

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING

REAL ESTATE COMMISSION
MEETING MINUTES

September 10, 2014

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Real Estate Commission was held September 10, 2014, at the State of Alaska Atwood Building Conference Room 1270, 550 W. 7th Avenue, Anchorage, Alaska.

Wednesday, September 10, 2014

Agenda Item 1 - Call to Order

Chairperson Anita Bates called the meeting to order at 9:00 a.m. at which time a quorum was established.

Roll Call – 1(a)

Members present:

Anita Bates, Associate Broker, Broker at Large
Nancy Davis, Broker, 1st Judicial District
Marianne Burke, Public Member
Eric Bushnell, Associate Broker at Large
Cindy Cartledge, Public Member
Stacy Harvill, Associate Broker, 4th Judicial District

Members absent:

Brad Cole, Associate Broker, 3rd Judicial District (excused)

Staff Present:

Sharon Walsh, Executive Administrator
Nancy Harris, Project Assistant
Jay Paff, Investigator II
Angela Birt, Chief Investigator

Guests Present:

David Somers, Broker, AK Association of Realtors
Jerry Royse, Broker, Royse & Associates
Scott Myers, Associate Broker, Jack White Real Estate, Eagle River
Linda Hilton, potential real estate licensee
Eva Loken, Associate Broker, Jack White Real Estate, Alaska Association of Realtors
Larry Pederson, Administrative Law Judge

Guests Present via Telephone:

Sara Chambers, Director of Corporation, Business and Professional Licensing (CBPL)
Colleen Kautz, Operations Manager, CBPL
Martha Hewlett, Administrative Officer II, CBPL

Approval of Agenda- 1(b)

Commission Members reviewed and discussed the meeting agenda as presented.

Ms. Bates asked if there were any additions to the agenda.

Ms. Walsh said she would like to add an item for New Business, item "f". She wanted to add the draft of the Consumer Disclosure Pamphlet and the Waiver of Right to be Represented to New Business, tab 9(e).

Ms. Harris asked to take the proposed regulation, 12 AAC 64.240, from 5(d) and move it to tab 9(d) - New Business.

On a motion duly made by Ms. Davis, seconded by Ms. Burke, it was,

RESOLVED to approve the meeting agenda for September 10, 2014 as amended.

All in favor; Motion passed.

Agenda Item 2 - Meeting Minutes

On a motion duly made by Ms. Davis, seconded by Ms. Cartledge, it was,

RESOLVED to approve the Real Estate Commission June 11, 2014 meeting minutes.

Commission members reviewed and discussed the June 11, 2014 meeting minutes as presented.

Ms. Bates had a correction on page 3 of 8, under Licensing Statistics; "expiration date of 1/31/2014" should be 1/31/2016.

On Page 7 of 8, second paragraph, line 10 at the end of the sentence, "Chair Bates recognizes" should read, "Chair Bates recognized".

Ms. Bates also pointed out a correction was needed on page 7 of 8, second paragraph, line 14, end of sentence, "but an outside entity will be the effective recipients". She asked if that is what was actually said.

Commission member Burke told the Chair that she had called Ms. Walsh and she had confirmed that it was verbatim. So that is in fact what was said and needed no correction.

Ms. Harvill had a question on page 2 of 8, under Public Comment, 7 lines from the bottom of paragraph. She said that there was some commentary in parentheses. Was that necessary? She said that seemed outside of the minutes.

Ms. Walsh said she wanted to go on record with correct information but was not sure where

to put that information.

Ms. Burke suggested that when there is a correction like that, that it not be added as if was a correction to the minutes but add as a note/footnote at the end of the minutes.

Ms. Burke said that if there is a question in the meeting minutes, as on page 2 of 8, that the answer be included, because that is a follow up. She asked if there was an answer given for that. Ms. Walsh said there was no answer to that question at this time.

Ms. Davis made an amendment to the previous motion seconded by Ms. Cartledge to accept the June 11, 2014 meeting minutes as amended.

All in favor; Motion passed.

Agenda Item 3 - Public Comment

Ms. Bates said that the Commission would now accept public comment with regards to the proposed regulation project due to the posting of public comment at 9:00 a.m. opposed to 9:30 a.m.

Eva Loken representing the Alaska Association of Realtors, made a comment regarding the proposed regulation. She said that the pamphlet still looks like a contact. The form implies that it is ok to ask confidential questions when meeting people for the first time before you sign a contract to represent them and by representation get confidential duties.

Jerry Royse, with Royse and Associates, gave public comment. He spoke of training the teachers to present the AREC Consumer Pamphlet within a Train the Trainer workshop. He spoke of having the presentation of the AREC consumer Pamphlet and Waiver form as a 2 hour designated course with some specific objectives.

Commission discussed a work session to look over the public comments received for the Consumer Pamphlet and Waiver.

On a motion duly made by Ms. Burke, seconded by Ms. Davis, it was,

RESOLVED to investigate the feasibility of an additional meeting between now and December and if that is not financially possible, to go ahead and schedule a two (2) day meeting for December which would be the 2nd and 3rd of December for the purpose of working on the Consumer Pamphlet.

Ms. Burke had an amendment to the motion, seconded by Ms. Davis that an inquiry as to a GoTo meeting as another option.

All in favor; Motion passed.

Jerry Royse had some additional public comment not related to the proposed regulation but on the legal entity issue/advertising and business license.

Agenda Item 4 - Education Report

Education Statistics – 4(a)

Ms. Harris presented the education statistics to the Commission.

Ms. Harris presented information for the Recovery Fund fees collected for education.

Ms. Walsh wanted to follow up to Ms. Burke's suggestion to send a copy of this report to Mary Manning in the Juneau office, so that she knows we are tracking from our end and that potentially they can incorporate that. Mary Manning acknowledged that and she thought that was great. This provides her with some tools to incorporate into the new database.

CE Audit Update – 4(b)

Ms. Harris updated the Commission on the CE Audit. She said the CE audit is complete. There are 4 licensees that did not respond and 11 licensees that have issues that will go on to the paralegal.

Agenda Item 5- Executive Administrator Report

Recovery Fund Balance Report – 5(a)

Ms. Walsh presented the Recovery Fund Balance Report to the Commission.

Ms. Walsh answered questions from Commission members regarding the Recovery Fund Balance Report.

Ms. Burke would like any Department of Law invoices that are charged to the recovery fund she would like to be reviewed or approved by the REC Executive before payment.

Ms. Walsh said that she had a question on footnote line 6 that indicates credit card fees. She said she will contact Mary Manning to see if this is a new expense and how is it being allocated and if allocated correctly.

Ms. Walsh stated some potential changes, besides salaries, to the Recovery Fund that may be projects such as the Broker Forum Network, Train the Trainer workshop, and the production of a CD for an education video for instruction on the new Consumer Pamphlet.

Ms. Burke asked if the E-Bulletin/newsletter has been going out. Ms. Walsh said that staff has been sending that out as a list serv. Ms. Bates said staff has been very busy getting caught up with what was left over from renewals and everything and as soon as they get caught up they will be able to get the E-Newsletter started again and maintained.

The Commission discussed how to get licensees to subscribe to the listserv. At the March meeting, the Commission members discussed how to push it and make it mandatory for brokers and licensees to sign up for the list serv but decided that they could not make it mandatory but could strongly encourage.

Schedule of Revenue and Expenditure – 5(b)

Ms. Walsh presented the Revenue and Expenditure report for the Real Estate Commission.

She said this was an old report from the June meeting and she will not get the 4th quarter report until mid-October. Ms. Walsh said that Commission member Burke had asked for a breakdown, from the 3rd quarter, of the contractual costs. Ms. Walsh provided the breakdown of contractual costs that she received from the Administrative Officer, Martha Hewlett, in Juneau. It gives an idea of what goes under contractual such as, training/conferences, accounting, expert witness, freight, courier, postage, advertising, room/space, legal, commission sales, business supplies, and hearing/mediation.

The Commission members had some concerns for room cost at Atwood Building and legal costs. Ms. Walsh said she would ask Martha about room costs and the Office of Administrative Hearing fees would also go into legal costs.

Licensing Statistics – 5 (c)

Ms. Walsh presented the licensing statistics for the period of May 30, 2014 through August 25, 2014.

Ms. Walsh presented the Recovery Fund fees for licensing.

Agenda Item 6 - OAH Decision

Case # 14-0429REC – 6(a)

On a motion duly made by Mr. Bushnell, seconded by Ms. Davis, it was,

RESOLVED to go into executive session.

All in favor; Motion passed.

Into executive session at 10:18 a.m.

On a motion duly made by Mr. Bushnell, seconded by Ms. Davis, it was,

RESOLVED to come out of executive session.

All in favor; Motion passed.

Out of executive session at 10:33 a.m.

On a motion duly made by Ms. Davis, seconded by Ms. Harvill, it was,

RESOLVED approve the proposal for action on Case OAH #14-0429REC.

All in favor; Motion passed.

In the matter of the proposal for action on case OAH #14-0429REC the decision has been approved to deny the license application for Landon Bauer.

Agenda Item 5- Executive Administrator Report
Regulation Tracker – update w/prop'l sheets – 5(c)

The regulation tracker was presented to the Commission members for their review.

Ms. Walsh said there was a regulation project that was over at the Department of Law that did not get processed in time and went stale. That project included 12 AAC 64.130(20), 12 AAC 64.180(a), and 12 AAC 64.059(f), that would need to be readopted. A regulation may go stale because it passed its 1 year anniversary date per Regulation Specialist. A part of that project that was separated from that was 12 AAC 64.064(d), Education Requirements after Initial License for review for rewording.

12 AAC 64.059(f)(6)- Review of License Applications

This regulation was adding language of 6 hours of contact hours of course work on Alaska real estate law. This was to bring this into compliance with the other parts of the same regulation so that regardless if you are a salesperson, associate broker or broker you would be required to complete 6 contact hours of course work on Alaska real estate law.

On a motion duly made by Ms. Harvell, seconded by Ms. Davis, it was,

RESOLVED to readopt the proposed changes to regulation 12 AAC 64.59(f) (6).

All in favor; Motion passed.

12 AAC 64.064(d)- Education Requirements after Initial License

This regulation was taken out for re-wording and is now regulation part 3.

12 AAC 64.130(20) - Prohibited Conduct

This regulation deals with licensees failing to notify the Commission if they are aware of any licensee that is engaged in forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud or other similar offenses.

On a motion duly made by Ms. Davis, seconded by Ms. Harvill, it was,

RESOLVED to readopt proposed regulation 12 AAC 64.130(20).

All in favor; Motion passed.

12 AAC 64.180(a) – Establishment of Trust Accounts

This regulation deals with where a trust accounts can be held in a federally insured bank and not a credit union. This a regulation clean-up to remove “credit union” as an authorized bank.

On a motion duly made by Ms. Davis, seconded by Ms. Harvill, it was,

RESOLVED to readopt proposed regulation 12 AAC 64.180(a).

All in favor; Motion passed.

12 AAC 64.420(g)- Application for Course Certification

This regulation will be attached to the next regulation project. It has already been adopted to go out to public comment.

This proposed regulation will allow DCE topics to be approved for a full two licensing cycles so that instructors would not have to get those courses reapproved of the second licensing period.

Ms. Walsh informed the Commission that she has been approved to attend the ARELLO annual conference in Philadelphia, September 17-21, 2014.

Ms. Walsh also informed the Commission that she attended a teleconference on August 28, 2014 for E & O Insurance. The Division will not be submitting a Request for Proposal (RFP) but an Invitation to Bid (ITB). Assistant AG, Todd Araujo will address that with the Commission at 11:00 today.

Commission recessed for break at 10:53 a.m.
Commission reconvened from break at 11:00 a.m.

Agenda Item 7 – Discussion with Assistant AG

E & O Requirements for Master Policy

Assistant Attorney Todd Araujo spoke to the Commission regarding Errors & Omissions Insurance requirements for a master policy.

Mr. Araujo gave the Commission a short history of the Errors and Omissions Insurance regulations and the process to put out an Invitation to Bid for a master policy. Mr. Araujo said that there was a meeting on August 28, 2014 with the Director of Insurance, procurement, and others to include the Director, Sara Chambers. What was revealed at this meeting was that it would not be a Request for Proposal (RFP), that would be sent out but an Invitation to Bid (ITB) that would be developed and sent out. Insurance providers that were interested in offering a bid would need to do so pursuant to the minimum standards that are already set out in the regulations 3 years ago and based on the lowest bid would be accepted as long as those minimum standard and provisions were satisfied.

Commission members discussed the Invitation to Bid process with Mr. Araujo.

Mr. Araujo asked for clarification on what the Commission had agreed upon for him to do. He was to ahead and prepare the invitation to bid and run it by Sharon and/or Nancy to make sure meets with their approval and then with Procurement and/or Insurance folks as well.

Ms. Bates said that was correct.

The Commission members thanked Mr. Araujo.

Agenda Item 9 – Old Business

Education Committee Update – 9(a)

Ms. Bates gave an update what was going on with the Education Committee that was appointed at the last meeting. She said they have not met yet but have been exchanging emails. They have a face to face meeting set up for September 17th. She said she is anticipating a report from them by the December meeting. This is looking at current requirements for Post Licensing and trying to make it more specific and relevant with regards to broker licensing in the topics that are being covered.

Letter to Senator Fairclough – 9(b)

Ms. Bates pointed out the letter that she wrote responding to Senator Fairclough as well as the original letter received. They are asking that the Boards and Commissions comment at that time.

Landlord Tenant Update – 9(c)

Ms. Harris gave an update on the changes to the Landlord Tenant Act and included the HB282 that shows those changes. She said that the changes to the Landlord Tenant Act will be effective on September 15, 2014. Ms. Harris said that per Department of Law, the Landlord Tenant Act booklet has been updated online and the booklets are being updated and will be available mid-September.

Payment to Legal Entities- 9(d)

(Proposed Regulation 12 AAC 64.240(e)-Broker's Commission)

Commission members reviewed and discussed the proposed regulation 12 AAC 64.240(e), Broker's Commission.

The proposed regulation reads:

A real estate broker licensed under this chapter may pay a fee or compensation to an associate broker or salesperson doing business as a legal entity when organized under the law of the state of Alaska so long as the legal entity is comprised solely of associate brokers or salespersons that hold valid and active real estate licenses in the state of Alaska as required under AS 08.88.

Commission members worked on the verbiage of the regulation and agreed to hold off on this regulation and revisit after lunch.

Commission members recessed for lunch at 11:51 a.m.

Commission members reconvened from lunch at 12:58 p.m.

Agenda Item 8 - Investigator Report

Ms. Bates introduced the new Chief Investigator for Corporations, Business and Professional Licensing, Angela Birt. Ms. Birt gave a brief background on her experience.

Ms. Bates introduced the new real estate investigator Jay Paff. Mr. Paff told a little bit about himself. He said he is retired military and did have an Alaska real estate license in

the 90's as a salesperson for a short period of time.

Statistical Report – 6(a)

Mr. Paff presented the investigative statistical report covering information compiled from May 30, 2014 through August 20, 2014. He said there were 7 files opened, and he closed 20 real estate matters. He said there are currently 20 opened matters in the investigative stage and there were 4 license actions, 1 consent agreement and 3 impositions of civil fine.

Mr. Paff said that at the prior meeting the Commission adopted the procedure to allow investigations to start using additional education as a form of discipline for an individual that might not have caused harm but the Commission felt that it was just a training issue or needed more training in a particular area. He said that he has started to use this and a licensee has accepted it as a settlement of the infraction.

Probation Report – 6(b)

Mr. Paff presented the probation report to the Commission. He said there are two licensees on probation. Mr. Clark's fine will be due December 7th and Ms. Hague is on track. She is completing her education and her fine is due 6 months prior to the end of her probation date.

Mr. Paff provided the Commission a list of what investigations has done according to infractions for the last 18 months. It is an idea at the licensee level of what the action was, what discipline was taken and in the comments he explained what the licensee failed to do. This is to help the Commission members when he calls them to assist him that they have a history of what discipline has been taken so there can remain some consistency.

Case #2013-002099

On a motion duly made by Mr. Bushnell, seconded by Ms. Davis, it was,

RESOLVED to go into executive session.

All in favor; Motion passed.

Into executive session at 1:18 p.m.

On a motion duly made by Mr. Bushnell, seconded by Ms. Davis, it was,

RESOLVED to come out of executive session.

All in favor; Motion passed.

Out of executive session at 2:25 p.m.

On a motion duly made by Ms. Davis, seconded by Ms. Burke, it was,

RESOLVED to table the investigative report #2014-002099 for the purpose of gathering further information.

When the Commission says gathering information that doesn't necessarily mean that this matter will have to wait until the next Commission meeting in December; The Commission intends to take this matter up after they receive the information they requested for and deal with it by teleconference.

All in favor; Motion passed.

Case #2014-001036

This case was not presented to the Commission.

Commission recessed for at 2:27 p.m.

Commission reconvened from break at 2:31 p.m.

Payment to Legal Entities (Proposed Regulation) – 9(d) - Revisited

Proposed regulation 12 AAC 64.240(e) Broker's Commission –

Ms. Bates read the new proposed language for legal entities under 12 AAC 64.240(e) Broker's Commission that was revised by the Commission.

(e) a real estate broker licensed under this chapter may pay a fee and/or commission to an associate broker or salesperson doing business as a legal entity, organized and validly existing under the laws of the State of Alaska, provided the ownership of the legal entity is an associate broker or salesperson employed by such broker and who holds a valid, active real estate license in the State of Alaska.

Commission members discussed the proposed regulation regarding legal entities.

Ms. Bates said that the intent is to allow the broker to pay an entity that is owned by a licensee that can then distribute to licensees or non-licensees, under that structure, whether it is a LLC, or corporation.

On a motion duly made by Ms. Davis, seconded by Ms. Bushnell, it was,

RESOLVED to approve this wording for 12 AAC 64.240(e) with the exception of the last line, take out the "s" out of "licenses" to "license" and forward on to Regulation Specialist.

All in favor; Motion passed.

12 AAC 64.064- Education Requirements after Initial License

On a motion duly made by Ms. Burke, seconded by Ms. Davis, it was,

RESOLVED to readopt the proposed changes to regulations 12 AAC 64.064(d), (e), (f), and (g) [(DOL file #JU2013200632 (part 3))].

The first part of this regulation deals with a licensee issued an initial license for broker or associate broker who failed to complete their post licensing education which would revert back to a salesperson license provided that they still qualify.

The second part deals with submitting for post licensing education

All in favor; Motion passed.

Agenda Item 11 – Division Issues/Update on Changes on Travel

Director Sara Chambers, Colleen Kautz the Operations Manager and Martha Hewlett the Admin Manager spoke to the Commission regarding Division issues and update on changes to travel via teleconference.

Ms. Hewlett said that they went over the 3rd quarter report at the last meeting and at this point the 4th quarter report is not available until the first part of October. She said she is available if the Commission would like to go over the 3rd quarter report again or if they had any questions after further review in the last few months.

Commission members had no questions for Ms. Hewlett.

Ms. Hewlett deferred until the next meeting for the 4th quarter for review.

Ms Chambers said the first part of October is the release date for year-end financials and she is planning to include additional information that should be helpful to Commission members with information that they have worked on to determine how indirect fees are calculated and some of the over-arching ways that the individual Commission expenses work within the wider Division.

Ms. Chambers asked if there were any specific needs or concerns that the Commission wanted to ask that was not articulated about fiscal reporting. She said to please feel free to contact her as she is preparing this comprehensive report to all of the boards and commissions.

Ms. Chambers spoke about the Legislative Budget Audit Sub-Committee (LB&A) and changes to the travel process. She said that Legislative Budget and Audit Committee has been meeting with her to continue to address some of the fee setting questions.

Ms. Chambers said the Division will now be able to process travel on behalf of Board or Commission members. They are also going to be able to allow industry associations that may offer to book board or staff travel directly and accept reimbursement from associations, when they simply write a check to the State to cover the Board member's travel.

Ms. Chambers asked if the Commission members had any questions about the information presented or any follow up.

Commission members had no questions.

Agenda Item 10(f) – Adoption of 12 AAC 64.118 and 119

On a motion duly made by Ms. Davis, seconded by Ms. Cartledge, it was,

RESOLVED to table the discussion of the Consumer Pamphlet and Waiver of Right to be Represented until the December meeting with getting together prior to that to have a work session.

All in favor; Motion passed.

Agenda Item 10 – New Business

Election of Officers – 10(a)

Chair-

Ms. Davis nominated Anita Bates for Chair.

On a motion duly made by Ms. Davis, seconded by Ms. Burke, it was,

RESOLVED that Anita Bates continue as Chair of the Real Estate Commission.

All in favor; Motion passed.

Vice Chair-

Ms. Burke nominated Nancy Davis for Vice Chair.

On a motion duly made by Ms. Burke, seconded by Ms. Harvill, it was,

RESOLVED that Nancy Davis continue as Vice Chair of the Real Estate Commission.

All in favor; Motion passed.

Education Liaison-

Ms. Davis nominated Stacy Harvill as Education Liaison.

On a motion duly made by Ms. Davis, seconded by Ms. Cartledge, it was,

RESOLVED that Stacy Harvell continue as Education Liaison of the Real Estate Commission.

All in favor; Motion passed.

Consider Changes to Eligibility Requirements – 10(b)

Ms. Bates asked the Commission to consider changes to the eligibility requirements for a license. She said this is for discussion purposes so the Commission can take a look at it and consider making changes. She said the former investigator Wirawan suggested how to possibly make changes to tighten up these requirements which included stating certain barrier crimes in the statute, and expand on some of the things that are already in statute. She said the other boards have language in their statutes that specifically state they can deny a license if they deem it to be the proper action. She said the Real Estate Commission doesn't quite have that though we have precedent that says if we can revoke we can deny. However, we would like to be more specific in our language. She said another piece of this is looking to adopt some professional requirements or conduct standards that are also contained in the other board's statutes and regulations. They are not necessarily a code of ethics but it does list out some of the things to be expected as far as the licensed professional is concerned. She said she is looking for some input as what the Commission thinks could or should be done to improve the level or caliber of applicants and licensees that come into our business.

Ms. Bates said she is hoping to have some information at the December meeting for a serious discussion.

Licensing Matter/Experience/Waiver- 10(c)

Ms. Walsh wanted to give the Commission members a heads up about some legislation that they might see the next session regarding taking into account an individual's real estate experience for licensure. If an individual's license expired as a broker, and they decide to reapply for licensure, they could come back as a broker. She said there may be legislation coming this session that may allow for a waiver with experience to get a broker's license.

Ms. Cartledge said that this would be the time if the Commission has other statutory changes to ride on with the bill.

Ms. Burke suggested that a file/record be kept on things that the Commission wants changed so if they see a bill to approach a legislator or get the industry to approach then and tack it on.

Broker Forum/Network- 10(d)-

Ms. Bates said for a long time there has been a program here in Anchorage where the Anchorage Board of Realtors invited Brokers to come, sit down and discuss issues of interests or concerns for the industry. Ms. Walsh fills in the brokers with information that happened at the Commission meetings and things that they can expect, and future changes that they might need to deal with. It has proven to be highly popular. Ms. Bates and Ms. Walsh have been talking about the idea of taking a broker forum statewide rather than just Anchorage based because they are a statewide Commission. Ms. Bates said she believed that information should be shared with brokers and licensees around the state. Ms. Bates has spoken with the Multiple Listing Service (MLS) and Alaska USA Federal Credit Union, who both have video conferencing capability, about structuring something that could be done on a quarterly basis that could be an outreach to all the brokers and licensees. Ms.

Walsh would be in one central location (Anchorage) and participants would attend via video conference from around the state. Ms. Bates said she has been told that it would be a minimal expense to those people who are co-sponsoring but she thought it would be a good idea to explore whether or not, if there was expense involved, that it could be paid from the recovery fund because it is educational in nature and to make sure if they needed to do that, that the Commission had the ability and authority to do it. She said that these meetings are usually done after the Commission meeting so that the information that is being disseminated to the brokers is timely. She is asking the Commission members if they would be in support of an idea like this and if the Commission would support it.

Commission members discussed the question of offering a broker forum statewide via video conference and were in support.

The Commission agreed that the broker forum was an educational purpose. Commission members wanted to know the cost and that brokers would have the responsibility to take information to licensees.

On a motion duly made by Ms. Harvill, seconded by Ms. Burke, it was,

RESOLVED to allocate up to \$500 out of the Recovery Fund to host a broker's educational forum.

All in favor; Motion passed.

Advertising a Business Name- 10(e)

Ms. Bates presented to the Commission wording of a regulation to possibly address the issue of advertising a business name. She said this is a starting point for discussion at the December meeting. The verbiage for advertising presented was:

12 AAC 64.113 Advertising a Business Name

- (a) A broker's business name registered with the commission shall be the predominant name in any advertising, including
 - (i) The location of the principal office and of any branch office
 - (ii) Advertising of any type for any property for sales, lease, or rent
 - (iii) Advertising to buy, sell, rent, lease or exchange any real estate
- (b) Licensees who conduct real estate brokerage business as a team or group shall obtain written permission from the employing broker for all advertising promoting the name of the team or group. This paragraph applies to all real estate advertised to the public including that owned by the licensee.

Ms. Bates said there is one other area that she would suggest be included and that would be any advertising offers, any type of real estate or brokerage services, not just advertising property or the broker's office but any services the broker's office, broker or salesperson might advertise. Also, because team and group are mentioned it would require a definition be added to section 12 AAC 64.990. The definition would read: "Team" or "group" means one or more licensed associate real estate brokers or licensed real estate salespersons, or any combination thereof, who:

1. worked together on a regular basis to provide real estate brokerage services;

2. represent themselves to the public as being a part of one entity; and
3. designate themselves by a collective name such as team or group

Ms. Bates said that this is a starting point for discussion to put together regulations that would deal with advertising, teams and groups. This does not specifically address teams and groups. She said that was a separate discussion. She said there still needs to be some additional language to deal specifically with teams and groups. Ms. Bates would like to see this again under Old Business at the December meeting.

Ms. Bates asked the Commission members to go over information on advertising so that they can review and discuss at the December meeting. She asked that the Commission members to look over the Consumer Disclosure and wait to hear when they would get together for a work session.

On a motion duly made by Ms. Davis, seconded by Ms. Cartledge, it was

RESOLVED to adjourn the meeting.

All in favor; Motion passed.

Meeting adjourned at 4:17 p.m.

Prepared and submitted by:
Nancy Harris

Approved:

Anita Bates
Anita Bates, Chairperson
Alaska Real Estate Commission

Date: 10 Dec 2014