

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 February 8, 2017
9

10 By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article
11 6, a scheduled meeting of the Real Estate Commission was held February 8, 2017, at the
12 State of Alaska Atwood Building ACC106, 550 W. 7th Avenue, Anchorage, Alaska.
13

14 **Wednesday, February 8, 2017**

15
16 **Agenda Item 1 - Call to Order**

17 Chairperson Eric Bushnell called the meeting to order at 8:00 a.m. at which time a quorum
18 was established.
19

20 **Roll Call – 1(a)**

21 **Members present:**

22 Marianne Burke, Public Member
23 Eric Bushnell, Associate Broker at Large
24 Stacy Harvill, Associate Broker, 4th Judicial District
25 Traci J. Barickman, Broker, 3rd Judicial District
26 Cindy Cartledge, Public Member
27 Peggy Ann McConnochie, Broker, Broker at Large
28

29 **Members absent:**

30 Nancy Davis, Broker, 1st Judicial District, Chair
31

32 **Staff Present:**

33 Sharon Walsh, Executive Administrator
34 Nancy Harris, Project Assistant
35 July Lam, Investigator
36

37 **Guests Present:**

38 Paul Callaway, Keller Williams Realty, AK Group
39 Shana Ackles, Keller Williams Realty, AK Group
40 Brad Cole, Arolik Investments, LLC
41 Mary Cox, RE/MAX Dynamic Properties
42 Lonnie Loran, Herrington & Company, LLC
43 Jerry Royse, Royse & Associates
44 Annie Bjerkestrand, Keller Williams Realty, AK Group
45 Blake Elder, Keller Williams Realty, AK Group
46 Barb Huntley, Keller Williams Realty, AK Group
47 Kibe Lucas, The Kibe Lucas Team Keller Williams Realty, AK Group
48 Mark Masley, Keller Williams Realty, AK Group
49 Denny Wood, Keller Williams Realty, Alaska Group
50 Gordon Sloane, Keller Williams Realty, Alaska Group
51 Jason Woodward, Northern Edge Real Estate
52 Robert Bickel, Alaska Fine Homes
53 Gabe Stephan, Jack White Real Estate
54 Matthew Ezell, Fidelity Title Agency
55 Amy Neuharth, RE/Max Barickman and Associates

56 Keira Dreher, Keller Williams Realty of Eagle River
57 Lindwood Parker, Keller Williams Realty, Alaska Group
58 Sam Goldman, Alaska Built Real Estate
59 Devon Thomas, Century 21 Realty Solutions
60 June Constantine, Distinctive Properties
61 Diane Greger, Distinctive Properties
62 Kathi Johnson, Jack White Real Estate
63 Jen Stalcup, Inactive Licensee Keller Williams Realty, AK Group
64
65

66 Approval of Agenda- 1(b)

67 Commission members reviewed and discussed the meeting agenda. Mr. Bushnell said he
68 would like to add a second public comment period after lunch to give those who may not
69 have attended the morning session an opportunity to comment.
70

71 Ms. Burke asked to add a tab 6 as New Business to the agenda. She said she had
72 something she wanted to address to the Commission.
73
74

75 **On a motion duly made by Ms. McConnochie, seconded by Ms. Barickman, it**
76 **was,**
77

78 **RESOLVED to approve the meeting agenda for February 8, 2017 as**
79 **amended with an ending time of 4:30 p.m.**
80

81 **All in favor; Motion passed.**
82

83 Mr. Bushnell addressed the members and public on how the meeting was to be
84 conducted. He said there will be a public comment period and then they would break off
85 into three groups. The first group would discuss supervision with Commission members
86 Bushnell and Brickman, the second group would discuss disclosures/contracts with
87 Commission members McConnochie and Cartledge, and the third group would discuss
88 team styles/marketing & names with Commission members Burke and Harvill. They would
89 continue in the group discussion until lunch at 11:30. After lunch there would be another
90 public comment period and then the Commission members would bring forward what their
91 groups discussed. The Commission will bring their changes to the next REC meeting in
92 March. Mr. Bushnell said that the goal is not to solve anything today but get information on
93 how the regulations work and should they be changed. Also, for licensees to know what
94 they can and cannot do when operating as a team.
95
96

97 Agenda Item 2 – Public Comment

98 Ms. Walsh introduced the new REC Investigator, July Lam, to the Commission.
99

100 Bob Bickel provided both written and oral comment on the issue of “teams” for the
101 Commission to take into consideration during the open discussion on teams. He
102 expressed concern on teams lack of supervision and suggested Brokers not be allowed to
103 be a team member or owner of a team in order to remain impartial in a real estate
104 transaction.
105

106 Agenda Item 3 – Team Discussion/input

107 At 8:20 a.m. the recorder was turned off and everyone in attendance broke into one of the
108 three groups for discussion on teams.

109
110 Commission recessed for break at 9:35 a.m.
111 Commission reconvened from break at 9:50 a.m.

112
113 The Commission members and the public in attendance went back into their groups and
114 continued their discussion on teams.

115
116 Commission recessed for lunch at 11:30 p.m.
117 Commission reconvened at 12:30 p.m.

118
119
120 Public Comment

121 July Lam, Investigator, took time to discuss her work history with the REC members.
122 She said she has military experience along with her work history at Anchorage Police
123 Department, Alaska Public Offices Commission and most recently with the Division as an
124 Investigator for the Medical Board.

125
126 Shana Ackles, Broker of Keller Williams Realty Alaska Group, addressed the Commission
127 about the morning session. She stated she is the Broker of the largest number of teams in
128 a brokerage. She shared her concern that if the goal is to protect the consumer, licensees
129 have no ability to do that because there is no direction in statute for that and she feels
130 licensees have to make it up and she said they are doing a really good job. She also
131 stated they have no way to defend themselves with the Commission and the Commission
132 has no way to make judgment with what they've done.

133
134 Devon Thomas, Broker of Century 21 Realty Solutions, spoke to Shana Ackles concerns
135 and stated that the theme is not a team issue but rather a Consumer Disclosure issue
136 (commonly referred to as "AREC"). She said they have not been provided with an
137 appropriate form. She thinks a standardized format for presenting team disclosure would
138 be helpful.

139
140
141 Agenda Item 4 – Commission discussion on teams

142 Chair Bushnell asked the REC members to discuss what they heard in their groups.

143
144 Ms. Cartledge spoke about Disclosures and Contracts and what role does the REC have.
145 She indicated that the Broker has a policy & procedure manual; they have ultimate
146 responsibility over licensees in their offices. In terms of disclosure perhaps, something like,
147 team is assisting with licensee signing consumer disclosure. Each member of the team
148 would sign an addendum. Ms. Cartledge thought we needed a definition in regulations for
149 teams but keep the rest of it to the Broker to monitor and let it be their business decisions.

150
151 Ms. McConnochie stated that the REC needs to be careful how they define teams
152 because it will change over time.

153
154 Ms. Barickman indicated that her table also had a discussion on team disclosures and
155 whether there is a need for something to go with the Consumer Disclosure that would
156 indicate you are working with a team. She also agreed that teams need to be defined.

157

158 Ms. Barickman stated that the group at her table talked about another level of
159 accountability to show who is in charge of these licensees. The team leader is not
160 generally known; should they be registered? Should the team leaders name be on the
161 contracts?
162

163 Ms. Burke stated that at her table the group wanted to see a definition of teams. Most of
164 the things are done as a business model and that anything a licensee does their broker is
165 ultimately responsible.
166

167 Ms. Harvill suggested that you could identify a team leader under 12 AAC 64.125 to put
168 them on the hook a bit and fine tune licensed assistants.
169

170 Ms. Burke stated that there needs to be some discussion on minimum standards for team
171 leaders.
172

173 Ms. Cartledge stated that she wasn't certain this mid-level supervision of a team leader
174 was necessary when the Broker is responsible.
175

176
177 **On a motion duly made by Ms. Barickman, seconded by Ms. Burke, it was,**
178

179 **RESOLVED to go into Executive session per AS 44.62.310 to discuss**
180 **matters involving members of a team.**
181

182 **All in favor. Motion passed.**
183

184
185 Commission went Into Executive session at 1:30 p.m.
186

187
188 **On a motion duly made by Ms. Barickman, seconded by Ms. Cartledge, it**
189 **was,**
190

191 **RESOLVED to come out of Executive session.**
192

193 **All in favor. Motion passed.**
194

195
196 Commission came out of Executive session at 1:36 p.m.
197

198
199 **On a motion duly made by Ms. Barickman, seconded by Ms. McConnochie, it**
200 **was,**
201

202 **RESOLVED for the next meeting, define teams and consider for**
203 **regulations, in an effort to put into the AREC Consumer Disclosure, to**
204 **include team disclosure.**
205

206 Ms. Barickman and Ms. McConnochie discussed various states definitions and remark
207 favorably on LA's definition. Ms. Cartledge asked to add what team names may not
208 include such a Real Estate, Realty etc....
209

210 Ms Burke offered and then retracted a friendly amendment.

211

212 **All in favor. Motion passed.**

213

214

215 **On a motion duly made by Ms. Cartledge, seconded by Ms. McConnochie, it**
216 **was,**

217

218 **RESOLVED to see at the next meeting a prohibition with regards to**
219 **certain terms within any team name.**

220

221 **All in favor. Motion passed.**

222

223

224 Ms. Barickman said she would do this for the next meeting.

225

226 Commission recessed for break at 2:15 p.m.

227 Commission reconvened from break at 2:25 p.m.

228

229

230 **Agenda Item 5 – Old Business**

231 **March meeting – Location 5(a)**

232 Mr. Bushnell said the mail ballot that was completed was in favor of having the March 8th
233 meeting in Juneau.

234

235 Commission members discussed if it would be beneficial to have the March meeting in
236 Juneau and meet with legislators.

237

238

239 **On a motion duly made by Ms. McConnochie, seconded by Ms. Barickman, it**
240 **was,**

241

242 **RESOLVED to reconsider the vote on the date and place of the**
243 **meeting on March 8, 2017.**

244

245 Commission members discussed the motion on the table.

246

247 **3 members in favor; 2 abstained. Motion passed.**

248

249 Commission members discussed possible meeting dates and location; March 8, 2017 in
250 Anchorage and March 8-9, 2017 in Juneau.

251

252

253 **On a motion duly made by Ms. Barickman, seconded by Ms. McConnochie, it**
254 **was,**

255

256 **RESOLVED to send Commission member Marianne Burke to Juneau**
257 **during legislative session to meet with Janey Hovenden on the**
258 **progress and status of E & O and the sunset audit and meet with other**
259 **legislators as necessary.**

260

261 There was a friendly amendment by Ms. McConnochie to add HB 90, Ms. Barickman
262 concurred.

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

265
266
267 **On a motion duly made by Ms. Barickman, seconded by Ms. McConnochie, it**
268 **was,**

269
270 **RESOLVED to send Commission member Marianne Burke to Juneau**
271 **during legislative session to meet with Janey Hovenden on the**
272 **progress and status of E & O and the sunset audit and meet with**
273 **other legislators as necessary and discuss HB90.**

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

276
277
278 **On a motion duly made by Ms. McConnochie, seconded by Ms. Burke, it was,**

279
280 **RESOLVED to have the next meeting on March 8-7, 2017 to be moved**
281 **to March 15, 2017 in Juneau.**

282
283 **All opposed. Motion failed.**

284
285
286 **On a motion duly made by Ms. McConnochie, seconded by Ms. Barickman, it**
287 **was,**

288
289 **RESOLVED to have the next meeting on March 15, 2017 in Anchorage**
290 **at 9:00 a.m.**

291
292 **All in favor. Motion passed.**

293
294
295 **Agenda Item 6 – New Business**

296 Ms. Burke gave an update on the E & O process. She was concerned about that the
297 process was not moving fast enough. She said the REC still has to put an RFP or ITB
298 together and the insurance companies have a lot to do on their end. She wanted the
299 Commission to know that it is a long process.

300
301 Ms. Cartledge said that Legislators need to understand what the REC does and what we
302 are doing. She suggested she and Mr. Bushnell go to Juneau next year and talk to
303 Legislators.

304
305 Commission members received a copy of HB90 in regards to occupational licensing fees
306 and an investigation surcharge for their review.

307
308 Ms. Cartledge asked that they defer HB 90 to the March meeting.

309
310
311 **On a motion duly made by Ms. Cartledge, seconded by Ms. McConnochie, it**
312 **was,**

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RESOLVED to adjourn the meeting.

Meeting adjourned at 3:30 p.m.

Prepared and submitted by:
Real Estate Commission Staff

Approved:



Eric Bushnell, Chairperson
Alaska Real Estate Commission

Date: 3-29-2017