

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

**REAL ESTATE COMMISSION
MEETING MINUTES**

March 20, 2025

By the 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 March 20, 2025, Anchorage, Alaska via Zoom.

Thursday, March 20, 2025

Agenda Item 1 - Call to Order

Chairperson Cheryl Markwood called the meeting to order at 9:03 a.m., at which time a quorum was established.

Agenda Item 1(a) – Roll Call

Members Present via Zoom

Cheryl Markwood, Broker, Broker at Large, Chairperson
Traci Heaton, Associate Broker, 1st Judicial District
Elizabeth Schok, Associate Broker, 4th Judicial District
Devon Doran, Broker, 3rd Judicial District
Jimi Cash, Public Member
Susan Wilcox, Public Member

Staff Present:

Nancy Harris, Executive Administrator, CBPL, REC, Anchorage
Kerry Givens, Project Assistant, CBPL, REC, Anchorage
Sonja Lipker, Senior Investigator, CBPL, Anchorage
Chace Evans, Investigator, REC/APR, CBPL, Anchorage
Kimberly Lilly, Paralegal, CBPL, Anchorage
Holly Handley, Investigator, CBPL, Anchorage

Guests Present via Zoom:

Jerry Royse, Broker and Educator, Royse & Associates, Anchorage
Patrick Kim, Real Estate Instructor/Educator, AHFC, Anchorage
Lonnie Logan, Broker and Educator, One Realty Aurora, Anchorage
Mark Maisley, Salesperson, One Realty Aurora, and NAR Liaison, Anchorage
Renee Foster, Broker, Foste Realty, Ester, AK
Francisca Tracy, Compliance Analyst/Education Sponsor, The CE Shop, PA
Alicia Busick, Office Manager, Chambers Services, Anchorage
Courtney Gleaton
Elizabeth Dicheiser
Ceclia

Agenda Item 1(b) - Approval of Agenda

Commission members reviewed the agenda as presented. There were no additions to the agenda.

On a motion made by Wilcox, seconded by Schok, it was,

Resolved to approve the March 20, 2024, meeting agenda as presented.

There were no opposition.

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

New Commission member, Susan Wilcox, stated for the record, as a possible conflict, that her son is a real estate licensee in Kenai and works for Jack White.

Ms. Markwood ruled that there was no conflict at this time.

As the new public member, Ms. Wilcox introduced herself to the Commission and spoke a bit about her background.

The Commission members welcomed both new public members and said they appreciated them taking their time to be on the Commission.

Agenda Item 2 – Public Comments

Jerry Royse, real estate broker and educator, commented on the Department of Energy Conservation's (DCE) regulations related to the air quality issue and real estate licensees in the Fairbanks area. He said he read the material provided in the meeting packet and believed the DEC had objections with their authority to create regulations that give real estate licensees responsibilities. However, the EPA said that they did have the authority and had to create the regulations. He said he believed this to be a violation of the real estate statutes and regulations. It is unfair to put these requirements on real estate licensees and real estate industry in the Fairbanks area.

Agenda Item 3 – Review of Meeting Minutes

Agenda Item 3(a) – December 18, 2024

On a motion made by Doran, seconded by Schok, it was,

Resolved to approve the December 18, 2024, meeting minutes as presented.

There was no opposition.

Agenda Item 3(b) – February 26, 2025, Work Meeting

On a motion made by Wilcox, seconded by Doran, it was,

Resolved to approve February 26, 2025, work meeting minutes as presented.

There were no opposition.

Agenda Item 4 – Investigations

Statistical Report- 4(a)-

Ms. Harris introduced the new REC investigator, Chace Evans, to the Commission. Mr. Evans has worked for the division as an investigator for about a year working with the Barbers and Hairdresser Board. He said he looked forward to working with the Real Estate Commission.

Ms. Markwood introduced investigator Holly Handley to the Commission. Ms. Handley has been working on cases for the REC during the transition with the investigators.

Mr. Evans presented the investigative statistical report for the period of November 20, 2024, through March 5, 2025. He stated there were 66 open cases and 14 cases were closed in this period.

Ms. Heaton asked if Mr. Evans could provide the Commission historical information, maybe for the next meeting, on how the 66 open cases compare to REC open cases 1, 2, or 3 years ago. What were those numbers?

Senior investigator, Sonia Lipker, who was filling in for senior investigator Billy Homestead, said yes, they can compare how many cases there were last year at this time to 2 and 3 years ago. She said she can have Mr. Homestead bring those figures to the next Commission meeting.

License Actions -4(b)

Case No. 2022-000921 – Consent Agreement

Ms. Markwood stated that Ms. Heaton was recused from this matter as the reviewing member.

The Commission went into executive session to discuss investigative matters.

On a motion duly made by Wilcox, seconded by Schok, it was,

Resolved to go into executive session to discuss investigative matters.

Roll call vote: Schok, yes, Doran – yes, Cash – yes, Wilcox – yes, Markwood- yes.

Commission went into executive session at 9:27 a.m.

Out of executive session at 9:36 a.m.

On a motion made by Doran, seconded by Wilcox, it was,

Resolved to approve the consent agreement and order in Case No. 2022-000921.

Roll call vote: Schok- yes, Doran- yes, Cash – yes, Wilcox – yes, Markwood- yes

Case No. 2022-000468- Consent Agreement

The Commission went into executive session to discuss investigative matters.

Ms. Markwood stated that Ms. Schok was recused from this matter as the reviewing member.

On a motion duly made by Wilcox, seconded by Doran, it was,

Resolved to go into executive session to discuss investigative matters.

Roll call vote: Heaton-yes, Doran-yes, Cash–yes, Wilcox-yes, Markwood- yes.

Commission went into executive session at 9:39 a.m.

Out of executive session at 9:42 a.m.

On a motion made by Doran, seconded by Wilcox, it was,

Resolved to adopt the consent agreement and order in Case No. 2022-000468.

Roll call vote: Heaton- yes, Doran- yes, Cash- yes, Wilcox-yes, Markwood- yes.

CE Cases, No. 2024-000846 and 2024-000797

Case No. 2024-000846, Consent Agreement

The Commission went into executive session to discuss investigative matters.

On a motion duly made by Wilcox, seconded by Heaton, it was,

Resolved to go into executive session to discuss investigative matters.

Roll call vote: Heaton-yes, Doran-yes, Markwood-yes, Cash–yes, Wilcox-yes, Schok-yes,

Commission went into executive session at 9:45 a.m.

Out of executive session at 10:01a.m.

On a motion made by Wilcox, seconded by Cash, it was,

Resolved to approve the consent agreement and order n in Case No. 2024-000846.

Roll call vote: Heaton-no, Schok-no, Doran-no, Cash-no, Wilcox-no, Markwood-no.

Commission members requested to amend the consent agreement for case 2024-000846 to \$2,500 fine, \$2,000 suspended, with \$50.00 fine for each missing continuing education credit (1 hour missing) for a total of fine of \$550.00.

Case No. 2024-000797-Consent Agreement

On a motion made by Wilcox, seconded by Schok, it was,

Resolved to approve the consent agreement and order n in Case No. 2024-000797.

Roll call vote: Heaton-no, Schok-no, Doran-no, Cash-no, Wilcox-no, Markwood-no

Commission members requested to amend the consent agreement for case 2024-000797 to \$2,500 fine, \$2,000 suspended, with \$50.00 fine for each missing continuing education credit (6 hours missing) for a total of fine of \$800.00.

Ms. Schok left the meeting at 10:00 a.m.

The Commission recessed for break at 10:05 am
The Commission reconvened at 10:10 a. m.

Agenda Item 5 – Division Update

Revenue/Expenditure Report, FY25/2ndth Qtr – 5(a)

Melissa Dumas, Administrative Operations Manager for the Division of Corporations, Business, and Professional Licensing, presented to the Commission the Revenue and Expenditures report for the FY2025 2nd quarter, through December 2024. She stated the current revenue was \$71,695. Expenditures totals were as follows: There were non-investigative expenditures of \$95,675 and investigative expenditures of \$68,954, for a total of \$164,629 direct expenditures. Total in-direct expenditures were \$95,841 (to includes internal administration, department, and statewide costs), leaving the total expenditure at \$260,470. There was a beginning cumulative surplus of \$1,021.502 with a deficit of \$188,775 for a total ending cumulative surplus of \$832,727.

Agenda Item 6 – New Business

DEC Regulations – 6(a)- 18 AAC 50.081

Ms. Markwood spoke to the issue regarding the Department of Environmental Conservation (DEC) administrative code, 18 AAC 50.081 that outlines several requirements for real estate licensees. This issue was not on any previous agendas with the Commission but was discussed in length at the February 26, 2025, REC work meeting. This discussion was due to a letter that all real estate licensees received from DEC dated January 21, 2025. Ms. Markwood stated there is another EPA comment period through the Federal registry that opens Monday, March 24, 2025, for public comment and ends April 23, 2025, on SIP and clean air issues. Ms. Markwood's concern is whether an administrative code through DEC has more weight than a REC statute.

Ms. Markwood drafted a letter to the Attorney General for clarification with regards to the licensing matter and where the REC stands in conflict with real estate statutes versus DEC's administrative code 18 AAC 50.081. She asked the Commission to review and edit the letter she drafted and was seeking approval from the Commission to allow her to represent the Commission by sending this letter.

Commission members reviewed and discussed the letter drafted by Ms. Markwood.

On a motion made by Cash, seconded by Wilcox, it was,

Resolved to approve the letter dated March 20, 2025, regarding 18 AAC 50.081, be sent to Attorney General Craig Taylor by Commission member Cheryl Markwood and that Ms. Markwood, be the point of contact to answer any questions regarding this letter on behalf of the Commission.

Roll call vote: Heaton –yes, Doran –yes, Cash – yes, Wilcox – yes, Markwood- yes

Agenda Item 7 – Old Business

FY 2025 Strategic Plan- Update - 7(b)

Commission members reviewed and discussed the updated strategic plan. There were no additions at this time.

Agenda Item 8 – Executive Administrator's Report

Licensing /Education Report – 8(a)

Mr. Givens presented the licensing report to the Commission for dates between December 1, 2024, through March 6, 2025. Mr. Given stated there were 45 new licenses issued; 2,862 active licensees, 3,047 total number of licensees with an 1/31/2026 expiration date; 56 inactive licensees; 24 lapsed licenses due to non-compliance of Post Licensing Education (PLE); 71 transfers; 39 licensees completed their PLE requirements, 5 upgrades, 2 license by endorsement, 136 licensees in a license returned status, and 356 lapsed licenses with a 1/31/2024 expiration date.

Mr. Givens presented the education report for March 20, 2025. He reported that as of 3/7/2025, there were 16 pre-licensing courses; 4 broker upgrade courses; 359 elective (ECE) and 103 designated (DCE) courses and 58 Post Licensing courses with a total of 482 approved courses. There were 41 initial courses approved between 12/1/24 and 3/7/25.

There are a total of 119 permanent instructors. There were 3 new instructors from the last report, and no temporary instructors.

Legislative Audit - update– 7(b)

Ms. Harris informed the Commission that the REC and 5 other boards with division were currently under a legislative audit or sunset audit and spoke briefly about the audit process. She said once the auditors have gathered their information, there will be a report with the audit findings and recommendations that the division and board will have an opportunity to address.

DCE Topics for 2026-2028 Discussion/Committee– 7(c)

Ms. Harris reminded the Commission that the Designated Continuing Education (DCE) topics for 2026-2028 are required to be available to education providers and instructors by October 1st. This will be brought back to the next REC meeting for discussion and approval of DCE topics.

Review of Proposed Regulations – 7(a)

Ms. Harris gave an update on several of the proposed regulations from the work meeting.

It was clarified for the record that the new military license application SCRA (Servicemen's Civil Relief Act) application would not be duplicate of the current Military Temporary License Application. The SCRA is a permanent license, and the applicant must meet all 5 criteria to qualify for the license. If they did not qualify then they would apply for the Military Temporary License that is only valid for 180 days. There would be no duplication.

At the work meeting there was a change to the proposed new regulation 12 AAC 64.075(f) that would give office changes that are submitted to the REC staff 10 days to work off submitted paperwork until the office record is updated. The change to the proposed regulation was to change "10 days" to "10 business days".

Ms. Heaton gave a quick review of the status of the proposed regulation for advertising and said they are still working on their recommendation and will have something for the next meeting. She asked for feedback on sizing for of broker name, teams, alternatives name and/or logo on signs. Prominent or larger than brokerage name.

Deputy Director Glenn Saviers for the division and regulation specialist, Alison Osbourne, joined the meeting.

Ms. Saviers addressed the Commission regarding the current E & O Insurance regulations and a proposed change to those regulations. She stated it has come to the division's attention that as 12 AAC 02.530(2) as currently written, E & O Insurance covering all licensees within a brokerage must be held by the broker, not the brokerage. Up until this point and for many years, brokerages have been allowed to hold the E & O insurance for their licensees. The REC will need to determine if they want to amend 12 AAC 02.530 to allow this to continue or if they want to enforce the need for the employing broker, not the

brokerage, to hold the E & O Insurance. The Commission would need to choose one of the two options.

- **Option 1 (CBPL's Recommendation):** Amend 12 AAC 02.530(2) to allow the brokerage to get the E&O insurance, but require it to be under the name of the office (i.e., each individual office obtains its own E&O insurance):

*(2) a [BROKER] **registered principal office or branch office** employing [OTHER] real estate licensees may comply with the requirements of 12 AAC 02.510(a)(1) and (2) by obtaining insurance coverage with a minimum of \$300,000 per wrongful act and \$1,000,000 aggregate, if all licensees associated with the [BROKER] **individual registered principal office or branch office** are covered. **The insurance must be under the office name exactly as it appears on the license.***

- **Option 2:** Leave 12 AAC 02.530(2) as is, and the division will do an education campaign to let brokers and brokerages know when this will be enforced so they have time to make the necessary change.

Ms. Osbourne stated for the record that a registered office or branch office cannot be an employer itself. It is the organization which is the employer. You would need to see how we're employing other real estate licensees because it wouldn't be the office; it is the entity that can provide employment, maybe assigned or associated with. The verbiage can be reworded; ensure there is language that covers the legal entities as well as the legal individuals as an option for both.

Commission members reviewed and discussed the 2 options presented.

Ms. Saviers also addressed that it would be in the public's best interest for 12 AAC 02.530 to also be amended to require verification of E&O insurance requirements when a license is transferred, reactivated, or reinstated, rather than only when it is first issued. The division should be able to audit compliance with E&O requirements, as is currently done with continuing education.

Also, REC regulation changes with regards to E & O Insurance would include conforming changes to regulations 12 AAC 64.071- renewal, 12 AAC 64.600 -, and 12 AAC 610 Time for Filing Certification of Equivalent Coverage to allow verification of insurance when a licensee transfer when a license is transferred, reactivated, or reinstated, rather than only when it is first issued.

Ms. Osbourne recommended to combine the division and REC proposed E & O Insurance regulations as one project to be more cost effective and to keep them linked, because they need to be reviewed together; at adoption, they would be separated.

On a motion made by Heaton, seconded by Wilcox, it was,

Resolved to approve the regulations changes and draft language as presented regarding errors and emissions insurance to start the regulation project for 12 AAC 02.530, 12. AAC 02.510, 12 AAC 64.071, 12 AAC 64.600, and 12 AAC 64.610.

Roll call vote: Heaton –yes, Doran –yes, Cash – yes, Wilcox – yes, Markwood- yes

Ms. Markwood asked how the Commission members would like to proceed with the proposed regulations.

Commission members to review and discuss just proposed regulations at a work meeting. Staff to have the current regulations as well as the proposed changes available before meeting for the members and the public to review.

The next work session was scheduled for May 15, 2025, to begin at 9:00 a.m.

Agenda Item 8 – Commission Member Comments & Questions

Commission members commented on meeting and thanked the 2 new members for serving on the Commission. They appreciated their comments and input. It is nice to have a near full Commission.

Adjournment

On a motion made by Devon, seconded by Wilcox, it was,

Resolved to adjourn the meeting.

There were no opposition. Motion passed.

Meeting adjourned at 11:37 a.m.

Next meeting: May 15, 2025, work meeting.

Prepared and submitted by:
Real Estate Commission Staff

Approved:



Cheryl Markwood
REC Chairperson
Alaska Real Estate Commission