

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

**MINUTES OF MEETING
December 14, 2006**

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled Real Estate Commission meeting was held on December 14, 2006 at the Atwood Building, 550 W. 7th Ave., Ste 1860, Anchorage, Alaska.

Thursday, December 14, 2006

Agenda Item 1 Call to Order

Chairman Gene DuVal called the meeting to order at 9:00 a.m.

Roll Call

Members present constituting a quorum were:

Barbara Ramsey, Associate Broker, 3rd Judicial District
David B. Somers, Broker at Large, Vice Chairman
Gene DuVal, Associate Broker, 4th Judicial District, Chairman
Roger Stone, Broker, 1st Judicial District
Rita Wilson, Associate Broker, Broker at Large
Bradley Fluetsch, Public Member

Members absent (excused):

Tim Worthen, Public Member

Staff Present:

Sharon Walsh, Executive Administrator
Nancy Harris, Licensing Examiner
Margo Mandel, Investigator

Guests present via teleconference

Andrew M. Hemenway, Administrative Law Judge
Ruth Blackwell, Broker

Guests present:

Linda Cardoza, Associate Broker, Prudential Jack White/Vista Real Estate
Larry Norene, Self
Craig Lightle, Broker, Premier Properties, LLC
Denny Wood, Associate Broker, Prudential Jack White/Vista Real Estate
James Stanley, Administrative Law Judge
Christopher Kennedy, Administrative Law Judge
Judy Cloud, Chair, Property Management Advisory Group

Approval of Agenda

The Commission members reviewed the agenda and discussed the changes. Staff added: 2(c) - Teleconference October 20, 2006, 5(b)- Remote Supervision, an additional MOA on agenda #7 and an additional surety fund claim on 6(e)- S-25-009.

On a motion duly made by Ramsey, seconded by Somers , it was

RESOLVED to approve the agenda as amended.

All in favor. Motion passed.

Agenda Item 2

Approval of Minutes

September 20 & 21, 2006

Commission member Ramsey gave Ms. Harris her corrections to the September 20 & 21, 2006 meeting minutes.

On a motion duly made by Ramsey, seconded by Wilson it was

RESOLVED to approve the September 20 & 21, 2006 meeting minutes as amended.

All in favor. Motion passed.

October 12, 2006 Teleconference

Commission members reviewed the October 12, 2006 teleconference meeting minutes as presented.

Commission member Wilson had one correction on page 3 of the October 12, 2006 meeting minutes. On page 3, the roll call vote for the first motion it indicates that Ms. Wilson voted and she was not present for that meeting.

On a motion duly made by Fluetsch, seconded by Stone, it was

RESOLVED to approve the October 12, 2006 teleconference meeting minutes as amended.

All in favor. Motion passed.

October 20, 2006 Teleconference

Commission members reviewed the October 20, 2006 teleconference meeting minutes as presented.

On a motion duly made by Fluetsch, seconded by Somers, it was

**RESOLVED to accept the October 20, 2006
teleconference meeting minutes as amended.**

All in favor. Motion passed.

Agenda Item 4

Public Comment

Ms. Linda Cardoza, addressed the Commission and asked if the Commission could define brokerage. Commission members asked Ms. Cardoza what specifically she was looking for. She said:

- What constitutes a real estate brokerage?
- What does a brokerage consists of?

Ms. Cardoza said that as the real estate industry expands there are various entities in it and the need to know if we all on the same page? Ms. Cardoza hopes this will be on the AREC's to do list for the future.

Agenda Item 3

Investigator Report

Statistic Report

Ms. Mandel presented her statistical report for the period of September 6, 2006 through November 30, 2006 to the Commission for their consideration.

The Commission members reviewed and discussed Ms. Mandel's report as presented.

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

RESOLVED to accept the investigator's report.

All in favor. Motion passed.

Property Management – Legal Interpretation

Ms. Mandel presented to the Commission the legal interpretation of real estate licensees who own rental property.

There was a request for a legal interpretation regarding whether a real estate licensee has a statutory obligation to run their rental activity through their broker or a licensed Property Manager. Ms. Mandel presented this request to the Attorney General's office and received an interpretation. Yes, real estate licensees are required to run their rental property activity through their broker or a licensed property manager, for collection of rents and security deposits.

Commission members discussed the issue regarding real estate licensee owned rentals.

The Chair said that the Commission would come back to this issue Agenda item 3b this afternoon for more discussion.

Ms. Mandel said that some individuals establish an LLC thinking that somehow that will create a layer of protection where they do not have to run that rental activity through their broker and that is incorrect. That LLC is still the licensee and they are still the owner of that property.

On a motion duly made by Stone, seconded by Ramsey, it was

RESOLVED to add this issue to the Agenda and table until this afternoon for more discussion and clarification.

Roll call: Five members in favor, one member opposed (Fluetsch). Motion passed.

The Commission recessed for break at 9:30 a.m.
The Commission reconvened from break at 9:44 a.m.

MOA C. Lightle

Ms. Mandel presented the Memorandum of Agreement for case #3004-99-004, Craig Lightle, to the Commission for their consideration.

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

RESOLVED to accept the MOA for case #3004-99-004 as presented.

All in favor. Motion passed.

Ms. Mandel advised the Commission that a Surety Fund decision being presented by the Administrative Law Judge later today and that she has a parallel disciplinary case on that. Within the last couple of days she has received a couple of letters from people involved in the transaction. This basically spreads an opinion on what the Commission should do in these cases. She consulted the Attorney General's office regarding this matter and they advised her to make the Commission aware of the letters and that they are being withheld because they are not a part of the hearing record. The case in reference is the Don Joyner case.

Alaska Airlines/Lending Tree Email from B. Ramsey

Ms. Mandel addressed the issue of Alaska Airlines Lending Tree Program. The way it is set up is that licensees sign up, pay the miles for real estate

program a 25% commission on every referral they give you give. Alaska Airlines has an in house broker, so that satisfies the statute requirement of not allowing compensation to a non licensee. The other part of their program is that buyers and sellers sign up on their web site and if they use their services and they purchase a house they earn miles based on the cost of the house and that determines the amount of miles they would receive. In AS 08.88.401 (d) a person licensed under this chapter may not knowingly pay any part of a fee, commission, or other compensation received by the licensee in buying, selling, exchanging, leasing, auctioning, or renting real estate to (3) another licensee knowing that the other licensee intends to pay all or a portion of that which is received to a person who is not licensed under this chapter.

Ms. Ramsey said that it is black and white issue that if you pay a fee and you know that the fee that you are paying is somehow going to filter back through then you are in violation of the law.

Ms. Mandel asked the Commission what was their opinion on cash incentive programs? Do they think this is a problem in the industry? It is happening up all over the country and takes up a lot of her time. Are individuals just trying to draw business in or is it a scam on the public?

Mr. Somers said if the licensee crosses the statutory line then the Commission needs to come down on them but he does believe that incentive programs do cause problems.

Ms. Mandel said the only way an incentive is legal is if the service is available to everyone.

Agenda Item 5

Licensing Examiner's Report

Statistics Report

Ms. Harris presents her statistical report for the period of September 11, 2006 through November 30, 2006 to the Commission.

The Commission members reviewed and directed questions to Ms. Harris regarding the report as presented.

On a motion duly made by Ramsey, seconded by Somers, it was

RESOLVED to accept the licensing examiner's report as presented.

All in favor. Motion passed.

Remote Supervision- W. Doughthy and S. Hjort

Licensing Examiner, Nancy Harris, presented to the Commission two new salesperson applications, William Doughthy and Shelly Hjort, requesting remote supervision.

Mr. Doughthy will be living and working out of Nome and is requesting licensure through an office located in Fairbanks.

The Commission members reviewed and discussed the remote request as presented for Mr. Doughthy.

On a motion duly made by Stone, seconded by Fluestch, it was

RESOLVED to approve the application for remote supervision for W. Doughthy.

All in favor. Motion passed.

Ms. Harris presented to the Commission the new salesperson application for Shelly Hjort requesting remote supervision. Ms. Hjort will be living and working out of Petersburg and is requesting licensure through an office located in Juneau.

The Commission members reviewed and discussed the remote request as presented for Ms. Hjort.

On a motion duly made by Wilson, seconded by Somers, it was

RESOLVED to accept the application for remote supervision for S. Hjort.

All in favor. Motion passed.

S. Thompson – Endorsement Application

Ms. Harris presented to the Commission an application by endorsement for a S. Thompson. Ms. Thompson turned in a completed salesperson application into the Commission office. The broker that Ms. Thompson had planned to work under decided that he did not want to take her under his supervision. The potential broker then asked the Licensing Examiner Ms. Harris to call and let Ms. Thompson know that he did not want to be her broker. Within the time the broker decided not to take Ms. Thompson under his supervision her exam score sheet has expired. Ms. Harris presented this application to the Commission and asked that they give Ms. Thompson an extension on her exam score sheet so that she would not have to re-exam and she could find a new supervising broker.

The Commission members tabled this agenda item until later this afternoon so that they can review a copy of Ms. Thompson's application.

The Commission recessed for break at 10:39 a.m.
The Commission reconvened from break at 11:00 a.m.

Agenda Item 10

Executive Administrator's Report

Surety Fund Balance Report

Ms. Leatham, the Accounting Technician in the Juneau office, presented the Surety Fund Report to the Commission.

The Commission members reviewed and directed questions to Ms. Leatham regarding the report as presented.

The Commission directed staff to look into the claim reimbursements and break those figures down to show net claim reimbursements on a separate sheet.

On a motion duly made by Ramsey, seconded by Wilson, it was

RESOLVED to accept the Surety Fund Balance report as presented.

All in favor. Motion passed.

Revenue & Expenditure Report

Ms. Leatham presented the Revenue & Expenditure Report to the Commission.

The Commission members reviewed and directed questions to Ms. Leatham regarding the report as presented.

On a motion duly made by Fluestch, seconded by Ramsey, it was

RESOLVED to accept the Real Estate Revenue & Expenditure report as presented.

All in favor. Motion passed.

Surety Fund Claim Activity

Ms. Walsh presented the Surety fund claims activity spreadsheet to the Commission. She said that there had been two new claims added for FY 2007.

The Commission members reviewed and asked questions regarding the surety fund spreadsheet as presented.

Commission member Fluetsch said he would like to see total claims and total outstanding claims.

On a motion duly made by Fluetsch, seconded by Somers, it was

RESOLVED to accept the executive administrator's surety report.

All in favor. Motion passed.

Agenda Item 6

Surety Fund Claims

Veter-Eluska v. Shields S-26-004

(Administrative Law Judge Hemenway)

The Chair, Mr. DuVal, moved to enter into Executive Session in accordance with AS 44.62.310(d)(1), the topic is for the hearing of Veter-Eluka v. Shields, 05-0817-RES, Surety Fund S-26-004.

Commission members entered into Executive Session to also discuss the surety fund cases:

- Harper v. Joyner, S-26-009;
- Hall v. Erkins, S-26-011;
- Adams v. Miller, S-26-013 and S-26-014 (Consolidated);
- Roe v. Leisek, S-25-009.

Commission moved into Executive session at 10:30 a.m.

Commission out of Executive session at 11:17 a.m.

S-26-011 Hall v. Erkins

On a motion duly made by Ramsey, seconded by Somers, it was

RESOLVED to accept Judge Kennedy's decision on S-26-011.

All in favor. Motion passed.

S-26-013 and S-26-014 Adams v. Miller

On a motion duly made by Ramsey, seconded by Somers, it was

RESOLVED to accept Judge Kennedy's decision on S-26-014 and S-26-013, Option #3 as amended to read: "based on the Commission's knowledge of the

Real Estate business in Alaska the Commission finds that, notwithstanding the testimony of Mr. Miller recorded on page 4 of this decision, the financing technique described herein is not a common business practice in Alaska. It is a practice that is potentially dangerous to buyers and sellers and one that is inappropriate for buyers and sellers who are not sophisticated and fully informed.

All in favor. Motion passed.

S-25-009 Roe v. Leisek

On a motion duly made by Ramsey, seconded by Somers, it was

RESOLVED to accept Judge Stanley's decision on S-25-009.

All in favor. Motion passed.

The Commission recessed for lunch at 12:28 p.m.
The Commission reconvened from lunch at 1:08 p.m.

The Commission members discussed the potential violations on the three surety fund cases that were brought before them for a decision.

S-26-011

On a motion duly made by Ramsey, seconded by Wilson, it was

RESOLVED to direct staff to open up an investigation into the action or inactions of the buyer's representatives and the disposition of the fees that were meant for the mortgage lender. (It is the responsibility of the buyer's representation and the disposition of the fees)

All in favor. Motion passed.

S-26-013 and S-26-014

On a motion duly made by Ramsey, seconded by Wilson, it was

RESOLVED to direct staff to initiate an investigation for the written acknowledgement or disclosure, the facilitator, outside of the scope, the written acknowledge for both buyer and seller representative or any licensee involved and if licensee recorded transaction through the licensee's brokerage.

All in favor. Motion passed.

S-25-009

Commission members discussed issues of potential investigation regarding surety fund case S-25-009.

Agenda Item 9

Proposed Regulation – 12 AAC 64.420(c)

Revisions to 12 AAC 64.420(c), Application for Course Certification, Option 1 or Option 2:

Commission members reviewed and discussed both options for the proposed regulation 12 AAC 64.420(c).

On a motion duly made by Ramsey, seconded by Somers, it was

RESOLVED to accept Option 1 of 12 AAC 64.420(c).

All in favor. Motion passed.

12 AAC 64.059(d)(5)- Review of License Applications

On a motion duly made by Ramsey, seconded by Somers, it was

RESOLVED to accept the proposed regulation of 12 AAC 64.059(d)(5).

All in favor. Motion passed.

12 AAC 64.063(a)(3)-Minimum Education Requirements for Licensure

On a motion duly made by Ramsey, seconded by Somers, it was

RESOLVED to accept the proposed regulation of 12 AAC 64.063(a)(3).

All in favor. Motion passed.

12 AAC 64.075(b)-Employment and Transfer

On a motion duly made by Ramsey, seconded by Somers, it was

RESOLVED to accept the proposed regulation of 12 AAC 64.075(b).

All in favor. Motion passed.

12 AAC 64.115(3)-Minimum Requirements for Maintaining an Office

On a motion duly made by Ramsey, seconded by Wilson, it was

RESOLVED to accept the proposed regulation of 12 AAC 64.115.

Commission members discussed motion on the table.

All in favor. Motion passed.

12 AAC 64.420(g)-Application for Course Certification

On a motion duly made by Ramsey, seconded by Wilson, it was

RESOLVED to accept the proposed regulation of 12 AAC 64.420.

Commission members discussed motion on the table.

All in favor. Motion passed.

12 AAC 64.440(c)-Instructor Approval

On a motion duly made by Ramsey, seconded by Somers, it was

RESOLVED to accept the proposed regulation of 12 AAC 64.440(c).

Commission members discussed motion on the table.

All in favor. Motion passed.

12 AAC 64.440(d)-Instructor Approval

On a motion duly made by Ramsey, seconded by Somers, it was

RESOLVED to accept the proposed regulation of 12 AAC 64.440(d).

Commission members discussed motion on the table.

All in favor. Motion passed.

12 AAC 64.440(f)-Instructor Approval

Commission members reviewed and discussed the proposed regulation 12 64.440(f).

On a motion duly made by Ramsey, seconded by Somers, it was

RESOLVED to accept Option 2 o 12 AAC 64.440(f) is repealed and adopted to read: An instructor approval expires on April 1 of the years ending in 0 and 5, an instructor approved from January 1 through March 31 of a year ending in 0 or 5 will not expire until April 1 of the next year that ends in 0 or 5. An instructor may apply for recertification by submitting (1) a completed application (2) the fees required by 12 AAC 02.360 and evidence of completion during the previous licensing period. (B) at least two hours of continuing education in each topic area for which the instructor is applying for recertification (C) teaching a course within the prior approval period in the topic area for which the instructor is applying for recertification or (D) practical experience in the topic area during the renewal period. (A) is repealed.

Commission members discussed motion on the table.

All in favor. Motion passed.

On a motion duly made by Fluestch, seconded by Wilson, it was

RESOLVED to reconsider the proposed regulation 12 AAC 64.440(f).

The Chair, Mr. DuVal, moved to enter into Executive Session in accordance with AS 44.62.310(c)(2).

Commission went into Executive session at 2:10 p.m.
Commission out of Executive session at 3:15 p.m.

S-26-004- Veter –Eluska v. Shields

On a motion duly made by Fluetsch, seconded by Ramsey it was

RESOLVED to adopt the Administrative Law Judge's opinion on S-26-004.

All in favor. Motion passed.

S-26-009- Harper v. Joyner

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

RESOLVED that in case S-26-009 to adopt the Administrative Law Judge's findings as amended by language as supplied to the Executive Administrator.

Commission member Ramsey recused herself from voting on this motion.

Commission members discussed the motion on the table.

5 members in favor; 1 member recused. Motion passed.

S-26-009 Potential Violation

On a motion duly made by Fluetsch, seconded by Stone it was

RESOLVED to direct staff open up an investigation of all licensees involved in S-26-009.

Commission member Ramsey recused herself from this issue.

**5 members in favor; 1 member recused (Ramsey).
Motion passed.**

Public Comment

Denny Wood, sales manager for Prudential Jack White/Vista Real Estate, addressed the Commission regarding licensee owned rental properties and broker supervision of these properties. Some of Mr. Wood's concerns were:

- AS 34.03.070 Landlord Tenant Law- all money paid to the landlord shall be promptly deposited into a trust account.
- AS 08.88.331 – all transactions shall be made through the broker
- Trust funds turned over to the broker.
- Difficult to know if a licensee owns property.
- Does this apply to both commercial and residential?
- Is it the broker's responsibility to find out if the licensee owns property?
- Exclude the licensee ownership and management of their properties from the broker's responsibilities.

Commission members discussed the issue of licensee owned property, the management of those properties and the handling of trust and rental monies.

The Commission spoke with Ruth Blackwell, a former Commission member, by teleconference for historical information regarding licensee/owned properties and trust monies.

Staff and Commission member Ramsey agreed to draft new regulation verbiage for Property Management to bring back to the Commission for their review and approval by teleconference.

Commission members to clarify in the property management regulations the following points:

- What happens to deposits, leases, rents
- Supervision of licensee/owner
- Broker responsibilities
- Penalties
- What happens if a licensee is a corporation or limit liability company
- How a broker knows a licensee owns a property
- Other state ownership
- Protection of the public
- Trust account
- Citing authority
- Licensee/owner disclosure.
- Define what constitutes a licensee owned property
- Exemptions

Agenda Item 8

Property Management Advisory Group Update

Judy Cloud, Chairperson for the Property Management Advisory Group, presented to the Commission the final report of the Property Management Advisory Group.

Ms. Cloud read the Management Advisory Group recommendations into the record.

- Surety Fund to cover the cost of education and/or be used as a minimum guaranty to be recouped by the cost per person for a course in property management.
- Get the Association, National organizations and local chapters to come in and do courses here in Alaska. Also, would like to use surety fund proceeds to cover expenses.
- Poll the membership/licenseses as to type of courses they would like to see, what is popular and make sure these courses are available.
- Have the core courses but liberalize the elective process. Online courses, educate people about process to get courses approved, provide more internet/online courses or correspondence courses and get State to loosen the requirements for the approval of courses not given in the State.
- Members recommended more classes in:
 - Resale certificates
 - Broad and specific classes in community association management
 - Property management
 - Budget preparation
 - Community Association Governance
 - Reserve requirements
 - Owner rights and responsibility

Motions approved:

- **That the Property Management Advisory Group's recommendations pertaining to education be given to the Education Committee of the Real Estate Commission.**
- **That behind paragraph 12 AAC 64.550(b) "activity for another person" add "or entities" and behind property management add "or community association management", "At a minimum, a property management", add "or community association management".**
- **To have the Alaska Real Estate Commission Consumer Pamphlet reviewed by the Commission for suggested modifications to include community association management and to add to the first paragraph after "Duties owed by a licensee when Representing a Party", "Community**

Association Management” after the word lessees, and “other relationships” on Page 2.

- **That the Property Management Task Force requests the Real Estate Commission to affirm that licensees acting as Community Association Managers providing resale certificates as required by the Alaska Common Ownership Interest Act are exempt from the consumer disclosures as provided by statute AS 08.88.600-695.**
- **Amendment to the motion on the table by Benedict, seconded by Kuntz to have the proposed new language to 12 AAC 64.550 be accepted and exclude those that are currently added to 12 AAC 64.560.**
- **To accept the proposed changes as written with the addition of the omitted wording on (d) to exclude 12 AAC 64.560.**

Proposed new wording of Article 9, Section 12 AAC 64.550 (b – e)
Added wording is italicized and underlined.

Beginning at Article 9 Property Management (Page 40 of Statutes & Regulations Real Estate Commission)

(b) A licensee may not conduct property management *or community association management* activity for another person *or entities* without a prior written property management *or community association management* contract. At a minimum, a property management or *a community association management* contract must include the

- (1) specific responsibilities of the property manager *or community association manager*;
- (2) authority and powers given by the property owner to the property manager *or community association manager*;
- (3) period of the agreement; and
- (4) management fee.

(c) A licensee acting as a property manager may transfer funds between two or more accounts maintained for the same property owner if the licensee has written authorization from the property owner. The licensee shall make entries fully identifying the transaction in each of the ledger accounts affected.

(d) The sale or exchange of a property that is subject to an existing property management contract must be authorized by specific language in the property management contract *or community association* contract or by a separate listing agreement.

(e) A licensee that owns rental real property shall disclose in writing to all tenants and prospective tenants of that property that the licensee holds

a real estate license and the name of the company with which the licensee is affiliated.

12 AAC 64.560 COMPLIANCE WITH UNIFORM RESIDENTIAL LANDLORD AND TENANT ACT.

Failure of a licensee engaged in property management to deposit prepaid rents or security deposits in a trust account as required by AS 34.03 (Uniform Residential Landlord and Tenant Act) is considered fraudulent or dishonest conduct within the meaning of AS 08.88.071(a)(3)(A)(iv).

- **To recommend that the Commission request resources from the Attorney General's office to pursue the unlicensed practice for unlicensed property managers and community association management.**
- Recommend that the REC review the Real Estate Consumer Pamphlet Page 1 & Page 2 as it may relate to Community Association Management.

Commission member Stone agreed to draft new regulation verbiage for Community Association Management to bring back to the Commission for their approval by teleconference.

Ms. Cloud thanked the Commission for the opportunity to work with the Property Management Advisory Group and would be available to help in the future.

On a motion duly made by Ramsey, seconded by Somers, it was

RESOLVED to accept the presentation of the Property Management Advisory Report.

All in favor; Motion passed.

Agenda Item 7

Education

MOA- Case #3002-06-002 (D. Wolf)

Commission members reviewed the revised MOA for case #3002-00-002 for their decision.

On a motion duly made by Ramsey, seconded by Somers, it was

RESOLVED to accept the MOA on Case #3002-06-002.

All in favor; Motion passed.

MOA – Case #3004-06-010 (M. McCusker)

Commission members reviewed the revised MOA for case #3004-06-010 for their decision.

On a motion duly made by Ramsey, seconded by Wilson, it was

RESOLVED to accept the MOA on Case #3004-06-010.

All in favor; Motion passed.

**Agenda Item 5
Continued**

Licensing Examiner's Report

Endorsement Application – S. Thompson revisited

On a motion duly made by Ramsey, seconded by Wilson, it was

RESOLVED to reconsider the salesperson application of Sharon K. Thompson.

All in favor. Motion passed.

Commission members reviewed the application of Ms. Thompson and discussed the issue.

On a motion duly made by Ramsey, seconded by Wilson, it was

RESOLVED to extend to January 31, 2007 Sharon Thompson's time line to activate her license and find a broker.

**6 members in favor; 1 member opposed (Fluetsch).
Motion passed.**

Commission directed staff to contact Ms. Thompson on the Board's decision.

Agenda Item 11

Assistant Attorney General

The Assistant Attorney General was unavailable to attend due to illness.

New Business

Email - Broker Offices – Deb Vanasse

Ms. Vanasse sent an email to Ms. Walsh with a question: Is it possible for several broker-owners to affiliate under one brokerage name with separate trust accounts?

The Commission members discussed the information presented to them.

The Commission determined that several broker-owners can not affiliate under one brokerage name with separate trust accounts and cited 12 AAC 64.112 (c). The business name that a broker registers with the commission must be separate and distinct from all other active brokers' registered business names and 12 AAC 64. 115.

Email - Property Management – Jed Weingarten

Mr. Wiengaren sent an email to Ms. Walsh with the question regarding licensee owned property. Some of his questions were:

- Does the trust account have to be with their broker?
- Should licensees collect deposits in the name of the broker and transfer security deposit accounts they currently have to their broker?
- Would adding the brokers name to an existing account comply?
- Should the broker have copies of leases for all properties a licensee manages?
- Does it matter if they own the property?
- If a licensee owns a building should the quarters from the laundry facilities go to the broker or the licensee's operating account?

The Commission will address this issue with the Property Management regulation revisions that they are currently working on.

Contaminated Soil Pamphlet from EPA

Ms. Kay DuBois, with the Anchorage Board of Realtors, sent an email to Ms. Walsh asking if the letter regarding the Real Estate Agent's Obligations to Comply with the Regulations for Disclosure of Known Lead-Based Paint and/or Lead-Based Paint Hazards ("Disclosure Rule") was something that the Commission is requiring all licensees to provide?

The Commission members reviewed and discussed the letter and pamphlet.

The Commission determined that this was not within their purview and recommended that it be addressed in the next newsletter as a problem.

Email - Open Bidding System – Dan Sacapano

Mr. Sacapano submitted a question to the Commission regarding the sale of difficult to sell listings by an open bidding system.

The Commission reviewed and discussed the information submitted.

The Commission determined that this is not under the Commission's purview and recommended that Mr. Sacapano contact his corporate or company attorney. They also directed him to AS 08.88.165 Conduct of auctions.

Email - Business Structure for Licensee – Ron Morgan

Mr. Ron Morgan sent an email to Ms. Walsh with a question regarding if only a natural person can be licensed and receive or pay commissions? How can a Century 21, Prudential, etc incorporate and receive commissions? Wouldn't that same provision apply to an agent that incorporates?

The Commission discussed Mr. Morgan's question presented.

The Commission reaffirmed Ms. Walsh's response to Mr. Morgan per AS 08.88.171 and AS 08.88.161.

Miscellaneous Information

Ms. Walsh had received a call regarding viewing a house via "Talking House" and if it was within real estate statutes and regulations?

The Commission members reviewed and discussed the information presented.

The Commission members agreed that the licensee using this method of advertisement would still be required to follow the regulations for advertising property.

Old Business

Newsletter Changes

Ms. Walsh informed the Commission that the web site changes were made regarding current and historical information.

Promissor Statistic

Ms. Walsh received the statistics and information requested by the Commission at the September meeting from Promissor. Statistic from December 1, 2005 – November 30, 2006.

- Exams given: Broker 156, Salesperson 886
- Exams not completed:
 - Timed out: Broker, 6; Sales, 9
 - Stopped by proctor: Broker, 0; Sales, 0
 - Stopped by user: Broker, 1; Sales, 4

The Promissor's policy for technical/system failure is if there is a power outage or system error the Proctor will work with the Promissor's help desk to recover the exam data. If, in the rare instances that an exam cannot be recovered, then the candidate is asked to reschedule. The majority of the time the Proctor is able to reboot the machine and the candidate can continue where he/she left off.

Miscellaneous Information

Commission member Ramsey handed out an article with information regarding "Waterfront Homes Sold at Inflated Prices" for their own information and awareness.

Meeting Dates Set

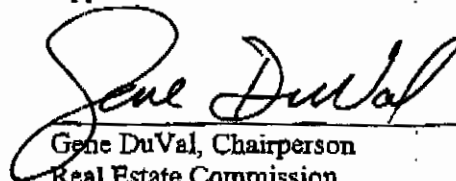
Commission members set the meeting dates for the next year.

- March 15 & 16, 2007 meeting will be held in Juneau.
- June 14 -15, 2007 meeting will be held in Fairbanks.
- September 10 - 11, 2007 meeting will be held in Wasilla
 - Alternative date of September 20 -21, 2007 in Girdwood.
- December 13 - 14, 2007 meeting will be held in Anchorage.

Meeting adjourned at 5:26 p.m.

Prepared and submitted by Division Staff.

Approved:


Gene DuVal, Chairperson
Real Estate Commission

Date: 3/22/07