

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC
DEVELOPMENT
DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL
LICENSING
REAL ESTATE COMMISSION

MINUTES OF TELECONFERENCE

February 1, 2008

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled teleconference of the Real Estate Commission was held February 1, 2008, at the Atwood Building, Room 1500, Anchorage, Alaska.

Friday, February 1, 2008

Agenda Item 1

Call to Order

Commissioner Gene DuVal called the meeting to order at 10:01 a.m.

Roll Call

Members present via teleconference constituting a quorum were:

Brad Cole
Gene DuVal
Rita Wilson
David Somers
Roger Stone
Lee Sherman

Staff Present:

Sharon Walsh, Executive Administrator
Nancy Harris, Project Assistant
Beata Smith, Licensing Examiner

Excused Absences:

Tim Worthen

Guests present:

Administrative Law Judge Stanley

Approval of Agenda

The Commission members reviewed the revised agenda.

**On a motion duly made by Stone, seconded by Wilson,
it was**

RESOLVED to approve the revised agenda.

All in favor. Motion passes.

Agenda Item 4

Surety Fund Claim S-27-010

The Commission moves to executive session to discuss Surety Fund case S-27-010.

**On a motion duly made by Somers, seconded by Stone,
it was,**

**RESOLVED to adopt the decision proposed by
the Administrative Law Judge Stanley.**

All in favor. Motion passes.

The Commission reconvenes from executive session at 10:25 a.m.

Agenda Item 2

Adoption of Regulations

Commission members reviewed and discussed regulations 12 AAC 64.059(b)(4); (c)(5) & (6), 12 AAC 64.063(c)1-8; 12 AAC 64.064(a)(b)1-6; 12 AAC 64.064(c)1-4; 12 AAC 64.126 Repeal Supervision of Licensees in Remote Areas; 12 AAC 64.410(c)(2); 12 AAC 64.430(b); 12 AAC 64.510 Approved Online Courses for adoption.

**On a motion duly made by Somers, seconded by Cole, it
was,**

**RESOLVED to approve regulations 12 AAC
64.059(b)(4); (c)(5) & (6), 12 AAC 64.063(c)1-8;
12 AAC 64.064(a)(b)1-6; 12 AAC 64.064(c)1-4;
12 AAC 64.126 Repeal Supervision of Licensees
in Remote Areas; 12 AAC 64.410(c)(2); 12 AAC
64.430(b); 12 AAC 64.510 Approved Online
Courses for adoption.**

All in favor. Motion passes.

Agenda Item 3

Memorandum of Agreement – Enoch

Mr. DuVal recused himself from memorandum of agreement case in the matter of Phyllis A. Enoch.

Mr. Somers the vice chair took over as chair for discussion purposes of the memorandum of agreement case in the matter of Phyllis A. Enoch.

Mr. Somers the vice chair discussed with the Commission the memorandum of agreement case 3004-07-010.

On a motion duly made by Cole, seconded by Sherman, it was,

RESOLVED to adopt the MOA by excluding the phrase in paragraph (c) under reprimand “for conducting a real estate transaction outside of your employing brokerage”

All in favor. Motion passes.

Vice Chair Somers gives duties as Chair back to Mr. DuVal.

Agenda Item 5

Investigations

Mr. Feeken discussed the meeting with FBI agent Mike Thorsen, REC Investigator Margo Mandel, Executive Administrator Sharon Walsh and Broker Perry Underwood which occurred on January 6, 2008. The FBI wants the State to step up and see a white collar crime division at the trooper level but at this point the State does not have proper training for that type of law enforcement. Mr. Thorsen also stated that the State needs a mechanism to revoke a license once somebody has confessed to a crime.

E & O Insurance and Surety Fund

The Commission members discussed the E & O Insurance, Surety fund and the physical location of offices in the state. The Alaska Association of Realtors has drafted legislation which hasn't been introduced so it does not have a number. The concept of the bill is to repeal the Surety Fund and require Errors & Omissions (E & O) insurance. The Surety Fund is an outmoded system of recovery.

The limits are not high enough to deal with real claims. Mr. Feeken looked at other states and there are 15 or 17 other states that have mandatory E & O insurance, most of them have moved to the level of a Recovery Fund rather than Surety Fund, meaning that you would need action from the court and an uncollectible claim or a judgment for a license violation. Dennis Bailey, Legislative Counsel drafted the bill that will replace the Surety Fund with the Recovery Fund and introduce mandatory E & O insurance. Mr. Feeken stated that we need to make sure that the licensee buys the insurance from the insurance company who then provides documentation to the Commission that they do have E & O insurance other wise, the Real Estate Commission has to have an insurance license. The State would have minimum standards that they require for all licensees to have the insurance, if they do not have the insurance they either will be fined or they must get the insurance.

Alaska Association of Realtors will meet on Thursday, February 7, 2008 at 10 a.m.

Renewal Update

Ms. Walsh and Ms. Harris discussed the renewal with the Commission members. Ms. Walsh will provide the Commission members an update on the renewal on Wednesday, February 6, 2008.

Renewal Question

Chair DuVal discussed with the Commission members question #5 on the renewal form. All Commission members agreed that the Broker and the Corporate entity should both answer the question the same.

Agenda Item 1
Cont.

Approval of Agenda

Ms. Walsh read into the record to adopt the regulation by the Commission. Per AS 44.62.210(a) requires that each board consider the cost to private persons of the proposed regulatory actions and consider public comment received on the proposed regulations. There were no public comments.

**On a motion duly made by Somers, seconded by Stone,
it was,**

**RESOLVED to adopt and add to the motion that
the Real Estate Commission has paid attention to**

the cost to the private persons of the regulatory action being taken.

All in favor. Motion passes.

Old Business

Ms. Walsh stated that Chris Wyatt didn't have time to address the issue of the Surety Fund balance report. It's still being looked into by the fiscal department. Ms. Walsh was told to expect the report from the person in charge of fiscal at the next real estate meeting March 13 & 14 in Juneau.

Meeting adjourned at 11:15 a.m.

On a motion duly made by Cole, seconded by Sherman, it was

RESOLVED to adjourn the meeting.

All in favor. Motion passes.

Prepared and submitted by Division Staff.

Approved:



Gene Du Val, Chairperson
Real Estate Commission

Date: March 9, 2009