

1 STATE OF ALASKA
2 DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
3 DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
4

5 REAL ESTATE COMMISSION
6 MEETING MINUTES
7

8 March 27, 2019
9

10 By authority of AS 08.01.070(2), and in compliance with the provisions of AS
11 44.62, Article 6, a scheduled meeting of the Real Estate Commission was held
12 March 27, 2019 at the State of Alaska Atwood Building Suite 1236, 550 W. 7th
13 Avenue, Anchorage, Alaska.
14

15 **March 27, 2019**

16 **Agenda Item 1 - Call to Order**

17 Chairperson PeggyAnn McConnochie called the meeting to order at 9:05 a.m. at
18 which time a quorum was established.
19

20 **Roll Call – 1(a)**

21 **Members present:**

22 Jesse Sumner, Public Member
23 Michael Tavoliero, Broker, 3th Judicial District
24 Margaret Nelson, Broker, Broker at Large
25 Jaime Matthews, Public Member
26

27 **Members present via video conference, ZOOM:**

28 Cheryl Markwood, Broker, Broker at Large
29 PeggyAnn McConnochie, Broker, 1th Judicial District
30 David Pruhs, Broker, 4th Judicial District
31

32 **Staff Present:**

33 Sharon Walsh, Executive Administrator
34 Nancy Harris, Project Assistant
35 Shyla Conselo, Investigator for REC
36 Karina Madina, Probation Monitor
37

38 **Guests Present:**

39 Jerry Royse, Broker and RE Educator, Royse & Associates, Anchorage
40 Shania Ackles, Associate Broker and RE Educator, Keller Williams Realty -AK
41 Group, Anchorage
42 Paddy Coan, Associate Broker and RE Educator, Keller Williams Realty -AK
43 Group, Anchorage
44

45 Commission members PeggyAnn McConnochie, David Pruhs and Cheryl
46 Markwood were in attendance via video conference (ZOOM).
47

48 Mr. Tavoliero will be arriving late due to another commitment.
49
50
51

52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99

Election of Officers- Chair, Vice-Chair - Tab 1(b)

Ms. Nelson asked that the election of officers be deferred until all Commission members are present.

On a motion duly made by Ms. Nelson, seconded by Mr. Sumner, it was,

RESOLVED to wait to conduct election of officers until all Commission members are present.

Roll call vote: Ms. Markwood-yes, Ms. Matthews-yes, Ms. Nelson-yes, Mr. Pruhs-no, Mr. Sumner-yes, Ms. McConnochie-no.

4 yes votes, 2 no votes; Motion passed.

Approval of Agenda-1(c)

Commission members reviewed the meeting agenda.

Ms. McConnochie asked to add two items to the agenda. Item 1(d), Introduction of New Commission Members and 1(e), review of the video conference program ZOOM and how it works.

On a motion duly made by Ms. Matthews, seconded by Mr. Sumner, it was,

RESOLVED to approve the meeting agenda for March 27, 2019 as amended.

Roll call vote: Ms. Matthews-yes, Ms. Nelson-yes, Mr. Pruhs-yes, Mr. Sumner-yes, Ms. Markwood-yes.

All in favor; Motion passed.

Introduction of New Commission Members- Tab 1(d)

Each Commission member introduced themselves and gave their background and interests to the Commission.

Ms. McConnochie said Mr. Tavoliero will introduce himself when he arrives.

Review of video conferencing ZOOM- Tab 1(d)

Ms. McConnochie went over the basics and tips of ZOOM with the Commission members. She said this is the first ZOOM meeting for the Commission. She said

100 she does not see a full day meeting with ZOOM because the tolerance in this
101 meeting format is usually 3 hours. The members can discuss about splitting the
102 meetings up and having a couple of meetings instead a full day meeting via
103 ZOOM.
104

105
106 **Agenda Item 2 - Approval of Meeting Minutes**
107 **January 16, 2019 and February 21, 2019 - Tab 2(a)**
108

109 **On a motion duly made by Ms. Matthews, seconded by Ms. Markwood,**
110 **it was,**
111

112 **RESOLVED to approve the January 16, 2019 and February 21,**
113 **2019 meeting minutes as presented.**
114

115 **All in favor; Motion passed.**
116

117
118 **Agenda Item 3 – Public Comment**

119 Errol Champion, Broker, Coldwell Banker Race Realty, and AAR Liaison

120 Errol Champion, liaison for the Alaska Association of Realtors (AAR), addressed
121 the Commission regarding the statute change, AS 08.88.351, that would allow trust
122 accounts to be held at a credit union. He said that AAR decided to hold off in
123 introducing this statute change due to the legislature's late start. He said they will
124 introduce this change at the next Legislative session.
125

126 Jerry Royse, Broker Royse and Associates and real estate educator

127 Jerry Royse, Broker of Royse and Associates, addressed the Commission with
128 some of his concerns. He spoke about the regulation allowing a trust account to be
129 held in a credit union, his concern about E & O insurance, if there is a better
130 solution, and the Recovery Fund.
131

132 There was no further public testimony and public comment was closed.
133

134
135 **Agenda Item 4 – Old Business**

136 Changes to AREC Consumer Disclosure & Waiver of Rights forms-4(a)

137 Commission members agreed to review the draft AREC Consumer Disclosure &
138 Waiver of Right forms provided and bring back at the next meeting to discuss and
139 make possible changes.
140

141 Regulation Changes 12 AAC 02.530 - 4(b)

142 The proposed changes to the Departments E & O regulation 12 AAC 02.530,
143 Standards of Equivalent Coverage was presented to the Commission to go forward
144 for public comment.
145
146

1 STATE OF ALASKA
2 DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
3 DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
4

5 REAL ESTATE COMMISSION
6 MEETING MINUTES
7

8 March 27, 2019
9

10 By authority of AS 08.01.070(2), and in compliance with the provisions of AS
11 44.62, Article 6, a scheduled meeting of the Real Estate Commission was held
12 March 27, 2019 at the State of Alaska Atwood Building Suite 1236, 550 W. 7th
13 Avenue, Anchorage, Alaska.
14

15 **March 27, 2019**

16 **Agenda Item 1 - Call to Order**

17 Chairperson PeggyAnn McConnochie called the meeting to order at 9:05 a.m. at
18 which time a quorum was established.
19

20 Roll Call – 1(a)

21 Members present:

22 Jesse Sumner, Public Member
23 Michael Tavoliero, Broker, 3th Judicial District
24 Margaret Nelson, Broker, Broker at Large
25 Jaime Matthews, Public Member
26

27 Members present via video conference, ZOOM:

28 Cheryl Markwood, Broker, Broker at Large
29 PeggyAnn McConnochie, Broker, 1th Judicial District
30 David Pruhs, Broker, 4th Judicial District
31

32 Staff Present:

33 Sharon Walsh, Executive Administrator
34 Nancy Harris, Project Assistant
35 Shyla Conselo, Investigator for REC
36 Karina Madina, Probation Monitor
37

38 Guests Present:

39 Jerry Royse, Broker and RE Educator, Royse & Associates, Anchorage
40 Shania Ackles, Associate Broker and RE Educator, Keller Williams Realty -AK
41 Group, Anchorage
42 Paddy Coan, Associate Broker and RE Educator, Keller Williams Realty -AK
43 Group, Anchorage
44

45 Commission members PeggyAnn McConnochie, David Pruhs and Cheryl
46 Markwood were in attendance via video conference (ZOOM).
47

48 Mr. Tavoliero will be arriving late due to another commitment.
49
50
51

52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99

Election of Officers- Chair, Vice-Chair - Tab 1(b)

Ms. Nelson asked that the election of officers be deferred until all Commission members are present.

On a motion duly made by Ms. Nelson, seconded by Mr. Sumner, it was,

RESOLVED to wait to conduct election of officers until all Commission members are present.

Roll call vote: Ms. Markwood-yes, Ms. Matthews-yes, Ms. Nelson-yes, Mr. Pruhs-no, Mr. Sumner-yes, Ms. McConnochie-no.

4 yes votes, 2 no votes; Motion passed.

Approval of Agenda-1(c)

Commission members reviewed the meeting agenda.

Ms. McConnochie asked to add two items to the agenda. Item 1(d), Introduction of New Commission Members and 1(e), review of the video conference program ZOOM and how it works.

On a motion duly made by Ms. Matthews, seconded by Mr. Sumner, it was,

RESOLVED to approve the meeting agenda for March 27, 2019 as amended.

Roll call vote: Ms. Matthews-yes, Ms. Nelson-yes, Mr. Pruhs-yes, Mr. Sumner-yes, Ms. Markwood-yes.

All in favor; Motion passed.

Introduction of New Commission Members- Tab 1(d)

Each Commission member introduced themselves and gave their background and interests to the Commission.

Ms. McConnochie said Mr. Tavoliero will introduce himself when he arrives.

Review of video conferencing ZOOM- Tab 1(d)

Ms. McConnochie went over the basics and tips of ZOOM with the Commission members. She said this is the first ZOOM meeting for the Commission. She said

100 she does not see a full day meeting with ZOOM because the tolerance in this
101 meeting format is usually 3 hours. The members can discuss about splitting the
102 meetings up and having a couple of meetings instead a full day meeting via
103 ZOOM.
104

105
106 **Agenda Item 2 - Approval of Meeting Minutes**
107 **January 16, 2019 and February 21, 2019 - Tab 2(a)**
108

109 **On a motion duly made by Ms. Matthews, seconded by Ms. Markwood,**
110 **it was,**
111

112 **RESOLVED to approve the January 16, 2019 and February 21,**
113 **2019 meeting minutes as presented.**
114

115 **All in favor; Motion passed.**
116

117
118 **Agenda Item 3 – Public Comment**

119 **Errol Champion, Broker, Coldwell Banker Race Realty, and AAR Liaison**

120 Errol Champion, liaison for the Alaska Association of Realtors (AAR), addressed
121 the Commission regarding the statute change, AS 08.88.351, that would allow trust
122 accounts to be held at a credit union. He said that AAR decided to hold off in
123 introducing this statute change due to the legislature's late start. He said they will
124 introduce this change at the next Legislative session.
125

126 **Jerry Royse, Broker Royse and Associates and real estate educator**

127 Jerry Royse, Broker of Royse and Associates, addressed the Commission with
128 some of his concerns. He spoke about the regulation allowing a trust account to be
129 held in a credit union, his concern about E & O insurance, if there is a better
130 solution, and the Recovery Fund.
131

132 There was no further public testimony and public comment was closed.
133

134
135 **Agenda Item 4 – Old Business**

136 **Changes to AREC Consumer Disclosure & Waiver of Rights forms-4(a)**

137 Commission members agreed to review the draft AREC Consumer Disclosure &
138 Waiver of Right forms provided and bring back at the next meeting to discuss and
139 make possible changes.
140

141 **Regulation Changes 12 AAC 02.530 - 4(b)**

142 The proposed changes to the Departments E & O regulation 12 AAC 02.530,
143 Standards of Equivalent Coverage was presented to the Commission to go forward
144 for public comment.
145
146

147 **On a motion duly made by Mr. Pruhs, seconded by Ms. Markwood, it**
148 **was,**

149
150 **RESOLVED to push forward the proposed regulation change for**
151 **12 AAC 02.530 as presented.**

152
153 **Roll call vote: Ms. Markwood-yes, Mr. Pruhs-yes, Mr. Sumner-yes, Ms.**
154 **Matthews-yes; Ms. Nelson-yes.**

155
156 **All in favor; Motion passed.**

157
158
159 **Agenda Item 5 – New Business**

160 Future Meetings – 5(a)

161 Commission members reviewed and discussed the meeting dates set by the prior
162 Commission members.

163
164 The June 5th date was changed to June 12th.

165 September 25

166 December 11th

167

168 Commission members agreed to wait until Mr. Tavoliero arrived and see if the
169 meeting dates are good for his schedule.

170

171 Ms. McConnochie stated that at the June 5th meeting the Commission will be
172 looking at the fees for the upcoming Real Estate Commission renewals in
173 December.

174

175

176 **Agenda Item 6 –Executive Administrator’s Report**

177 Licensing Statistics – Tab 6(a)-

178 Ms. Walsh presented the Licensing statistics for the March 27, 2019. She stated
179 that these statistics were taken two weeks prior to meeting. She said there were
180 2710 active licensees; 414 brokers; 392 associate brokers and 1904 salespersons.
181 7 licensees were in a lapsed status due to non-compliance of post-licensing
182 education. 29 licensees are in a license return status; cannot practice real estate, 5
183 licensees are on probation; 489 licenses have lapsed with an expiration date of
184 1/31/2018. These licensees are eligible to reinstate their license before they expire
185 on 1/31/2020. 83 licensees are in an inactive status.

186

187 Recovery Fund Balance Report – 6(b)-

188 Ms. Walsh gave a quick over view of the Recovery Fund to the Commission
189 members and what is paid out and into the fund. She stated that all licensees pay
190 \$30.00 into the recovery fund when initially licensed and when they renew their
191 license. Also, all fees for education courses and instructors are also receipted into
192 the recovery fund. She then presented the Recovery Fund Balance report for the
193 period ending 6/30/2018 to the Commission members. She said that the recovery
194 fund is very restrictive per statute as what is paid in and out of the fund.

243 matters, closed 27 matters, a total of 30 matters remain on-going and under active
244 investigation or are pending litigation.

245
246 New Commission Member Investigative Training and Consent Agreements – 9(a)
247 and 9(d)

248 Ms. Consalo conducted investigative training and presented consent agreements
249 in executive session.

250

251

252 **On a motion duly made by Ms. Nelson, seconded by Mr. Sumner, it**
253 **was,**

254

255 **RESOLVED to go into executive session per AS 44.62.310(c), for**
256 **the purpose of discussing matters involving the consideration**
257 **of government records that by law are not subject to public**
258 **disclosure.**

259

260 **Roll call vote: Ms. Matthews-yes, Ms. Nelson-yes, Mr. Sumner- yes, Mr.**
261 **Tavoliero- yes, Ms. Markwood-yes, and Ms. McConnochie-yes.**

262

263 **All in favor; Motion passed.**

264

265

266 Into Executive session at 11:38 p.m.

267

268

269 **On a motion duly made by Ms. Matthews seconded by Mr. Sumner, it**
270 **was,**

271

272 **RESOLVED to come out of executive session.**

273

274 **All in favor; Motion passed.**

275

276 Out of executive session at 1:10 p.m.

277

278

279 The Commission members came out of executive session and made their decision
280 regarding the consent agreements they reviewed.

281

282

283 **On a motion duly made by Ms. Matthews, seconded by Mr. Sumner, it**
284 **was,**

285

286 **RESOLVED to approve the consent agreement, decision, and**
287 **order in case #2018-001343.**

288

289 **Roll call vote: Ms. Markwood-yes, Ms. Matthews-yes, Ms. Nelson-yes, Mr.**
290 **Pruhs-yes, Mr. Sumner- yes, Mr. Tavoliero- yes, and Ms. McConnochie-yes.**

291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338

All in favor; Motion passed.

The Commission approved the Consent Agreement for case # 2018-001343 for licensee Katherine Uei.

On a motion duly made by Ms. Matthews, seconded by Ms. Markwood, it was,

RESOLVED to approve consent agreement, decision, and order in the case #2018-001026.

Roll call vote: Ms. Markwood-yes, Ms. Matthews-yes, Ms. Nelson-yes, Mr. Pruhs-yes, Mr. Sumner- yes, Mr. Tavoliero- yes, and Ms. McConnochie-yes.

All in favor; Motion passed.

The Commission approved the Consent Agreement for case # 2018-001026 for licensee Pamela Bonnett.

Probation Report – Tab 9(c)

Ms. Medina, Probation Monitor, presented her probation report to the Commission. She reported that there are currently 6 licensees on probation, two licensees have been released after successful completion of their probation.

Ms. Medina explained to the Commission her job duties as a probation monitor.

Election of Officers- Chair, Vice-Chair and Education Liaison - Tab 1(b), con't

Mr. Tavoliero asked if there is any statutory requirement for the position of Vice-Chair and Education Liaison.

Ms. Walsh directed the Commission to statute 08.88.051(b), the Commission shall elect it **officers** at the first meeting for each fiscal year.

Commission members discussed the issue of the position of Vice-Chair and Education Liaison and if they are needed.

On a motion duly made by Mr. Tavoliero, seconded by Ms. Nelson, it was,

RESOLVED to not include Vice-Chair or Education Liaison in the election of officers as it is not statutorily required.

Commission members discussed the motion on the table.

339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386

Roll call vote: Ms. Markwood-no, Ms. Matthews-no, Ms. Nelson-yes, Mr. Pruhs-no, Mr. Sumner- yes, Mr. Tavoliero- yes, and Ms. McConnochie-no.

4 no votes; 3 yes votes. Motion failed.

Mr. Tavoliero recommended that the REC create a regulation for the officer positions with a job description of each position so there is an understanding of those duties.

Chair-

Mr. Pruhs nominated Ms. McConnochie for the position of Chair, seconded by Ms. Markwood.

Mr. Sumner nominated Ms. Nelson for the position of Chair, seconded by Mr. Pruhs.

With no other nominations; Nominations closed.

4 votes for Ms. McConnochie and 3 votes for Ms. Nelson.

Ms. McConnochie was elected to the position of Chair for the REC.

Vice-Chair-

Ms. Markwood nominated Ms. Nelson as Vice-Chair, seconded by Mr. Pruhs.

With no other nominations. Nominations closed.

By unanimous consent, Ms. Nelson was elected to the position of Vice-Chair for the REC.

Education Liaison-

Ms. Nelson nominated Mr. Tavoliero as Education Liaison.

With no other nominations. Nominations closed.

By unanimous consent, Mr. Tavoliero was elected to the position of Education Liaison for the REC.

Future Meetings – 5(a), con't

Mr. Tavoliero and Commission members reviewed and discussed the REC meeting dates for the 2019.

The 2019 meeting dates are:

May 23

September 25

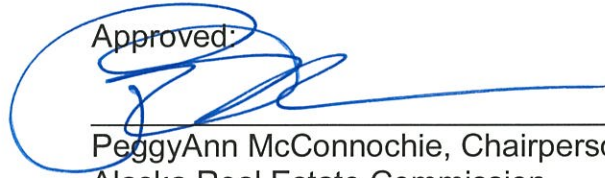
December 11

387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404

Meeting adjourned at 22:22 p.m. The next meeting will be held May 23, 2019 in Anchorage.

Prepared and submitted by:
Real Estate Commission Staff

Approved:



PeggyAnn McConnochie, Chairperson
Alaska Real Estate Commission

Date: 05/23/2019