

Meeting Minutes
South Dakota Real Estate Commission
711 East Wells Ave
November 8th, 2017 8:30 a.m. CDT

Chairman Ken Cotton called the meeting to order at 8:30 a.m. A quorum was participating.

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

Others Participating: Melissa Miller, Executive Director, SDREC
Brian Jackson, Compliance Officer, SDREC
Graham Oey, Staff Attorney, South Dakota Department of Labor
and Regulation
Bob Mercer, The Daily Republican

Request to correct the September 7th minutes in regards to Complaint and Consent Agreement 2017-108 on page three. The second paragraph of letter (b) incorrectly identifies the complaint number as 2018-108. The minutes will be updated to reflect 2017-108 as the complaint number.

Wahlstrom made a motion to approve the September 7th, 2017 meeting minutes with the correction. Krogman seconded the motion. **MOTION PASSED.**

Summary of the financials for September 2017 was presented by Director Miller. Online renewals are in process but the income is not included in the provided financials. This is the first year of online only renewals and approximately \$87,000 in renewal fees have been received so far. The renewal fees will be included in the next meetings financials. Krogman made a motion to accept the financial reports for filing. Bonde seconded the motion. **MOTION PASSED.**

Applications were discussed and reviewed with the following action taken:

Applicant 1: Motion by Wordeman to approve the application. Krogman seconded the motion. **MOTION PASSED.**

Applicant 2: Motion by Wahlstrom to table the application until proof the unpaid judgments have been discharged has been received by the Commission. Bonde seconded the motion. **MOTION PASSED.**

Applicant 3: Motion by Bonde to deny the application per SDCL 36-21A-33 (8). Wahlstrom seconded the motion. **MOTION PASSED.**

Applicant 4: Motion by Wahlstrom to table the application and request the applicant personally appears before the Commission at the next scheduled meeting. Wordeman seconded the motion. (Bonde Abstained) **MOTION PASSED.**

Applicant 5: Motion by Wahlstrom to approve the application. Krogman seconded the motion. **MOTION PASSED.**

Motion by Wahlstrom to enter into Executive Session to consult with legal counsel about proposed or pending litigation per SDCL 1-25-2 (3). Bonde seconded the motion. **MOTION PASSED.** The commission entered into Executive Session at 9:00 A.M. Jackson, Metzinger, and Mercer left the meeting room.

Jackson re-entered the meeting room at 9:10 a.m. Jackson left the meeting room at 9:17 a.m.

Metzinger entered the meeting room at 9:17 a.m. Metzinger left the meeting room at 9:25 a.m.

The Commission exited Executive Session at 9:37 a.m. Mercer and commission staff Jackson and Metzinger returned to the meeting.

Action was taken on the following complaints. Approval is for respondents who had accepted consent agreements or assurance of voluntary compliance agreements by signing and returning them to the Executive Director.

Complaint 2017-108: Consent agreement with Roger Chase, license number 4278, Huron, SD for violation of SDCL 36-21A-71(1), SDCL 36-21A-80, and SDCL 36-21A-82.

- a. CHASE agrees to create 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 statement, for bank statements received in May, June, and July 2017.
- b. CHASE agrees to pay a \$100 administrative fine.

Krogman made a motion to approve consent agreement 2017-108. Bonde seconded the motion. **MOTION PASSED.**

Complaint 2017-109: Consent agreement with Thomas Souvignier, license numbers 10481 and 11684, Canton, SD for violation of SDCL 36-21A-71(1), SDCL 36-21A-6(8), ARSD 20:36:16:03, and ARSD 20:14:06:01.

- a. SOUVIGNIER shall pay a \$500 administrative fine by December 8, 2017.
- b. SOUVIGNIER shall have his license suspended for a period of twelve months starting the date the agreement is accepted by the commission. The twelve months will be held in abeyance conditioned on the payment of the fine and no other violations of SDCL chapter 36-21A or ARSD 20:69 during the twelve month period.

Wahlstrom made a motion to approve consent agreement 2017-109. Wordeman seconded the motion. **MOTION PASSED.**

Complaint 2017-064: Krogman made a motion to dismiss complaint 2017-064 based on staff finding of no violation. Wahlstrom seconded the motion. **MOTION PASSED.**

Complaint 2017-099: Assurance of voluntary compliance agreement for violation of SDCL 36-21C-11 and ARSD 20:74:06:06 (1)(h).

- a. RESPONDENT shall pay a \$350 administrative fine by October 27, 2017 (payment sent with agreement).
- b. RESPONDENT shall have their license suspended for a period of thirty days, with thirty days held in abeyance for a period of twelve months from the day the Commission signs the agreement, conditioned on no other violations of license law or rule during that period.

Krogman made a motion to approve assurance of voluntary compliance 2017-099. Wahlstrom seconded the motion. **MOTION PASSED.**

Complaint 2018-001: Bonde made a motion to dismiss complaint 2018-001 based on staff finding of no violation. Krogman seconded the motion. **MOTION PASSED.**

Complaint 2018-002: Consent agreement with Melissa O'Farrell, license number 13300, for violation of SDCL 36-21A-71 (15) and 36-21A-71 (32).

- a. O'FARRELL shall pay a \$500 administrative fine by November 30, 2017.
- b. O'FARRELL shall complete additional in-classroom education of six hours of ethics and six hours of South Dakota license law. Proof of completion must be received by the commission office prior to March 30, 2018.
- c. If O'FARRELL fails to comply with a and b, or commits a violation under SDCL36-21A or ARSD Article 20:69 within one year of the agreement being signed by the commission O'Farrell's license shall be suspended for up to six months.

Krogman made a motion to approve consent agreement 2018-002. Wordeman seconded the motion. **MOTION PASSED.**

Oey explained a request for an extension for completion of education hours by respondents of consent agreements 2017-095 and 2017-105. Wahlstrom made a motion to extend the date the classroom education be completed to December 31, 2017, due to a required course not being offered prior to the original deadline. Bonde seconded the motion. (Krogman abstained) **MOTION PASSED.**

Oey informed the commission of upcoming legislation. SDCL 36-21A-19 and 36-21A-55 are being updated to reference correct statutes. SDCL 36-21A-29(8) is being updated to include credit unions as being exempt for licensure. Subsection 8 exempts banks, trust companies, and savings and loans from licensure.

The proposed 2018 meeting schedule was reviewed. No action was taken.

Cotton provided a summary of the 2017 ARELLO annual conference he attended in September. Jackson provided a summary of the 2017 ARELLO investigator workshop he attended in October.

No other business was brought before the commission.

Next Meeting: January 8, 2018 at 1 p.m. in Pierre

Bonde made a motion to adjourn the meeting at 10:40 a.m. Wahlstrom seconded the motion.
MOTION PASSED.