

**Meeting Minutes**  
**South Dakota Real Estate Commission**  
123 W. Missouri Ave.  
March 23, 2017 8:30 a.m. CDT

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

**Members Participating:** Ryan Wordeman  
David Bonde  
Mark Wahlstrom  
Ken Cotton

**Members Absent:** Matt Krogman

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

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

Wahlstrom made a motion to approve the January 10, 2017 meeting minutes. Bonde seconded the motion. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

Summary of the financials for January and February 2017 was presented by Director Miller. Wahlstrom made a motion to approve financial reports. Cotton seconded the motion. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

Discussion was held regarding the consent agreements. The agreements were mailed to the respondents for their review and acceptance or rejection. The approval is for respondents who had accepted the agreement by signing and returning them to the Executive Director. Bonde made a motion to approve the consent agreements. Cotton seconded the motion. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

Discussion was held regarding application A. Wahlstrom made a motion to approve application A. Cotton seconded the motion. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

Discussion was held regarding application B. Bonde made a motion to approve application B. Wahlstrom seconded the motion. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

Discussion was held regarding application C. Wahlstrom made a motion to approve application C. Bonde seconded the motion. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

Michelle Metzinger, Compliance Officer with the SDREC, entered the meeting at 8:52 a.m.

Attorney Oey presented the following consent agreements for review and approval:

Complaint 2017-069: SDREC vs Kevin McPherson.

McPherson signed a consent agreement agreeing to pay a \$500 fine to the Commission within ten days of receiving a signed copy of the consent agreement.

If McPherson fails to comply with the conditions of the agreement the Commission will proceed with formal disciplinary action.

Cotton made a motion to accept consent agreement 2017-069. Wahlstrom seconded the motion. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

Complaint 2017-002: Hofer vs Reginald Kleinsasser/The Real Estate Connection, Huron, SD and Adam Rathjen/Rathjen Home Inspections, Huron, SD.

Kleinsasser signed a consent agreement agreeing to pay a \$250 fine to the Commission by July 1, 2017, and attend classroom education, which does not count toward continuing education hours, of three hours of contracts and six hours of agency. Kleinsasser agreed to complete the education and provide written proof of successful completion to the SDREC by August 31, 2017.

Kleinsasser further agrees if he fails to pay his fine by July 1, 2017, he shall pay an additional administrative penalty in the amount of \$1,000, totaling \$1,250 to the Commission by September 1, 2017.

Kleinsasser further agrees if he fails to comply with the in-classroom education requirements of the agreement by August 31, 2017, his license shall immediately be suspended starting September 1, 2017, until the education requirements are fulfilled.

No action was taken on Rathjen.

Bonde made a motion to accept consent agreement 2017-002 with Kleinsasser. Cotton seconded the motion. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

Complaint 2017-096: SDREC vs Dawn Eining/The Real Estate Connection, Huron, SD.

Eining signed a consent agreement agreeing to pay a \$500 fine by July 1, 2017 and attend classroom education, which does not count toward continuing education hours, of three hours of contracts, three hours of agency, and three hours of license law. Eining agreed to complete the education and provide written proof of successful completion to the SDREC by August 31, 2017.

Eining further agrees if she fails to pay her fine by July 1, 2017, she shall pay an additional administrative penalty in the amount of \$1,000, totaling \$1,500 to the Commission by September 1, 2017.

Eining further agrees if she fails to comply with the in-classroom education requirements of the agreement by August 31, 2017, her license shall immediately be suspended starting September 1, 2017, until the education requirements are fulfilled.

Wahlstrom made a motion to accept consent agreement 2017-096. Bonde seconded the motion. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

Complaint 2017-097: SDREC vs Richard Shelton/The Real Estate Connection, Huron, SD.

Shelton signed a consent agreement agreeing to pay a \$500 fine by July 1, 2017 and attend classroom education, which does not count toward continuing education hours, of three hours of contracts and six hours of agency. Shelton agreed to complete the education and provide written proof of successful completion to the SDREC by August 31, 2017.

Shelton further agrees if he fails to pay his fine by July 1, 2017, he shall pay an additional administrative penalty in the amount of \$1,000, totaling \$1,500 to the Commission by September 1, 2017.

Shelton further agrees if he fails to comply with the in-classroom education requirements of the agreement by August 31, 2017, his license shall immediately be suspended starting September 1, 2017, until the education requirements are fulfilled.

Wahlstrom made a motion to accept consent agreement 2017-097. Bonde seconded the motion. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

Complaint 2017-007: Harlan vs David Shelton/Century 21 Advantage, Sioux Falls, SD.

Bonde made a motion to table complaint 2017-007 until the next Commission meeting. Cotton seconded the motion. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

Complaint 2017-008: Beebe vs Craig Fields/Hegg Realtors, Sioux Falls, SD and James Rezac/Hegg Realtors, Sioux Falls, SD.

Rezac signed a consent agreement agreeing to pay a \$250 fine by June 30, 2017 and successfully complete a three hours ethics course, which does not count toward continuing education hours. The course may be taken in a classroom setting or as an online course. If an online course is taken Rezac must submit an affidavit signed by Rezac and Rezac's responsible broker stating Rezac solely participated and satisfied the course. All signatures shall be notarized. Rezac agreed to complete the education and provide written proof of successful completion to the SDREC by June 30, 2017.

Rezac further agrees if he fails to pay his fine by June 30, 2017, he shall pay an additional administrative penalty in the amount of \$1,000, totaling \$1,250 to the Commission by August 1, 2017.

Rezac further agrees if he fails to comply with the education requirements of the agreement by June 30, 2017, his license shall immediately be suspended starting July 1, 2017, until the education requirements are fulfilled.

No action was taken on Fields.

Wahlstrom made a motion to accept consent agreement 2017-008 with Rezac. Cotton seconded. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

The Commission recessed at 9:07 a.m. for a short break and reconvened at 9:16 a.m.

Discussion was held regarding the complaint review process and use of an investigative committee. Wahlstrom made a motion to continue to use the investigative committee as counsel reviews options and drafts language to add a commission member to the committee. Cotton seconded the motion. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

Director Miller informed the Commission of the ARELLO District 2 & 3 meeting which is being held in Charleston, West Virginia, June 8-10, 2017.

Under other business the commission discussed HB 1078 which had been offered during the 2017 South Dakota Legislative session. The bill was an industry proposed bill. The purpose of the bill was to provide for the regulation of teams and team leaders regarding real estate transactions. The bill was ultimately deferred to the 41<sup>st</sup> day of the Legislative Session by the Commerce and Energy Committee. There was no action to be taken.

The next meeting will be scheduled for May 10, 2017, in Pierre.

Bonde made a motion to adjourn the meeting at 10:21 a.m. Wahlstrom seconded the motion. Wordeman called the roll. **MOTION PASSED** by unanimous vote.

Minutes submitted by Brian Jackson