

**South Dakota Real Estate Commission
December 5-6, 2012
Kneip Building
700 Governors Drive
Pierre, South Dakota**

The South Dakota Real Estate Commission convened at 1:00 p.m. on December 5, 2012. Present for the meeting were Chairman Doug Nelson and commission members Mark Wahlstrom, Matt Krogman, and Paula Lewis. Also present were executive director Melissa Miller, education director Karen Callahan and compliance officer Brian Jackson. Commissioner Dennis Eisnach was absent.

Motion by Lewis, second by Krogman, to approve agenda following the move of item 10 to 3:30 p.m. Motion carried by roll call vote.

Motion by Krogman, second by Wahlstrom, to approve the minutes of the October 11, 2012 meeting. Motion carried by roll call vote.

Motion by Wahlstrom, second by Krogman, to approve the year-to-date financial report. Motion carried by roll call vote.

Department of Labor and Regulation staff attorney Aaron Arnold joined the meeting at 1:16 p.m.

Motion by Lewis, second by Wahlstrom to deny the resident broker associate application for Jessica Egan until the applicant can show a proven payment plan on judgments. Motion carried by roll call vote.

Motion by Wahlstrom, second by Lewis, to approve the property manager license application for Tina Garfield. Motion carried by roll call vote.

Motion by Lewis, second by Krogman, to approve the residential rental agent application for Raeann Daman. Motion carried by roll call vote.

Motion by Wahlstrom, second by Lewis, to deny the resident broker association application for Elizabeth Gabriella. Motion carried by roll call vote.

Application for Kelly Dunn discussed. No action taken.

Motion by Lewis, second by Krogman, to approve the license application for Dennis Henze. Motion carried by roll call vote.

Motion by Wahlstrom, second by Krogman, to approve license renewal for Terrance Hoffman. Motion carried by roll call vote.

Chairman Nelson turned over meeting to Vice Chairman Wahlstrom at 2:04 p.m.

Motion by Krogman, second by Lewis, to approve the consent agreement for Robert Corsini to the following: Mr. Corsini shall pay an administrative fine in the amount of \$250.00 to the Commission by February 28, 2013. Motion carried by roll call vote.

Vice Chairman Wahlstrom turned the meeting back over to Chairman Nelson at 2:05 p.m.

Motion by Lewis, second by Wahlstrom to approve the Kyle Lalim/Peggy Haugan consent agreement as follows:

- A. Mr. Lalim 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. Lalim shall pay an administrative fine in the amount of \$1,000.00 to the Commission within 30 days of execution of this agreement; and
- C. Mr. Lalim will pay for, attend, and successfully complete 9 hours of education in the following three areas: 3 hours of law, 3 hours of agency, and 3 hours of contracts, and provide written evidence of such compliance to the South Dakota Real Estate Commission by June 30, 2013. The required course work must be taken in an in-person classroom setting, will not count toward Mr. Lalim's continuing education requirement for maintaining his license and cannot be completed at the South Dakota School of Real Estate;
- D. Ms. Haugan 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;
- E. Ms. Haugan will pay for, attend, and successfully complete a 15-hour Responsible Broker course, and provide written evidence of such compliance to the South Dakota Real Estate Commission by June 30, 2013. The required course work must be taken in an in-person classroom setting, will not count toward Ms. Haugan's continuing education requirement for maintaining her license and cannot be completed at the South Dakota School of Real Estate.

Motion carried by a roll call vote.

Motion by Krogman, second by Lewis, to dismiss Popkes from complaint 2013-001. Motion carried by a roll call vote.

Motion by Wahlstrom second by Krogman to enter into executive session at 2:15 p.m. pursuant to SDCL 1-25-2(3). Motion carried by roll call vote.

The commission reconvened to regular session at 2:50 p.m. Compliance officer Michelle Metzinger joined the meeting.

Motion by Krogman, second by Wahlstrom to dismiss complaint 2012-46, with letter of reprimand by executive director. Motion carried by roll call vote.

Legal counsel was instructed to continue to negotiate a consent agreement for complaint 2012-43.

Motion by Wahlstrom, second by Lewis, to have legal counsel negotiate a consent agreement with buyer's agent and broker and dismiss against listing agent with letter of reprimand for complaint 2013-004. Motion carried with roll call vote.

Callahan updated commission on the education caravan.

South Dakota Association of Realtors executive director Michelle Kleven and president Kevin Kuehn joined the meeting at 3:10 p.m.

Discussion was held on proposed legislation.

Department of Labor and Regulation public affairs director Dawn Dovre joined the meeting at 3:22 p.m.

Discussion was held on license law in regard to the sale of mobile homes and proposed legislation for next year.

Discussion was held regarding the process and timeline for preparing the final drafts of this year's legislation.

Discussion was held regarding commercial forms.

Jackson gave presentation on suggested revisions to residential forms. Discussion was held regarding the ongoing process involved in making the changes to forms.

Kuehn and Kleven left the meeting at 4:45 p.m.

Discussion was held regarding future commission meeting dates. Miller was instructed to schedule a meeting for March 27-28, 2013.

The meeting recessed at 5:00 p.m. and reconvened at 8:30 a.m. on December 6, 2012.

Hearing examiner Hilary Brady convened the formal hearing on complaint 2013-002, SDREC vs. Scott Grebner at 8:32 a.m. Present for the hearing, including the Commission members were legal counsel Lindsey Riter-Rapp, executive director Melissa Miller, staff attorney Aaron Arnold, education director Karen Callahan, compliance officers Brian Jackson and Michelle Metzinger, court reporter Carla Bachand, and defendant Scott Grebner. Hearing examiner closed the hearing at 9:42 a.m.

Bachand, Brady, and Grebner left meeting at 9:44 a.m.

The meeting recessed at 9:52 a.m. for a break and reconvened at 10:02 a.m.

Metzinger gave update on complaint 2010-018. Motion by Lewis, second by Wahlstrom, to dismiss the complaint. Motion carried by roll call vote.

Motion by Krogman, second by Lewis, to enter into executive session at 10:13 a.m. pursuant to SDCL 1-25-2(3). Motion carried by roll call vote.

The commission reconvened to regular session at 10:27 a.m.

Discussion was held regarding ARELLO activities. Motion by Krogman, second by Wahlstrom, to approve commissioner Lewis to serve as chairperson of the home inspection/auction work group. Motion carried.

Miller presented audit report.

Motion by Krogman, second by Lewis, to approve reinstatement of the property manager and salesperson licenses of Sharon Scudder provided she submits the renewal fee for 2012/2013 and the errors and omissions insurance premium fee for December 2012 to the commission office within 10 days. Motion carried by roll call vote.

The next meeting of the Commission will be held in Pierre on January 30 and 31.

There being no further business, motion by Wahlstrom, second by Krogman to adjourn at 11:35 a.m.

Minutes submitted by Karen Callahan.

Doug Nelson, Chairman

Melissa Miller, Executive Director