

SOUTH DAKOTA REAL ESTATE COMMISSION
JUNE 13,2012
700 GOVERNORS DRIVE
PIERRE, SOUTH DAKOTA

The South Dakota Real Estate Commission convened via DDN at 9:00 a.m. on June 13, 2012. Present for the meeting were Vice Chairman Doug Nelson and commission members Matt Krogman, Paula Lewis and Mark Wahlstrom. Commission member Dennis Eisnach was absent for the meeting. Also present were executive director Melissa Miller, licensing program administrator Norma Schilling, Department of Labor and Regulation legal counsel Aaron Arnold and compliance officers Michelle Metzinger and Brian Jackson.

Election of officers was held. Motion by Wahlstrom, second by Lewis to nominate Doug Nelson as Chairman. Motion carried by roll call vote. Motion by Krogman, second by Lewis to nominate Mark Wahlstrom as Vice Chairman. Motion carried by roll call vote.

Motion by Wahlstrom, second by Lewis to switch items F and G around and approve the agenda. Motion carried by roll call vote.

Motion by Wahlstrom, second by Lewis, to approve the minutes of the April 4 & 5, 2012 meeting. Motion carried by roll call vote.

Motion by Krogman, second by Wahlstrom to approve the financial reports for March and April 2012. Motion carried by roll call vote.

Discussion was held on trust accounts for out-of-state real estate offices. Legal counsel Aaron Arnold was instructed to propose legislation for SDCL 36-21A-71(5) to change the requirement to have all monies held in a federally insured institution.

Motion by Wahlstrom, second by Lewis to approve the Stipulation and Assurance of Voluntary Compliance for Betty Dockter to the following:

- A. Ms. Dockter's broker license, #4735, will be suspended for a period of one year, of which all will be held in abeyance so long as the following conditions are met:
 - (1) Ms. Dockter will comply with all laws and regulations relating to her profession under SDCL chapter 36-21A and ARSD article 20:69 for a period of one year beginning on the date of execution of this agreement;
 - (2) Ms. Dockter will pay for, attend in an in-person classroom setting, and successfully complete 15 hours of Responsible Broker's course and provide written evidence of such compliance to the South Dakota Real Estate Commission by August 31, 2012. The required course work will not count toward Ms. Dockter's continuing education requirement for maintaining her license and cannot be completed at the South Dakota School of Real Estate;
 - (3) Ms. Dockter will pay for, attend in an in-person classroom setting, and

- successfully complete 6 hours of contracts' course and provide written evidence of such compliance to the South Dakota Real Estate Commission by August 31, 2012. The required course work will not count toward Ms. Dockter's continuing education requirement for maintaining her license and cannot be completed at the South Dakota School of Real Estate;
- (4) Failure to comply with any of the above described conditions shall result in immediate suspension of Ms. Dockter's license for a period of one year.

Motion carried by roll call vote.

Motion by Lewis, second by Wahlstrom to approve the consent agreement for Michael Johnson to the following:

- A. Mr. Johnson's license, #13639, will be revoked; and
- B. Mr. Johnson shall not re-apply for licensure with the Commission for a period of five years beginning on the date of execution of this agreement.

Motion carried by roll call vote.

Motion by Wahlstrom, second by Lewis to amend the previous motion to the approval of the consent agreement for Betty Dockter. Motion carried by roll call vote.

Motion by Wahlstrom, second by Lewis to approve the consent agreement for Terry Haiar to the following:

- A. Mr. Haiar will comply with all laws and regulations relating to his profession under SDCL chapter 36-21A and ARSD article 20:69 for a period of one year beginning on the date of execution of this agreement;
- B. Mr. Haiar shall pay an administrative fine in the amount of \$1,000.00 to the Commission by July 31, 2012; and
- C. Mr. Haiar will pay for, attend, and successfully complete 6 hours of Commission approved auctioneering courses in an in-person classroom setting and provide written evidence of such compliance to the South Dakota Real Estate Commission by December 31, 2012. The required course work will not count toward Mr. Haiar's continuing education requirement for maintaining his license and cannot be completed at the South Dakota School of Real Estate.

Motion carried by roll call vote.

Motion by Wahlstrom, second by Lewis to approve the consent agreement for Clifford Sherard to the following:

- A. Mr. Sherard will comply with all laws and regulations relating to his profession under SDCL chapter 36-21A and ARSD article 20:69 for a period of one year beginning on the date of execution of this agreement;
- B. Mr. Sherard shall pay an administrative fine in the amount of \$500.00 to the Commission by July 31, 2012; and
- C. Mr. Sherard will pay for, attend, and successfully complete 15 hours of Responsible Broker course in an in-person classroom setting and provide

written evidence of such compliance to the South Dakota Real Estate Commission by December 31, 2012. The required course work will not count toward Mr. Sherard's continuing education requirement for maintaining his license and cannot be completed at the South Dakota School of Real Estate.

Motion carried by roll call vote.

Discussion was held on a licensee for failure to comply with a change of address. Motion by Wahlstrom, second by Lewis to file a formal complaint against the licensee for failure to file a change of business address with the Commission. Motion carried by roll call vote.

Motion by Wahlstrom, second by Lewis to deny the application for conditional approval of Karen Wallace. Motion carried by roll call vote.

Motion by Wahlstrom, second Krogman to approve the home inspector application of Rod Zimmerman. Motion carried by roll call vote.

Motion by Krogman, second by Lewis to approve the residential rental agent application of Dorothy Welbig. Motion carried by roll call vote with Wahlstrom voting nay.

Motion by Wahlstrom, second by Krogman to enter into executive session at 9:57 a.m. for deliberation purposes. Motion carried by roll call vote.

Legal counsel Lindsey Riter-Rapp joined the meeting at 11:45 a.m.

The meeting reconvened to regular session at 12:00 p.m.

Education director Karen Callahan joined the meeting at 12:00 p.m.

Complaint 2012-040, motion by Krogman, second by Lewis to dismiss the complaint. Motion carried by roll call vote with Nelson recusing himself.

Motion by Lewis, second by Krogman to have legal counsel negotiate a consent agreement with Craig Olson. Motion carried by roll call vote with Nelson recusing himself.

Complaint 2012-034, motion by Wahlstrom second by Krogman to have legal counsel Aaron Arnold negotiate a consent agreement with the home inspector. Motion carried by roll call vote.

Motion by Krogman, second by Lewis to have legal counsel Aaron Arnold file a complaint against the buyer's agent. Motion carried by roll call vote.

Complaint 2012-036, motion by Wahlstrom, second by Lewis to dismiss the complaint. Motion carried by roll call vote.

Complaint 2012-037, motion by Krogman, second by Wahlstrom to table to the next meeting. Motion carried by roll call vote.

Complaint 2012-038, motion by Wahlstrom, second by Lewis to dismiss and have the executive director send a letter to the licensees. Motion carried by roll call vote.

Complaint 2012-039, motion by Lewis, second by Wahlstrom to dismiss the complaint. Motion carried by roll call vote.

Complaint 2012-023, motion by Wahlstrom, second by Krogman to have legal counsel Aaron Arnold negotiate a consent agreement. Motion carried by roll call vote.

Legal counsel Lindsey Riter-Rapp gave an update on the status of the Paul Vallette civil action.

Legal counsel Lindsey Riter-Rapp informed the Commission that all terms from the appeal of Cheri St. Pierre have been met.

Michelle Kleven joined the meeting at 12:20 p.m.

The Commission instructed legal counsel Aaron Arnold to research possible legislation for the collection of attorney fees.

Legal counsel Lindsey Riter-Rapp left the meeting at 12:20 p.m.

Education director Karen Callahan informed the Commission that she had visited with AMP on the possibility of them administering the property manager exam. Following discussion, motion by Wahlstrom, second by Krogman to proceed with AMP for the administration of the property manager exam. Motion carried by roll call vote.

Education director Karen Callahan updated the commission on the drop of attendees at the caravans. Karen informed the Commission that she will see where expenses can be cut and see what can be done to increase attendance at the caravans.

The executive director briefed the Commission on the parliamentary procedure class that was attended by staff. She will send out information received at the class and informed the Commission that this class may be available at other locations for the Commission members to attend.

The executive director informed the Commission of the ARELLO Investigator Workshop in Indianapolis, Indiana August 6-9, 2012, CLEAR Investigator Training in San

Francisco, CA September 3-5, 2012 and CLEAR Conference in San Francisco, CA September 6-8, 201, the REEA Conference in Morehead, KY August 10-13, 2012 and the ARELLO Annual Conference in Halifax, Nova Scotia Canada September 20-22, 2012. Motion by Wahlstrom, second by Lewis to request two to attend the ARELLO Annual Conference, education director Karen Callahan to attend the REEA Conference and compliance officer Brain Jackson to attend the ARELLO Investigator Workshop, the CLEAR Investigator Training and the CLEAR Annual Educational Conference. Motion carried by roll call vote.

Discussion was held on holding a special meeting with members of the Association of REALTORS to review proposed changes to the statutes. The executive director was instructed to work with Michelle Kleven, executive vice president of the Association of REALTORS, to arrange a date to meet.

The next regularly scheduled meeting will be August 14 & 15, 2012 in Pierre.

There being no further business, motion made by Wahlstrom, second by Lewis, to adjourn at 1:00 p.m. Motion carried by roll call vote.

Minutes submitted by Norma Schilling

Douglas Nelson, Chairman

Melissa Miller, Executive Director