

1 STATE OF ALASKA  
2 DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT  
3 DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING  
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5 **REAL ESTATE COMMISSION**  
6 **MEETING MINUTES**  
7

8 **October 29, 2018**  
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10 By authority of AS 08.01.070(2), and in compliance with the provisions of AS  
11 44.62, Article 6, a scheduled teleconference meeting of the Real Estate  
12 Commission was held October 29, 2018, at the State of Alaska Atwood Building,  
13 550 W. 7<sup>th</sup> Avenue, Suite 1550, Anchorage, Alaska.  
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15 **Monday, October 29, 2018**

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

17 Chairperson Barickman called the meeting to order at 10:00 a.m.  
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19 Ms. Walsh took roll call and at which time a quorum was established.  
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21 **Roll Call – 1(a)**

22 **Members present:**

23 Cindy Cartledge, Public Member  
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25 **Members present via teleconference:**

26 Marianne Burke, Public Member

27 Eric Bushnell, Broker at Large, Chair

28 David Pruhs, Broker, 4<sup>th</sup> Judicial District

29 Traci J. Barickman, Broker, 3<sup>rd</sup> Judicial District

30 Peggy Ann McConnochie, Broker, Broker at Large  
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32 **Staff Present:**

33 Sharon Walsh, Executive Administrator

34 Nancy Harris, Project Assistant

35 Amber Whaley, Senior Investigator  
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37 **Guests Present:**

38 Rob Schmidt, Assistant Attorney General, Dept. of Law, Anchorage  
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40 **Members Absent:**

41 Guy Mickel, Broker, 1<sup>st</sup> Judicial District,  
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44 Ms. Barickman asked members if they had any conflicts of interest to disclose at  
45 this time.  
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47 Commission members had no conflicts of interest to disclose.

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**Approval of Agenda- 1(b)**

Commission members reviewed the meeting agenda.

Ms. Barickman had a recommendation from the AAG Rob Schmidt that the Commission hold off until the next face to face meeting to discuss, item 4(a) under Old Business, Changes to Disclosure & Waiver of Right forms. She also asked that item 4(b), E & O Standards for Equivalent Coverage be tabled until the next meeting. She said that it has been recommended that an insurance expert, someone from the Division, be presented at the next meeting to help answer questions. Ms. Barickman said that Ms. Burke, one of Commission members, has made some really important recommendations for our regulations that she believed should be handle in a face to face meeting. She asked if everyone is in agreement she would like to table item 4(b), 12 AAC 02.530, E & O Standards for Equivalent Coverage, to the December 5, 2108 meeting.

She asked if anyone had any other recommendations or changes to the agenda.

Mr. Schmidt said that he believed it would be invaluable to have a representative from the insurance industry an actual practitioner, with whom the real estate licensees work, to attend and speak to these regulation changes because the entire thrust of the proposed regulations is to accommodate the insurance industry. He said it would be very useful if any of the Commission members could get an insurance professional, someone actually selling insurance, to weigh in on these issues.

**On a motion duly made by, Ms. McConnochie, seconded by Mr. Pruhs, it was,**

**RESOLVED to approve the meeting agenda for October 29, 2018 as modified.**

**Roll call vote was taken:**

**Ms. Burke, Mr. Pruhs, Ms. Cartledge, Mr. Bushnell, and Ms. McConnochie, voted yes to approve the agenda.**

**All in favor; Motion passed.**

**Agenda Item 2 and Item 3–Consent Agreements – CE Audit for K.D and E Hairston.**

92           **On a motion duly made by Ms. Cartledge, seconded by Mr. Pruhs, it**  
93           **was,**

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95                       **RESOLVED that they go into executive session in accordance**  
96                       **with AS 44.62.310(c) for the purpose of discussing subjects that**  
97                       **tend to prejudice the reputation and character of a person.**

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99           **Roll call vote was taken:**  
100           **Ms. Burke- yes, Ms. McConnochie- yes, Mr. Pruhs- yes, Mr. Bushnell- yes,**  
101           **and Ms. Cartledge-yes.**

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103                       **All in favor; Motion passed.**

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106           The Commission went into Executive session at 10:07 a.m.

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108           Ms. Walsh took roll call after executive session.

109           **Roll call was taken:**  
110           **Ms. Burke- present, Ms. McConnochie- present, Mr. Pruhs- present, Mr.**  
111           **Bushnell- present, and Ms. Cartledge- present, Ms. Barickman- present.**

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113           **All Commission members present.**

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117                       **On a motion duly made by Ms. Cartledge, seconded by Mr. Pruhs, it**  
118                       **was,**

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120                       **RESOLVED to come out of executive session.**

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123           **Roll call vote was taken:**  
124           **Ms. Burke- yes, Ms. McConnochie- yes, Mr. Pruhs- yes, Mr. Bushnell- yes,**  
125           **and Ms. Cartledge-yes.**

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127           **Motion passed.**

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130           The Commission came out of Executive session at 10:24 a.m.

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132           Consent Agreement – CE Audit for K.D.

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135                       **On a motion duly made by Ms. Cartledge, seconded by Ms.**  
136                       **McConnochie, it was,**

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**RESOLVED that in the case #2018-000761, move to accept the Consent Agreement, decision and order.**

**Roll call vote was taken:  
Ms. Burke- yes, Ms. McConnochie- yes, Mr. Pruhs- yes, Mr. Bushnell- yes,  
and Ms. Cartledge-yes.**

**All in favor; Motion passed.**

The Consent Agreement for Kathleen DeHoop was adopted.

Consent Agreement for E. Hairston

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

**RESOLVED that in the case #2018-001091, move to approve the Consent Agreement, decision and order.**

**Roll call vote was taken:  
Ms. Burke- yes, Ms. McConnochie- yes, Mr. Pruhs- yes, Mr. Bushnell- yes,  
and Ms. Cartledge-yes.**

**All in favor; Motion passed.**

The Consent Agreement for Elizabeth Hairston was adopted.

**Agenda Item 4 –Old Business**

**Item 4(a) – Changes to Consumer Disclosure & Waiver of Right forms**

The Commission members discussed the Consumer Disclosure and Waiver of Right to be Represented forms.

Ms. McConnochie spoke to the forms that she made changes to.

1. Removed lessor and lessee. This was not needed because this is for the consumer and their relationship with the licensee which may be buyer, seller, lessor (landlord), or lessee (tenant).
2. Both forms, the AREC Consumer Disclosure and the AREC Waiver of Right to be Represented, are easy to read forms. This is primarily for the consumer.
3. Added a team member page. The consumer will know if licensees are a team member in a transaction and what their position is on that team.

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Ms. McConnochie said that she researched a number of different jurisdictions and they said there is two things that need to be on the forms.

1. that the form is not a contract, and;
2. that signing the form does not obligate them to any financial commitment

Ms. Barickman stated that the Commission would not speak to the contract issue at this meeting.

Some of the concerns of the Commission members regarding these forms were:

- That the licensees were signing in multiple capacities and not in a specific capacity. Having the consumer sign multiple times with the same date and time. Is there a regulation that speaks to this situation and what is the consequence? Maybe propose a regulation that will dictate date and time issue.
- On the Consumer Disclosure form, near the bottom of page 2 of 3, the sentence, "No conflict of interest is created." Should be removed. We should not reach that conclusion.
- On the Consumer Disclosure form, team disclosure is determined by the broker and is a best practice. It is not under statute or regulation.
- Take the "is" out of Customer, Client, Facilitator, on page 3 of 3. There are times when you may not represent someone.
- Specific assistance confuses people. This is a sticking point for a lot of people. They do not understand it. Clean this up.

**On a motion duly made by Ms. McConnochie, seconded by Mr. Pruhs, it was,**

**RESOLVED to table further discussion until the next meeting on December 5, 2018.**

**Roll call vote was taken:**

**Ms. Burke- yes, Ms. McConnochie- yes, Mr. Pruhs- yes, Mr. Bushnell- yes, and Ms. Cartledge-yes.**

**All in favor; Motion passed.**

**Agenda Item 5 –New Business**

**Item 5(a) – Review of Courses**

Commission members were asked to review two education courses to determine if they are the same or "substantively" identical.

Commission members discussed the courses for consideration.

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**On a motion duly made by Mr. Pruhs, seconded by Ms. McConnochie, it was,**

**RESOLVED to classify that these two courses are similar in content and what is expected to be taught in contracts.**

**Roll call vote was taken on the above motion.**

**Ms. McConnochie- yes, Mr. Pruhs- yes, Mr. Bushnell- yes, and Ms. Barickman voted –yes.**

**Ms. Burke and Ms. Cartledge abstained.**

**Motion passed.**

**On a motion duly made by Mr. Bushnell, seconded by Ms. Burke, it was,**

**RESOLVED while the Commission agrees that these courses are similar, they are not “substantively” similar.**

Ms. Cartledge stated for clarification that she believed what Mr. Bushnell said is that the two courses although they may be similar, they are not “substantively” identical to one another.

**Roll call vote was taken on the above motion.**

**Ms. McConnochie- no, Mr. Pruhs - no, Mr. Bushnell - yes, Ms. Burke – yes, and Ms. Cartledge–yes.**

**Motion passed.**

**Item 5(b) – Broker Issue 08.88.071(7)(c)**

Mr. Pruhs spoke to the Commission regarding an issue that was brought to his attention a couple of weeks ago. He said that broker Gerrie Duffy, who operates a single brokerage with no licensees, had a slip and fall with injuries three weeks ago and is now in a hospital out of state. A number of licensee emailed him regarding her brokerage’s business, property management, was not being done. He in turn contacted the REC and spoke with Ms. Walsh and she gave him instructions on this type of issue per the regulations. He said he contacted Ms. Duffy’s son and let him know that the REC could authorize an individual of the broker’s choice to operate the office until the broker is well enough to take over. Ms. Duffy’s son said

272 his mother was not interested in that option and wanted her clients to choose who  
273 they wanted to represent them. Mr. Pruhs said he would have the REC contact  
274 him regarding this matter.

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277 **On a motion duly made by Ms. Cartledge, seconded by Mr. Pruhs, it**  
278 **was,**

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280 **RESOLVED that they go into executive session in accordance**  
281 **with AS 44.62.310(c) for the purpose of discussing subjects that**  
282 **tend to prejudice the reputation and character of a person.**

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**All in favor; Motion passed.**

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287 The Commission went into Executive session at 11:40 a.m.

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Ms. Walsh took roll call after executive session.

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**Roll call was taken:**

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**Ms. Burke- present, Ms. McConnochie- present, Mr. Pruhs- present, Mr.**  
**Bushnell- present, and Ms. Cartledge- present, Ms. Barickman- present.**

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**All Commission members present.**

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**On a motion duly made by Ms. Cartledge, seconded by Ms. Burke, it**  
**was,**

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**RESOLVED to come out of executive session.**

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**Roll call vote was taken:**

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**Ms. Burke- yes, Ms. McConnochie- yes, Mr. Pruhs- yes, Mr. Bushnell- yes,**  
**and Ms. Cartledge-yes.**

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**Motion passed.**

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The Commission came out of Executive session at 12:11p.m.

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

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316           **RESOLVED that the executive administrator be authorized to**  
317           **make any inquires as to an individual's health as to whether or**  
318           **not that individual, because of a traumatic event or medical**  
319           **condition as defined in regulations, is able to carry on her**  
320           **business in the practice of real estate. If there is finding that this**  
321           **individual is unable to carry on her duties, Ms. Walsh is**  
322           **authorized to secure the necessary services for a licensee to**  
323           **take appropriate actions in relation to the business with that**  
324           **individual.**

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326           **Roll call vote was taken:**  
327           **Ms. Burke- yes, Ms. McConnochie- yes, Mr. Pruhs- yes, Mr. Bushnell- yes,**  
328           **and Ms. Cartledge-yes.**

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330           **Motion passed.**

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333           **On a motion duly made by Mr. Cartledge, seconded by Ms.**  
334           **McConnochie, it was,**

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336           **RESOLVED that the teleconference meeting be adjourned.**

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339           **Roll call vote was taken on the above motion.**  
340           **Ms. Burke, Mr. Pruhs, Ms. Cartledge, Mr. Bushnell and Ms. McConnochie**  
341           **voted –yes.**

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343           **Meeting adjourned at 12:14 p.m.**

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Prepared and submitted by:  
Real Estate Commission Staff

Approved:

  
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Traci J. Barickman, Chairperson  
Alaska Real Estate Commission

Date: 3/13/19