconded the motion. Cotton called the roll. **MOTION PASSED.**

The hearing on the application of Jennifer Stone was convened at 8:45 a.m.

Jennifer Stone and her attorney Cory Bruning joined the meeting telephonically at 8:45 a.m.

Krogman motioned to approve Jennifer Stone's application A. Wordeman seconded the motion. Cotton called the roll. **MOTION PASSED.**

Wahlstrom made a motion to approve the July 12th, 2017 meeting minutes with spelling corrections. Wordeman seconded the motion. Cotton called the roll. **MOTION PASSED.**

Summary of the financials for July and August 2017 was presented by Director Miller. Wahlstrom made a motion to approve financial reports with the agreement the financials will be noted and filed with the commission records. Wordeman seconded the motion. Cotton called the roll. **MOTION PASSED.**

Discussion was held regarding an application. Krogman motioned to approve application pending specific verification from the applicant. Wahlstrom seconded the motion. Cotton called the roll. **MOTION PASSED.**

Complaint 2016-091 & 2017-094: Trisha Martinell/Innovative Property Management, LLC., Sioux Falls, SD for violation of SDCL 36-21A-28, SDCL 36-21A-71(1), (4), (5), (7), (9), (12), (15), (30), (31), (32), SDCL 36-21A-80, SDCL 36-21A-82, SDCL 36-21A-83, SDCL 36-21A-130, SDCL 36-21A-132, ARSD CHAPTER 20:96:14, and ARSD 20:69:14.01:02.

- a. MARTINELL agrees to pay a \$2,500.00 monetary penalty per case for a total of \$5,000.00, due within 6 months of the Consent Agreement being signed by the Commission;
- b. MARTINELL agrees to her license will be revoked by the Commission and will not be able to apply for any commission licenses for a period of 5 years;
  - i. The revocation will go into effect 45 days after this Consent Agreement is signed by the Commission;
- c. IMP and Martinell must send certified letters to all of IPM's clients informing them of the closure and instructing them where they may obtain all QuickBook records, tenant list, and any other owner files. Letters must be sent within 14 days of the Consent Agreement being signed by the Commission.
  - i. Martinell shall submit all copies of the letters sent, Certified Mail Receipt, and Domestic Return Receipt to the Commission Office by October 29, 2017.

Wordeman made a motion to approve Consent Agreements 2016-097 and 2017-094. Wahlstrom seconded the motion. Cotton called roll. **MOTION PASSED.**

Complaint 2017-099: No action was taken.

Complaint & Consent Agreement 2017-100: John Maurer/Meritus Group Real Estate LLC., Sioux Falls, SD for violation of SDCL 36-21A-71, SDCL 36-21A-82, SDCL 36-21A-80,

- a. The respondent will provide to the South Dakota Real Estate Commission.
- b. Respondent will pay an administrative fine in the amount of \$100 the South Dakota Real Estate.

Krogman made a motion to approve Consent Agreement 2017-099. Wordeman seconded the motion. Cotton called roll. **MOTION PASSED.**

Consent Agreement 2017-104: R. Russel Rearick/Coldwell Banker Lewis-Kirkeby-Hall Real Estate, Inc., Rapid City, SD for violation of SDCL 36-21A-71(5).

- a. Rearick shall pay an administrative fine in the amount of \$250.00 to the Commission by October 7, 2017.

Bonde made a motion to approve Consent Agreements 2017-104. Wahlstrom seconded the motion. Cotton called roll. **MOTION PASSED.**

Consent Agreement 2018-004: Lori Rearick/Coldwell Banker Lewis-Kirkeby-Hall Real Estate, Inc., Rapid City, SD for violation of SDCL 36-21A-71(5).

- a. Rearick shall pay an administrative fine in the amount of \$250.00 to the Commission by October 7, 2017.

Krogman made a motion to approve Consent Agreements 2018-004. Wahlstrom seconded the motion. Cotton called roll. **MOTION PASSED.**

Consent Agreement 2018-005: Bo Hauer/Coldwell Banker Lewis-Kirkeby-Hall Real Estate, Inc., Rapid City, SD for violation of SDCL 36-21A-71(5) and SDCL 36-21A-79.

- a. Hauer shall pay an administrative fine in the amount of \$500.00 to the Commission by October 7, 2017.

Wordeman made a motion to approve Consent Agreements 2018-004. Bonde seconded the motion. Cotton called roll. **MOTION PASSED.**

Commission took a break at 10:15 A.M.

Commission reconvened at 10:25 A.M.

Complaint & Consent Agreement 2017-108: Rodger Chase/Coldwell Banker Action Realty, Huron, SD for violation of SDCL 36-21A-71, (1), SDCL 36-21A-82 and SDCL 36-21A-80.

- a. Respondent will create a ledger and provide to the commission a copy of the monthly reconciliation, as required by SDCL 36-21A-80, to include a copy of the ledger, check register, and bank statements for May, June and July 2017.
- b. Respondent will pay an administrative fine in the amount of \$100 to the South Dakota Real Estate Commission within 15 days of receipt of a dinged copy of this newsletter.

Wordeman made a motion to reject Consent Agreements 2018-108. Bonde seconded the motion. Cotton called roll. **MOTION PASSED.**

Krogman made a motion to dismiss Complaint 2017-110. Wordeman seconded the motion. Cotton called roll. **MOTION PASSED.**

Complaint and Consent Agreement 2018-003: Allen Burgard/Century 21 Investments REALTORS, Aberdeen, SD for violation of SDCL 36-21A-80, SDCL 36-21A-82 and SDCL 36-21A-71.

- a. Respondent will pay an administrative fine in the amount of \$500 to the South Dakota Real Estate Commission within 15 days of receipt of a signed copy of this Consent Agreement.
- b. Respondent will attend an in-classroom trust accounting course prior to December 31, 2017. The course shall not count no be applied as continuing education hours and shall be no less than three classroom hours pursuant to ARSD 20:69:11:03. Respondent will provide the Commission with proof of completion of the course within 10 days of the course completion.
- c. Respondent shall provide the Commission's Executive Director written confirmation the trust account discrepancy has been identified and corrected or documented by December 31, 2017.

Wordeman made a motion to approve Consent Agreement 2018-003. Krogman seconded the motion. Cotton called roll. **MOTION PASSED.**

Team legislation was discussed.

Wordeman made a motion to update SDCL 36-21A-55, SDCL 36-21A-19 & SDCL 36-21A-29(8). Bonde seconded the motion. Cotton called roll. **MOTION PASSED.**

Next Meeting will take place November 8<sup>th</sup>, 2017. Meeting was adjourned at 11:44 AM.

**Revenue Report Ending 9/30/17**

(Additional Report)

<b>Description</b>	<b>Budgeted</b>	<b>Current</b>	<b>Rev. to be Rec</b>	<b>YTD</b>	<b>PCT Rec.</b>
Residential Rental Agents	3,000	460	2,180	820	27
Auctioneer	450	0	450	0	
Broker	65,000	6,750	53,525	11,475	18
Home Inspectors	4,000	400	2,975	1,025	26
Property Manager	6,000	225	4,650	1,350	23
Sales Agents	2,000	225	1,550	450	23
Timeshare Agents	1,000	225	550	450	45
Firms	7,500	900	5,600	1,900	25
Condominiums	7,000	3,650	3,350	3,650	52
Timeshare Projects	6,000	0	6,000	0	
Educational Courses	14,000	3,000	10,050	3,950	28
Additional Licenses	2,000	315	1,565	435	22
Change of Address	7,000	1,155	4,855	2,145	31
Certificate of Licensure	3,000	255	2,655	345	12
Late Renewal Fees	9,000	140	8,860	140	2
Renewal Res Rental Agents	3,000	0	3,000	0	
Renewal Auctioneer	5,000	0	5,000	0	
Renewal Broker	185,500	125	185,375	125	
Home Inspection Renewal	5,000	0	5,000	0	
Renewal Property Manager	9,000	0	9,000	0	
Renewal Sales Agents	15,000	0	15,000	0	
Renewal Timeshare Agents	1,000	0	1,000	0	
Renewal Firms	38,000	0	38,000	0	
Renewal Timeshare Project	7,000	0	7,000	0	
Renewal Additional Licenses	4,000	0	4,000	0	
Misc. Fines, Penalties and NO Rev	15,000	5,537.44	4,212.16	10,787.84	72
Interest Earned	7,350	0	7,350	0	
License Law Books Sold	1,500	88	1,412	88	6
Directories/Guide Sold	9,000	1,490	5,705	3,295	37
Mailing Labels Sold	5,500	0	5,500	0	
Investigation Reimbursement	2,000	0	2,000	0	
	<b>449,800</b>	<b>24,940.44</b>	<b>407,369.16</b>	<b>42,430.84</b>	<b>9</b>

STATE OF SOUTH DAKOTA  
 REVENUE SUMMARY BY BUDGET UNIT  
 FOR PERIOD ENDING: 09/30/2017

AGENCY BUDGET UNIT	10 1037	LABOR & REGULATION REAL ESTATE COMMISSION						
CENTER	COMP	ACCOUNT	DESCRIPTION	CURRENT MONTH	YEAR-TO-DATE			
COMPANY NO	6503	PROFESSIONAL & LICENSING BOARDS						
COMPANY NAME	6503							
103700069901	6503	4293700	RESIDENT RENTAL AGENTS	460.00	820.00			
103700069901	6503	4293702	BROKER	6,750.00	11,475.00			
103700069901	6503	4293703	HOME INSPECTORS	400.00	1,025.00			
103700069901	6503	4293704	PROPERTY MANAGER	225.00	1,350.00			
103700069901	6503	4293705	SALES AGENTS	225.00	450.00			
103700069901	6503	4293706	TIMESHARE AGENTS	225.00	450.00			
103700069901	6503	4293707	FIRMS	900.00	1,900.00			
103700069901	6503	4293708	CONDOMINIUMS	3,650.00	3,650.00			
103700069901	6503	4293711	EDUCATIONAL COURSES	3,000.00	3,950.00			
103700069901	6503	4293712	ADDITIONAL LICENSES	315.00	435.00			
103700069901	6503	4293713	CHANGE OF ADDRESS	1,155.00	2,145.00			
103700069901	6503	4293714	CERTIFICATES OF LICENSURE	255.00	345.00			
103700069901	6503	4293715	LATE RENEWAL FEES	140.00	140.00			
103700069901	6503	4293719	RENEWAL BROKER	125.00	125.00			
ACCT: 4293			BUSINESS & OCCUP LICENSING (NON-GOVERNMENTAL)	17,825.00	28,260.00			*
ACCT: 42			LICENSES, PERMITS & FEES	17,825.00	28,260.00			**
103700069901	6503	4393003	MISC FINES & PENALTIES	5,537.44	5,537.44			
ACCT: 4393			PENALTIES (NON-GOVERNMENTAL)	5,537.44	5,537.44			*
ACCT: 43			FINES, FORFEITS & PENALTIES	5,537.44	5,537.44			*
103700069901	6503	4596002	LICENSE LAW BOOKS SOLD	88.00	88.00			
103700069901	6503	4596003	DIRECTORIES/HOME BUYER GU	1,490.00	3,295.00			
ACCT: 4596				1,578.00	3,383.00			*
ACCT: 45			CHARGES FOR SALES & SERVICES	1,578.00	3,383.00			**
103700069901	6503	4920045	NONOPERATING REVENUES	.00	5,250.40			

STATE OF SOUTH DAKOTA  
 REVENUE SUMMARY BY BUDGET UNIT  
 FOR PERIOD ENDING: 09/30/2017

AGENCY BUDGET UNIT	10 1037	LABOR & REGULATION REAL ESTATE COMMISSION				
CENTER	COMP	ACCOUNT	DESCRIPTION	CURRENT MONTH	YEAR-TO-DATE	
ACCT: 4920			NONOPERATING REVENUE	.00	5,250.40	*
ACCT: 49			OTHER REVENUE	.00	5,250.40	**
CNTR: 103700069901				24,940.44	42,430.84	***
COMP: 6503				24,940.44	42,430.84	****
B UNIT: 1037				24,940.44	42,430.84	*****

BUDGET UNIT 1037

AVAILABLE FUNDS AS OF: 09/30/2017  
FY YEAR REMAINING: 75.1%  
PAY DAYS REMAINING: 17

DATE 09/30/2017

CENTER NAME REAL ESTATE COMMISSION

COMP	ORIGINAL APPROPRIATION	APPROPRIATION TRANSFERS	YEAR-TO-DATE COMMITMENTS	YEAR-TO-DATE ENCUMBRANCES	YEAR-TO-DATE EXPENDITURES	AVAILABLE APPROPRIATIONS	CASH BALANCE
6503-I	580,357.00	0.00	0.00	22,327.25	117,868.23	440,161.52	305,427.14
BUDGETED TOT	580,357.00	0.00	0.00	22,327.25	117,868.23	440,161.52	
ALL COMP TOT	580,357.00	0.00	0.00	22,327.25	117,868.23	440,161.52	

TOTAL BUDGETED:

OBJECT OF EXPENDITURE	AMOUNT BUDGETED	COMMITMENTS YEAR-TO-DATE	ENCUMBRANCES YEAR-TO-DATE	MONTHLY EXPENDITURES	BUDGET AVAILABLE	PCT AVL
5101 EMPLOYEE SALARIES	269,919.00	0.00	0.00	31,004.15	197,893.08	73.3
5102 EMPLOYEE BENEFITS	79,288.00	0.00	0.00	9,627.75	56,798.38	71.6
5203 TRAVEL	37,350.00	0.00	0.00	2,411.49	31,876.40	85.3
5204 CONTRACTUAL SVCS	160,185.00	0.00	21,179.25	3,094.44	126,447.22	78.9
5205 SUPPLIES & MATRLS	31,300.00	0.00	0.00	184.84	26,078.44	83.3
5207 CAPITAL OUTLAY	2,315.00	0.00	1,148.00	0.00	1,068.00	46.1
TOTALS	580,357.00	0.00	22,327.25	46,322.67	440,161.52	75.8

BREAKOUT BY COMPANY:

COMPANY	PROFESSIONAL & LICENSING BOARDS	AMOUNT BUDGETED	COMMITMENTS YEAR-TO-DATE	ENCUMBRANCES YEAR-TO-DATE	MONTHLY EXPENDITURES	BUDGET AVAILABLE	PCT AVL
COMPANY 6503-I	PS SUBTOTALS	349,207.00	0.00	0.00	40,631.90	254,691.46	72.9
	OE SUBTOTALS	231,150.00	0.00	22,327.25	5,690.77	185,470.06	80.2
COMPANY 6503-I	TOT	580,357.00	0.00	22,327.25	46,322.67	440,161.52	75.8

## **2018 Commission Meeting Dates**

January 10-11

March 14-15

May 9-10

July 12-13

September 5-6

November 7-8

ARELLO Mid-Year Meeting – April 4-7 (New Orleans, LA)

ND/SD Convention – September 11-14 (Minot, ND)

ARELLO Annual Meeting – September 26-30 (St. Louis, MO)