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2 STATE OF ALASKA  
3 DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT  
4 DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING  
5

6 REAL ESTATE COMMISSION  
7 MEETING MINUTES  
8

9 September 7th, 2023  
10

11  
12 By the authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62,  
13 Article 6, a scheduled meeting of the Real Estate Commission was held September 7,  
14 2023, at 550 W 7<sup>th</sup> Avenue, Ste 1550, Anchorage, AK in- person and via Zoom.  
15

16 **Thursday, September 7, 2023**

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

18 Chairperson Cheryl Markwood called the meeting to order at 9:05 a.m., at which time a  
19 quorum was established.  
20

21 Agenda Item 1(a) – Roll Call

22 Members Present via Zoom

23 Cheryl Markwood, Broker, Broker at Large, Chairperson  
24 Traci Heaton, Associate Broker, 1<sup>st</sup> Judicial District  
25 Devon Doran, Broker, 3<sup>rd</sup> Judicial District  
26 Chad Stigen, Associate Broker, Broker at Large  
27

28 Members Absent:

29 Elizabeth Schok, Associate Broker, 4<sup>th</sup> Judicial District  
30

31 Staff Present:

32 Nancy Harris, Executive Administrator, REC  
33 Kerry Givens, Project Assistant, REC  
34 Anna Gabriel, Investigator, REC/APR  
35

36 Guests Present via Zoom:

37 Errol Champion, Liaison for AAR, and Broker of Coldwell Banker Race Realty, Juneau  
38 Hiliary Lockhart, Associate Broker, Real Broker, LLC - Guaranteed, Anchorage  
39 Eric Glatt, Attorney, member of the public  
40 Deborah Brollini, member of the public  
41

42 Agenda Item 1(b) - Approval of 9/7 Agenda

43 Commission members reviewed the agenda as presented.  
44

45 Ms. Harris asked to add a license action to the agenda under tab 4, Investigative Report  
46 as 4(b).  
47

**On a motion made by Doran, seconded by Stigen, it was,**

**Resolved to approve the September 14, 2023, meeting agenda as amended.**

48  
49 **No objections. Motion passed.**  
50

*CM*

51  
52 Statements of Conflicts of Interest/Ethics Violations– 1(c)

53 There were no conflicts of interest statements or ethics violations to report.  
54  
55

56 **Agenda Item 2 – Public Comments**

57 Hiliary Lockhart, Associate Broker in Charge of the branch office, Real Broker, LLC –  
58 Guaranteed in Anchorage, spoke to the Commission regarding several changes she would  
59 like to see on the Residential Real Property Transfer Disclosure Statement, AKREC  
60 Consumer Disclosure and the Purchase and Sale agreement form. Ms. Markwood let Ms.  
61 Lockhart know that the changes she was requesting have already been dealt with and  
62 changed when those forms went through the regulation process. She also let Ms. Lockhart  
63 know that another regulation project for revisions to the Residential Real Property Transfer  
64 Disclosure Statement, and AKREC Consumer Disclosure form will be available for public  
65 comments soon. The purchase and sales agreement form is not a state form and she  
66 would need to contact her MLS regarding those changes.  
67

68 Eric Glatt, attorney, and a member of the public who is just observing. He said he is  
69 interested in potentially buying a home and is looking to learn about the whole process.  
70

71 Errol Champion, Broker, Chair of the Legislature and Real Estate Commission Committee  
72 for AK Realtors gave the Commission an update on 2 bills filed with the legislature last  
73 session that will be carried over to the next session.

74 1. The AK Association of Realtors is really pushing for, HB134-. That deals with disclosure  
75 of transaction prices and the ultimate implementation of a transfer fee tax, sales tax, or  
76 income tax. This bill reads that it will modify title 29 of the state code that will prevent city,  
77 borough, municipality, and state from ever levying a tax. Its intent is to hold down the  
78 prices of housing.

79 2. HB184 deals with the requirement that all short-term rentals must be registered. The  
80 information for registration is extensive and they would need to have an inventory of all  
81 short-term rental in the State. Do they have the resources to make this an effective  
82 program? Mr. Champion said they will continue to watch these bills.

83 Mr. Champion also added that the AK Association had some concerns with the 2 public  
84 member seats that are still vacant. He said that it is the benefit to AK to have public  
85 members on the Commission and that they have always brought great value and good  
86 insight. He asked the Commission what the AK Association of Realtors could do to help fill  
87 these 2 vacant seats. Commission members discussed different ways that may help fill the  
88 vacant positions.  
89  
90

91 **Agenda Item 3 – Review of Meeting Minutes**

92 Agenda Item 3(a) – June 15, 2023

93  
94 **On a motion made by Doran, seconded by Heaton, it was,**

95  
96 **Resolved to approve the June 15, 2023, meeting minutes as**  
97 **presented.**

98  
99 **No objections. Motion passed.**

100  
101 Agenda Item 3(b) – July 27, 2023  
102

CM

103           **On a motion made by Heaton, seconded by Stigen, it was,**  
104  
105                       **Resolved to approve the July 27, 2023, meeting minutes as presented.**

106  
107           **No objections. Motion passed.**

108  
109  
110           **Agenda Item 4 – Investigative Report**

111           Statistical Report – 4(a)  
112           Billy Homestead, Senior Investigator for the CBPL presented the investigation statistical  
113           report to the Commission due to Ms. Gabriel’s out on leave. Mr. Homestead presented the  
114           investigation statistics report to the Commission for the reporting period of May 31, 2023,  
115           through August 22, 2023. He stated there are 56 cases opened, and 14 cases were closed  
116           from the last report.

117  
118           Ms. Markwood asked Mr. Homestead how many new cases have been brought before the  
119           Commission from the last meeting.

120  
121           Mr. Homestead said he would need to compile that information and get that information to  
122           the Commission members through Ms. Harris.

123  
124           License Action – 4(b) Cases 2020-000015; 2021-000519 and 2022-000254  
125           Commission members went into executive session to discuss a license action from  
126           agenda item 4(b), Cases 2020-000015; 2021-000519 and 2022-000254.

127  
128           **On a motion duly made by Heaton, seconded by Doran, it was,**  
129  
130                       **Resolved to go into executive session in accordance with the**  
131                       **provisions of AK Statute 44.62.310(c), for the purpose of discussing**  
132                       **subjects that tend to prejudice the reputation and character of any**  
133                       **person, provided the person may request a public discussion.**


134  
135           **All in favor. Motion passed.**

136  
137  
138           *Commission went into executive session at 9:39 am.*  
139           *Out of executive session at 9:49 am*

140  
141           Ms. Markwood stated that the Commission went into executive session to discuss an  
142           investigative license action, however, no licensing actions were reviewed in executive  
143           session given one of the Commission members, herself, had a conflict of interest in this  
144           case. Therefore, Ms. Markwood passed the gavel to Vice Chairperson, Traci Heaton, to  
145           continue with the licensing action.

146  
147           Ms. Heaton stated that the Commission was unable to discuss the license action in  
148           executive session because there was not a quorum, so this matter will be tabled and  
149           addressed at a future meeting.

150  
151  
152           **On a motion duly made by Doran, seconded by Stigen, it was,**

153  


154                   **Resolved to table the consideration of the license action in Cases**  
155                   **2020-000015; 2021-000519 and 2022-000254 until a future meeting.**

156  
157                   **No objections. Motion passed.**

158  
159                   Gavel was passed back to Ms. Markwood to continue the meeting.

160  
161  
162                   **Agenda Item 5 – Old Business**

163                   **2024 Strategic Plan – 7(a)**  
164                   Commission members reviewed, discussed, and made changes to the 2024 Strategic  
165                   Plan.

166  
167                   A few items of discussion:

168                   Guiding Principle #1, to review the proposed regulations when in front of Commission  
169                   again for adoption regarding the Consumer Disclosure to see if a licensee can transition  
170                   from representation back to specific assistance? Can you still represent the seller and  
171                   provide specific assistance to the buyer when your previous relationship was  
172                   representation? Or is the only path neutral?

173  
174                   Guiding Principle #3, Can you restrict a broker or associate broker that are licensed from  
175                   being a broker or associate broker in charge of an office if they did not complete their post  
176                   licensing education (PLE)? Must complete PLE before they open /supervise an office? The  
177                   next step is, does this require a regulation change and writing up the recommendations to  
178                   the Commission for consideration. Also, spoke about endorsement applicants and branch  
179                   offices, may need to expand regulation, 12 AAC 64. 064(g), and include other places in  
180                   REC regulations that may need to be changed/updated.

181  
182                   Ms. Markwood asked to add a guiding principle to the REC strategic plan.

- 183
  - The guiding principle is to protect consumer and inform licensee.
  - 184                   • Broker Supervision to strengthen the standards within the real estate industry
  - 185                    regarding broker supervision and offices.
  - 186                   • To define and review the regulations pertaining to broker supervision.
  - 187                   • To define and review brokerage offices.
  - 188                   • This to be completed in a committee to review regulations.

189  
190                   Traci Heaton agreed to be the Chair of the committee to review regulations for broker  
191                   supervision and offices. Devon Doran agreed to be co-chair.

192  
193                   The Commission recessed for break at 10:17 a.m.  
194                   The Commission reconvened at 10:30 a.m.

195  
196                   **Status of Proposed Regulations – 7(b)**

197                   Ms. Harris spoke to the Commission regarding the new procedures for proposed  
198                   regulations by Commission. The only changes to the new regulation process were that the  
199                   regulation specialist would need to be present at the board/commission or committee  
200                   meeting when a board or commission is considering changes to any of their regulations,

*CM*

201 and proposed regulations will be reviewed by the Department of Law (DOL) before and  
202 after public comments.

203  
204 Ms. Harris stated that hopefully the proposed regulations for the Consumer Disclosure,  
205 Waiver of Right of Representation and the Disclosure Transfer Statement will go out for  
206 public comment soon. Ms. Harris said she would notify Commission members when it  
207 goes out for public comment.

208

209 **Agenda Item 8 – New Business**

210 Disciplinary Matrix (CE), review/update– 8(a)

211 Commission members reviewed and discussed the REC disciplinary matrix.

212

213 Commission went into executive session for the purpose of discussing current disciplinary  
214 sanctions in relation to the disciplinary matrix.

215

216 **On a motion duly made by Heaton, seconded by Stigen, it was,**

217

218 **Resolved to go into executive session in accordance with the**  
219 **provisions of AK Statute 44.62.310(c), for the purpose of discussing**  
220 **subjects that tend to prejudice the reputation and character of any**  
221 **person, provided the person may request a public discussion.**

222

223 **All in favor. Motion passed.**

224

225 *Commission went into executive session at 10:36 am.*

226 *Out of executive session at 11:10 am*

227

228 The Commission had no changes or recommendations to the disciplinary Matrix at this  
229 time. The disciplinary matrix will stay as is with the revision date of 3/2021, and will be  
230 placed on the REC website.

231

232 Trust Accounts- 12 AAC 64.110 and 180 – 8(b)

233 Ms. Harris brought forward questions she received through email asking if a trust account  
234 would need to be in a bank in the state of Alaska? The regulations 12 AAC 64.110 says,  
235 bank authorized to do business “in the state”. What does that mean? Does that mean the  
236 bank does not need to have a physical location in the state?

237

238 Another question, in regulation 12 AAC 64.180, it reads, “authorized to do business in this  
239 state”. What does that mean, “authorized to do business in this state?”

240

241 Commission discussed the questions regarding trust accounts. If the broker registers the  
242 bank with trust account numbers that would be done if in state or out of state with a bank  
243 that is authorized to do business in AK with FDIC protection, etc. However, the trust  
244 account must be maintained in the state of AK. There is a requirement for physical location  
245 in AK, brick and mortar, and should have the trust account records at that location or have  
246 access to those records at the physical location of that office.

247

248 DCE Topic for 2024-2026 – 8(c)

249 Commission members reviewed and discussed the DCE topics for 2024 – 2026 licensing  
250 period that are required to be available to sponsors and instructors by October.

251

252 Commission members discussed different possible DCE topics.

253

254

255

**On a motion made by Heaton, seconded by Stigen, it was,**

256

257

**Resolved that Devon Doran chair the education committee and charged with recommending the CE DCE topics for the upcoming 2024-2026 licensing period.**

258

259

260

261

**No opposed. Motion passed.**

262

263 Delegation for Executive Administrator – 8(d)

264 Ms. Harris stated that the delegation of the Executive Administrator is an annual  
265 delegation by the Commission to give the executive administrator the authority to review  
266 applications “yes” answers and review CE audits and bring those applications and audits  
267 that only have issues to the Commission for consideration.

268

269

**On a motion made by Markwood, seconded by Stigen, it was,**

270

271

**Resolved to delegate all licensee matters and CE audit reviews that are not significant for review to move on through the executive administrator.**

272

273

274

275

**No opposed. Motion passed.**

276

277

278 ARELLO Investigator Seminar October 2023, Utah – 8(e)

279 Ms. Harris brought forward a request for approval for the REC investigator to attend the  
280 ARELLO Investigator Seminar that will be held in October 2023 in Utah. This will be paid  
281 with REC funds.

282

283

**On a motion made by Doran, seconded by Stigen, it was,**

284

285

**Resolved approve the request for REC investigator to attend the ARELLO Investigator Seminar that will be held in October 2023.**

286

287

288

**No opposed. Motion passed.**

289

290

291 Election of Vice Chair & Education Liaison– 8(f)

292 Ms. Markwood stated that the Commission is to elect a Vice Chair and Education Liaison.  
293 Currently the Vice-Chair is Traci Heaton, and the Education Liaison is Devon Doran

294

295

**On a motion made by Stigen, seconded by Doran, it was,**

296

297

**Resolved to keep the current officers, for Vice Chair and Education Liaison for the next year.**

298

299

300

**No opposed. Motion passed.**

*CM*

301

302

303 **Agenda Item 9 – Executive Administrator’s Report**

304 **Licensing/Education Report/ Statistics – 9(a)**

305 Mr. Givens presented the licensing report for September 7, 2023, to the Commission. He  
306 reported that between June 1, 2023, through August 24, 2023, there were 87 new licenses  
307 issued; 3,035 active licensees, 3,324 total number of licensees with an 1/31/2024  
308 expiration date; 71 inactive licensees; 53 lapsed licenses due to non-compliance of PLE;  
309 81 transfers; 46 licensees completed their PLE requirements; 13 license upgrades from  
310 salesperson to associate broker; 150 licensees in a license returned status.

311

312 Mr. Givens presented the education report for September 7, 2023. He reported that as of  
313 August 24, 2023, for courses currently approved there were 11 pre-licensing courses; 4  
314 broker upgrade courses; 410 the elective (ECE) and 110 designated (DCE) courses and  
315 77 Post Licensing courses with a total of 515 approved courses. There were 22 initial  
316 courses approved between 6/1/23 and 8/24/23.

317

318 There are a total of 95 instructors. There were 2 new instructors, Katie Sindorf from  
319 Wasilla, and Nick Campos from Iowa, since the last report and no temporary instructors.

320

321 Staff will add the question on course renewal form if they are ACPE compliance.

322

323 **Recovery Fund Balance Report – 9(b)**

324 Ms. Harris presented the Preliminary Recovery Fund Report for the 4th quarter, ending  
325 June 30, 2023. The Commission received a total of \$141,104 for license fees processed  
326 for the year and \$74,052 expenditures for the year. The beginning year balance was  
327 \$317,389 and the end of year fund balance of \$384,441.

328

329

330 **Agenda Item 10 – Commission Member Comments & Questions**

331 Errol Champion stated that he thought the renewal fees were published before the renewal  
332 period started. Ms. Harris said the review of the fees and changes are normally reviewed  
333 and determined months before renewal, however, the last renewal fees were reviewed  
334 and determined after the last renewal due to Covid and other factors. The current renewal  
335 fees are \$120.00 for renewal and \$50.00 for recovery fund, for a total of \$170.00. There  
336 was a decrease in renewal fees due to the Governor mandate for no increase of fees.

337

338 Chad Stigen had no comments.

339

340 Devon Doran had no additional comments. She said she did reach out to a prior client,  
341 and he said he would apply for the public seat.

342

343 Ms. Heaton stated that it was nice to see everyone in person. She was disappointed  
344 because she thought it was a in person meeting for all. She said the next in person  
345 meeting she would like to see be tied in with the State convention.

346

347 Ms. Markwood stated that it was nice to have an in-person meeting. She stated that the  
348 September meeting was our one in person meeting this year that was authorized in  
349 advance. While Zoom is helpful, it also lacks the ability to sit and chat one on one and  
350 collaborate with each other, and get to know each other on a commission level. Ms.  
351 Markwood said she was disappointed that not all commission members were here in  
352 person and hopes that in the future, as focus on Covid lessens, that the Commission will

CM

353 start considering doing more in person meetings. Ms. Markwood said she hopes that we'll  
354 consider doing more in person meetings as a group because she believes it helps the  
355 industry, and it helps us strengthen the Commission. She thanked all the Commission  
356 members for their service because the State is really hurting in all departments and on all  
357 boards/commissions, finding people that are willing to serve, and we're all volunteers. She  
358 said she wanted the commission members to know how much she appreciated each one  
359 of them for serving, and the time that they take out of their day and their business to do  
360 investigations and spend time as Commissioners. She said it is a global deed that you're  
361 doing for the State, and so as their chairperson, she wanted them to know that not only  
362 does the staff appreciate them, but the Governor appreciates them as well. She said she  
363 looks forward to the next REC meeting, and thanked Devon for stepping up to the plate to  
364 take on the education review for the Commission and for everybody's impact that they  
365 place on our industry.  
366

367 **Agenda Item 11 – Adjournment**

368  
369 **On a motion made by Heaton, seconded by Doran, it was,**

370  
371 **Resolved to adjourn the meeting.**

372  
373 **No objections: Motion passed.**

374  
375  
376 Meeting adjourned at 12:12 pm.

377  
378 Next meeting: December 14, 2023.  
379

380  
381 Prepared and submitted by:  
382 Real Estate Commission Staff

383  
384 Approved:

385  
386 *Cheryl Markwood*

387  
388 \_\_\_\_\_  
389 Cheryl Markwood  
390 REC Chairperson  
391 Alaska Real Estate Commission