

Real Estate Commission Meeting

September 8, 2022

**Atwood Building
550 W 7th Avenue
Ste 1550**

Anchorage

Call to Order

Roll Call

Traci Heaton

Elizabeth Schok

Chad Stigen

Jaime Matthews

Jesse Sumner

Devon Doran

Cheryl Markwood

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

REAL ESTATE COMMISSION MEETING
September 8, 2022
Atwood Building 550 W. 7th Ave. Suite 1550
Anchorage, AK

ZOOM Info: Join meeting: <https://us02web.zoom.us/j/85192193359>
Meeting ID: 851 9219 3359; Passcode: 855401
Call-In: +1 (669)900- 6833 or (253)215- 8782

Thursday, September 8, 2022

Note: There will be a break for lunch from 12 until 1, if deemed necessary.

- 9:00a.m. 1. Call to Order Markwood
 a) Roll Call
 b) Approval of 9/8 Agenda
 c) Statements of Conflicts of Interest/
 d) Ethics violations to report
2. Public Comments (est. time only; 9:15 am)
3. Meeting Minutes
 a) June 9, 2022
- 9:30 a.m. 4. Investigative Report Gabriel
 a) Statistical Report
5. Old Business
 a) 2023 Strategic Plan
 b) Property Management Committee - update
6. New Business
 a) Proposed Regulations:
 12 AAC 64.118, Consumer Disclosure (includes teams)
 12 AAC 64.060(h), Applications for Licensure (license history)
 12 AAC 64.061(b), License by Endorsement (license history)
 12 AAC 64.075(b), Employment and Transfer (returned license/termination)
 12 AAC 64.63, Minimum Education Requirements for Licensure(education)
 12 AAC 64.059(c)(5), Review of License Applications (education)
 12 AAC 64.059(f)(5), “ ”
 b) Teams – commissions Schok
 Auctions – license required
7. Executive Administrator’s Report Harris
 a) Licensing/Education Statistics
 b) Recovery Fund Balance Report

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8. Elections of Officers
 - a) Vice-Chair
 - b) Education Liaison
9. Commission Member Comments and Questions
10. Adjournment

Next REC Meeting for 2022:
December 8 – via ZOOM

Statements of Conflict of Interest

Public Comment

Meeting Minutes

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

REAL ESTATE COMMISSION

CONDENSED MINUTES OF THE MEETING HELD *JUNE 9, 2022*

“These draft minutes were prepared by the staff of the Division of Corporations, Business and Professional Licensing. They have not been reviewed or approved by the Commission.” By 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 June 9, 2022, at the State of Alaska Atwood Building, 550 W. 7th Avenue, Suite 1550, via Zoom, Anchorage, Alaska.

Date:	June 9, 2022
Time:	9:06 a.m.
Location:	Anchorage, AK
Attending:	<p>Commission Members: Cheryl Markwood- Broker/Broker at Large/Chairperson; Elizabeth Schok- Associate Broker. 4th Judicial District; Traci Heaton- Associate Broker/1st Judicial District; Devon Doran- Broker/ 3rd Judicial District; Chad Stigen, Associate Broker, Broker at Large Jesse Sumner-Public Member</p> <p>Staff: Nancy Harris- Executive Administrator; Sara Sather- Licensing Examiner APR (training); Anna Gabriel, CBPL REC Investigator; Melissa Dumas- CBPL Administrative Operations Manager</p> <p>Public/Industry Members: Errol Champion-Liaison for AAR, and Broker/Coldwell Banker Race Realty, Juneau; Deborah Brollini, Public Person, Anchorage</p>
Absent:	Jaime Matthews- Public Member/Vice Chairperson

Agenda Item 1 – Call to Order 1(a) - Roll Call	
Brief Discussion:	Chairperson Cheryl Markwood called the meeting to order at 9:06 a.m., roll call was taken at which time a quorum was established.
Motion:	None.

Action Items:	None.	
Agenda Item 1(b) - Approval of Agenda		
Brief Discussion:	<i>Commission members reviewed the agenda.</i>	
Motion:	On a motion made by Schok, seconded by Sumner, it was, Resolved to approve the agenda as revised.	
Recorded Votes:	<i>Doran - Y</i>	<i>Stigen -Y</i>
	<i>Heaton - Y</i>	<i>Sumner - Y</i>
	<i>Schok - Y</i>	Markwood -Y
Action Items:	<i>None.</i>	
Agenda Item 1(c) – Statements of Conflict		
Brief Discussion:	No conflicts to report.	
Motion:	None.	
Action Items:	None.	
Agenda Item 1(d) – Ethics Violations to Report		
Brief Discussion:	No ethic violations to report	
Motion:	None.	
Action Items:	None.	
Agenda Item 2 – Public Comments		
Brief Discussion:	Mr. Champion, Broker and Legislative Liaison for the Alaska Association of Realtors, gave the Commission an update on legislative matters with regards to the real estate industry. He stated that out of all the statutes that were passed this year, none of them affected real estate operations or businesses directly. He mentioned that the Juneau Borough Assembly has a requirement for disclosure of transaction prices and that Ms. Heaton could give the Commission on update on that issue. He said legislature as adjourned for this session and they are not anticipating having a special session.	
	Ms. Heaton, spoke to the Commission regarding the Juneau Assembly ordinance. She stated that the Juneau Assembly passed an ordinance that would require the mandatory sale price disclosure and terms of sale. She said AK is a non-disclosure state, but our Constitution also gives municipalities the right to enact their own	

	<p>laws and so this was put forth about a year and a half ago. There was a second ordinance passed that repealed the confidentiality aspect, when they learned there was no way to keep that information confidential, that was included in the first ordinance. She said there was petition started and it is very likely we will see this on the ballot. She said there was an over whelming response from a community of people who felt this was an important issue and they did want a mandatory disclosure for sale prices and terms of sale.</p>	
	<p>Ms. Brolini, a public member, gave a brief comment about her history with the REC. She stated it seemed like there is consumer protection out there with the REC but there really isn't and she hasn't seen any movement forward. She said she has been following the REC for several years. Since 2016 – 2019 she was attending meetings and being a part t because she was harmed by a property manager. There are also other Alaska Native women who were harmed by the same property manager and there wasn't really anything they could do about it. She did speak with the Senate Finance Committee regarding the issue and there was an investigation of the Attorney General's office. There was supposed to be some follow up but she hasn't done that. She said she thought she had moved forward and thought there was a good REC in place and she said she is not feeling that right now. She said she attended a meeting a couple a months ago and the meeting seemed very disoriented and they were still talking about teams and issues they were talking about in 2016. There seems to have been change in the Commission. She said usually when you have appointed members, there is a reason they stagger the appointments so that knowledge carries over. She said it doesn't seem like that because the meeting she attended a few months back the REC was talking about the same issues about teams and reinventing the wheel. She said this is just her feedback.</p>	
Action Items:	None.	
<p>Agenda Item 3 – Meeting Minutes 3(a) – March 10, 2022</p>		
Brief Discussion:	None	
Motion:	<p>On a motion made by Doran, seconded by Schok, it was, Resolved to approve the March 10, 2022 meeting minutes as presented.</p>	
Recorded Votes:	<i>Doran - Y</i>	<i>Stigen - Y</i>
	<i>Heaton - Y</i>	<i>Sumner - Y</i>
	<i>Schok - Y</i>	Markwood -Y

Action Items:	Meeting minutes will be signed by Chair and placed on REC website.	
Agenda Item 4 – Investigative Report 4(a) – Statistical Report		
Break at 9:18 am Back on Record at 9:25 am		
Brief Discussion:	Investigator Anna Gabriel presented the investigation statistics for the reporting period of February 24, 2022 through May 26, 2022. This report includes cases, complaints, and intake matters handled since the last report. There are 49 open cases and 26 cases were closed from the last report.	
Motion:	None	
Action Items:	None	
Agenda Item 7 – Old Business Agenda Item 7(a) – Team Disclosure Committee - Update		
Brief Discussion:	Ms. Shock read the memorandum from the Teams Disclosure Committee regarding their recommendations for Best Practices, Roles and Responsibilities of Teams, to include the revision of the 2 nd page of the Consumer Disclosure form. The Commissioners commented on the revisions of the 2 nd page of the Consumer Disclosure form. Replacing old form, keep form to 2 pages by reducing font, whose initials are required next to relationship-? add the word “Consumer” in front of the word “Initials” .	
Motion:	On a motion made by Heaton, seconded by Stigen, it was, Resolved to accept the Consumer Disclosure with revisions and move it forward into a regulatory change.	
Recorded Votes:	<i>Doran - Y</i>	<i>Stigen -Y</i>
	<i>Heaton - Y</i>	<i>Sumner - Y</i>
	<i>Schok - Y</i>	Markwood -Y
Motion:	On a motion made by Heaton, seconded by Stigen, it was, Resolved to approve the recommended team best practices and place on the REC website.	

Recorded Votes:	<i>Doran - Y</i>	<i>Stigen -Y</i>
	<i>Heaton - Y</i>	<i>Sumner - Y</i>
	<i>Schok - Y</i>	Markwood -Y
Action Items:	Staff to send the team best practices to the Pub Team to place on the REC website.	
Agenda Item 4 – Investigative Report- cont’d 4(a) – Consent Agreement		
Brief Discussion:	Commission members went into executive session at 9:59 am.	
	On a motion made by Sumner, seconded by Schok, it was,	
	RESOLVED to go into Executive Session per AS 44.62.310(c), for the purpose of discussing subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; or matters which by law, municipal charter, or ordinance are required to be confidential; matters involving consideration of government records that by law is not subject to public disclosure.	
	Out of executive session at 11:06 am	
Motion:	On a motion made by Heaton, seconded by Sumner, it was, Resolved to approve the Consent Agreement for David Dowd, case # 2021-000273.	
Recorded Votes:	<i>Doran - N</i>	<i>Stigen -Y</i>
	<i>Heaton - Y</i>	<i>Sumner - N</i>
	<i>Schok - N</i>	Markwood - N
Action:	None	
Break at 11:09 am Back on Record at 11:16 am		
Agenda Item 5 – Licensing Matters		

Brief Discussion:	Commission members went into executive session at 11:18 am.	
	<p>On a motion made by Sumner, seconded by Doran, it was,</p> <p>RESOLVED to go into Executive Session per AS 44.62.310(c), for the purpose of discussing subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; or matters which by law, municipal charter, or ordinance are required to be confidential; matters involving consideration of government records that by law are not subject to public disclosure.</p>	
	Out of executive session at 11:23 am	
Motion:	<p>On a motion made by Heaton, seconded by Schok, it was,</p> <p>Resolved to approve Michael John Sorenson’s real estate salesperson license application.</p>	
Recorded Votes:	<i>Doran - N</i>	<i>Stigen -N</i>
	<i>Heaton - N</i>	<i>Sumner - N</i>
	<i>Schok - N</i>	Markwood -N
	<p>Ms. Markwood stated that Michael John Sorensen’s license application was denied due to previous legal agreements with other state government agencies that preclude him from serving in the real estate industry. He also had previous cease and desist agreements with the Real Estate Commission, for these reasons this application has been denied.</p>	
Brief Discussion:	Commission members went into executive session at 11:37 am	
	<p>On a motion made by Sumner, seconded by Heaton, it was,</p> <p>RESOLVED to go into Executive Session per AS 44.62.310(c), for the purpose of discussing subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; or matters which by law, municipal charter, or ordinance are required to be confidential; matters involving consideration of government records that by law are not subject to public disclosure.</p>	

	Out of executive session at: 11:45 am	
Motion:	On a motion made by Schok, seconded by Stigen, it was, Resolved to approve the real estate salesperson license application for Christian Scantling.	
Recorded Votes:	<i>Doran - N</i>	<i>Stigen -N</i>
	<i>Heaton - N</i>	<i>Sumner - N</i>
	<i>Schok - N</i>	Markwood -N
	Ms. Markwood stated that Mr. Christian Scantling’s real estate salesperson application has been denied due to an ongoing probation status that would preclude him from licensing in the state of Alaska.	
Break at 11:45 am Back on Record at 11:56 am		
Agenda Item 6 – Division Update 6(a) – Financials 6(b) – Fee Change Regulation Update		
Brief Discussion:	Ms. Dumas, Admin Operations Manager for CBPL, presented the FY2022 3rd quarter Revenue and Expenditures report that ended March 31, 2022. She stated the current revenue was \$725,085. Expenditures totals were as follows: There were non-investigative expenditures of \$91,983 and investigative expenditures of \$83,186, for a total of \$93,940 in direct expenditures. There were indirect expenditures of \$127,696, place holder, (this includes internal administration, department, and statewide costs), leaving the total expenditures at \$303,165. There was a total ending cumulative surplus of \$1,362,559.	
	Ms. Dumas gave an update on the proposed regulation fee changes. She said they are currently with the regulation specialist and should soon be moving relatively quickly.	
Motion:	None	
Action Items:	None	
Agenda Item 7 – Old Business- Continued 7(b) – Residential Real Property Transfer Disclosure Statement - Update		

	<p>shortages. She said the Division Director’s requested that the REC consider right looking at touch regulations. She asked Ms. Harris to speak to the Admin Order.</p> <p>Ms. Harris spoke to the Governor’s Admin Order. She said one of the requirements of the Governor’s Admin Order is for the Departments to identify outdated or ineffective regulations by June 30, 2022 and draft revisions for public notice by August 1, 2022. Boards are requested to identify outdated or ineffective regulations by July 31, 2022 and draft revisions for public notice by September 30, 2022.</p> <p>Ms. Harris said they cannot have committees per the Admin Order but she could put together a few suggestions and bring to the Commission for their consideration.</p> <p>Ms. Markwood added this regulation project to the REC’s strategic plan.</p> <p>Ms. Markwood said that if any of the Commission members had any comments or suggestions on any of the suggested topics that would help streamline the licensing section, please forward to Ms. Harris.</p>
<p>Action Items:</p>	<p>Ms. Harris to put together a few changes to the regulations that may help streamline the licensing process and place on OnBoard for Commission members comments. Have a draft copy of the proposed regulations at the next meeting for the Commission’s consideration.</p>
<p>Agenda Item 8(b) – 2022 Annual Report</p>	
<p>Brief Discussion:</p>	<p>Ms. Harris presented the 2022 REC Annual Report to the Commission for their review and approval.</p> <p>Once Annual Report is completed with a few revisions from staff, the Commission agreed to vote on the 2022 Annual report via OnBoard.</p>
<p>Motion:</p>	<p>None.</p>
<p>Action Items:</p>	<p>Staff to place final 2022 REC Annual Report on OnBoard for the Commission members vote.</p>
<p>Agenda Item 8(c) – CE Audits – Delegation of Authority</p>	

Brief Discussion:	Ms. Harris asked the Commission if they would like to review the CE Audits at the next meeting or delegate authority to staff to conduct the CE Audits.	
Motion:	<p>On a motion made by Sumner, seconded by Stigen, it was,</p> <p>Resolved to delegate authority to the Executive Administrator, Nancy Harris, to review the Continuing Education (CE) Audits.</p>	
Recorded Votes:	<i>Doran - Y</i>	<i>Stigen -Y</i>
	<i>Heaton - Y</i>	<i>Sumner - Y</i>
	<i>Schok - Y</i>	Markwood -Y
Action Items:	Ms. Harris to start the CE Audit.	
Agenda Item 8(d) – 2022 ARELLO Conference and Investigator Seminar		
Brief Discussion:	Ms. Harris said she would not be attending the 2022 ARELLO Conference this year due to the Governor’s Admin Order. There is still a bit of a back log with Licensing. She asked if the Commission would consider sending the Senior and REC Investigator instead. She stated that ARELLO has a great investigation workshop.	
Motion:	<p>On a motion made by Doran, seconded by Stigen, it was,</p> <p>Resolved that the 2 investigators assigned to the Real Estate Commission, Ericka Prieksat and Anna Gabriel, be approved to attend the 2022 ARELLO Conference and Investigator Seminar.</p>	
Recorded Votes:	<i>Doran - Y</i>	<i>Stigen -Y</i>
	<i>Heaton - Y</i>	<i>Sumner - Y</i>
	<i>Schok - Y</i>	Markwood -Y
Action Items:		
Agenda Item 9 – Executive Administrator’s Report		

9(a) – Licensing/Education Statistics	
Brief Discussion:	<p>Ms. Harris presented the licensing report for June 9, 2022. She reported that between February 23, 2022 and May 26, 2022, there were 124 new licenses issued; 2,913 active licensees with a 1/31/2024 expiration date; 2,954 total number of licensees with an 1/31/2024 expiration date; 11 inactive licensees; 363 lapsed licenses; 151 transfers; 66 licensees who completed their PLE requirements; 6 license upgrades from salesperson to associate broker and 1 license upgraded from salesperson to broker; 35 licensees in a license returned status.</p> <p>Ms. Harris presented the education report for June 2022. She reported that as of June 22, 2022, there were 10 pre-licensing courses; 4 broker upgrade courses; 304 elective courses; 38 designated courses; and 3 post-licensing courses approved, with a total of 359 courses approved. Ms. Harris stated there are currently 83 approved instructors with 1 new instructor.</p>
Action Items:	None.
Agenda Item 9(b) – Recovery Fund Report	
Brief Discussion:	Ms. Harris presented the Recovery Fund Report for the 3rd quarter, ending March 31, 2022. The Commission received a total of \$42,640 revenue for license fees processed between December 31, 2021 and March 31, 2022. The current total fund balance at \$258,071 and the end of year fund balance of \$295,915. The projected balance for the end of the next fiscal year is \$295,915.
Action Items:	None.
Agenda Item 10 – Commission Member Comments and Questions	
Brief Discussion:	<p>Ms. Heaton thank everyone for their time and for a productive meeting. She said she would keep everyone updated with the mandatory sales price disclosure and we should see this on the ballot in October. She said she believes it will be something that will affect the other areas for AK.</p> <p>Ms. Doran wanted to applaud thanked Ms. Schok for her hard work on the Team Disclosure. She knows that was a big project to take on with all the feedback. She said she appreciates her hard work because the Commission has talking about for years.</p> <p>Ms. Markwood thanked everyone of their service on the Commission, especially Ms. Schok and Ms. Heaton who took on the challenge of the Teams Disclosure Committee. She said it was great to see so many public members serving on that</p>

	<p>committee and really moving it forward very quickly and in a timely manner to be presented to the Commission. Nice to see the REC putting items on the website, like best practices. It shows that we are looking at the issues that are being addressed by the REC. She said she must commend the REC for pulling off the revision of the Consumer Disclosure that has come before the Commission at least 2 times, from her knowledge, and it failed both times. She said she looks forward to hearing what DOL will say about the changes as well as the public comment. She also would like to commend Ms. Harris who is working diligently to keep the REC going and all the state workers in this tremendous time where there is a shortage of workers and everyone is feeling the effects. She said she is proud of the work that the REC is doing. She thanked the Commission members for serving because it is important work and an important position to hold and the industry appreciates it.</p> <p>Ms. Markwood wanted to make a comment to the public member who had concerns and complaints regarding property management in the past. She said the REC has a property management committee. The committee has not been meeting recently but we do need to get them back into motion once the current directive is revised. The Commission does recognize that there are deficiencies within property management that should be reviewed by the Commission and we do our best to follow up on those when we can.</p>
Agenda Item 11 – Adjournment	
Brief Discussion:	None
Motion:	<p>On a motion made by Heaton, seconded by Matthews, and passed unanimously, it was</p> <p>Resolved to adjourn.</p>
Action Items:	None

Next Meeting:	September 8, 202. In- person meeting
Adjournment:	Meeting Adjourned at 12:56 p.m.

Investigative Report



THE STATE
of **ALASKA**

Department of Commerce, Community,
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

550 West Seventh Avenue, Suite 1500
Anchorage, AK 99501-3567
Main: 907.269.8160
Fax: 907.269.8156

MEMORANDUM

DATE: August 18, 2022
TO: Real Estate Commission
THRU: Greg Francois, Chief Investigator *GF*
FROM: Anna Gabriel, Investigator *AG*
RE: Investigative Report for the September 08, 2022 Meeting

The following information was compiled as an investigative report to the Board for the period of May 27, 2022 thru August 18, 2022; this report includes cases, complaints, and intake matters handled since the last report.

Matters opened by the Paralegals in Anchorage and Juneau, regarding continuing education audits and license action resulting from those matters are covered in this report.

OPEN - 49

<u>Case Number</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Status Date</u>
BUSINESS LICENSE			
2021-001179	Violation of licensing regulation	Complaint	12/15/2021
REAL ESTATE ASSOCIATE BROKER			
2021-000022	Violation of licensing regulation	Complaint	02/10/2021
2021-000107	Unethical conduct	Complaint	02/16/2021
2021-000231	Advertising	Complaint	03/12/2021
2021-000238	Fraud or misrepresentation	Complaint	04/05/2021
2021-000287	Violation of licensing regulation	Complaint	04/05/2021
2021-000465	Violation of licensing regulation	Complaint	06/03/2021
2022-000445	Violation of licensing regulation	Complaint	05/18/2022

REAL ESTATE BROKER

2021-000185	Violation of licensing regulation	Complaint	03/12/2021
2021-000286	Violation of licensing regulation	Complaint	04/01/2021
2021-000498	Violation of licensing regulation	Complaint	07/12/2021
2021-000576	Unprofessional conduct	Complaint	07/15/2021
2021-000772	Violation of licensing regulation	Complaint	08/26/2021
2021-001080	Violation of licensing regulation	Complaint	11/22/2021
2021-001096	Violation of licensing regulation	Complaint	12/15/2021
2022-000074	Falsified application	Complaint	01/24/2022
2022-000087	Unlicensed practice or activity	Complaint	09/30/2021
2022-000468	Violation of licensing regulation	Complaint	05/24/2022
2016-000807	Fraud or misrepresentation	Monitor	07/01/2020
2016-000949	Fraud or misrepresentation	Monitor	07/01/2020
2017-000602	Fraud or misrepresentation	Monitor	07/01/2020
2020-000224	Criminal action - no conviction	Monitor	
2021-000267	Violation of licensing regulation	Monitor	05/24/2022

REAL ESTATE SALESPERSON

2021-000106	Unethical conduct	Complaint	02/16/2021
2021-000138	Unlicensed practice or activity	Complaint	02/24/2021
2021-000139	Unlicensed practice or activity	Complaint	02/24/2021
2021-000183	Violation of licensing regulation	Complaint	04/01/2021
2021-000184	Violation of licensing regulation	Complaint	04/05/2021
2021-000269	License application problem	Complaint	07/21/2021
2021-000448	Violation of licensing regulation	Complaint	06/02/2021
2021-000620	Violation of licensing regulation	Complaint	07/19/2021
2021-000635	Real estate - other	Complaint	08/23/2021
2021-001050	Violation of licensing regulation	Complaint	12/14/2021
2021-001144	Violation of licensing regulation	Complaint	11/19/2021
2022-000051	Violation of licensing regulation	Complaint	01/19/2022
2022-000254	Violation of licensing regulation	Complaint	03/16/2022

2022-000297	Violation of licensing regulation	Complaint	03/29/2022
2022-000394	Violation of licensing regulation	Complaint	04/27/2022
2022-000473	Violation of licensing regulation	Complaint	06/08/2022
2022-000719	Violation of licensing regulation	Complaint	08/16/2022
2022-000732	Violation of licensing regulation	Complaint	08/04/2022
2020-000132	Fraud or misrepresentation	Monitor	03/30/2022
2020-000015	Fraud or misrepresentation	Investigation	06/15/2020
2020-000077	Fraud or misrepresentation	Investigation	06/11/2020
2020-000110	Advertising	Investigation	05/06/2020
2021-000519	Fraud or misrepresentation	Investigation	02/17/2022
2021-000273	Falsified application	Litigation Initiated	02/17/2022
2022-000457	Contested license denial	Litigation Initiated	07/05/2022
2022-000602	Contested license denial	Litigation Initiated	06/29/2022

Closed - 9

<u>Case #</u>	<u>Violation Type</u>	<u>Case Status</u>	<u>Closed</u>	<u>Closure</u>
REAL ESTATE ASSOCIATE BROKER				
2022-000488	Unprofessional conduct	Closed-Complaint	06/07/2022	No Action - Lack of Jurisdiction
REAL ESTATE BROKER				
2022-000467	Unlicensed practice or activity	Closed-Intake	06/16/2022	Incomplete Complaint
2022-000649	Violation of licensing regulation	Closed-Intake	08/09/2022	Incomplete Complaint
2021-000264	Unlicensed practice or activity	Closed-Investigation	07/27/2022	Declined by AG
REAL ESTATE SALESPERSON				
2022-000465	Violation of licensing regulation	Closed-Intake	07/11/2022	Incomplete Complaint
2022-000581	Violation of licensing regulation	Closed-Intake	07/14/2022	Incomplete Complaint
2022-000733	License application problem	Closed-Intake	08/04/2022	Review Complete
2020-001020	Fraud or misrepresentation	Closed-Investigation	06/21/2022	No Action - Insufficient Evidence

END OF REPORT

Old Business

2023 ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN

The Commission recognizes we have a very small, yet extremely competent staff for the number of licensees we oversee, and to assist affected consumers. We have every confidence that the Executive Administrator, Project Assistant, and REC Investigator, will all support us in reaching our goals.

Guiding Principle	Objective How will we meet this guiding principle?	Who will complete this task?	Status/Notes
1. Protect the Consumer/Inform License	<p>With agreement of the appropriate departments, upload informational videos done by appropriate personnel on:</p> <ul style="list-style-type: none"> How to file a complaint against a licensee & its process If a complaint is filed against a license what the process is for a license <p>Additionally, provide best practice “white papers” on various topics as approved by the Commission for placement on our website.</p>	Commissioners, Staff & Investigator	Ongoing -Goal to have recorded presentation done & submitted to Chief Investigator for review/approval by the next year's Strategic Planning meeting
2. Protect the Consumer/Inform License	<p>Provide the Commission for consideration, what they should have jurisdiction over in property management, i.e., financial responsibilities of the property owner or property manager. Then, provide next steps should the Commission agree to move forward with recommendations. Provide a list of property management FAQ's (Frequently Asked Questions) for both licensed property managers & property owners, to be approved by the Commission then placed on our website. To include:</p> <ul style="list-style-type: none"> Best practices for security deposits & earnest money Potential for separate Property Management Consumer Disclosure & Wavier of Right to be Represented form Long-term goal to review the Landlord Tenant Act & look at changes in conjunction with the real estate industry Review and make recommendations to the property management regulations with regard to trust account and security deposit issues 	Property Management Committee of the Commission & Property Management Liaison, Commissioner Heaton	<p>Work in Progress – PM Committee continuing to develop best practices for REC consideration, several already approved & on Website.</p> <p>PM FAQs document is being drafted</p>
3. Protect the Consumer/Inform License	<p>Define minimum standards, based on what other jurisdictions have successfully implemented, for team advertising. To include:</p> <ul style="list-style-type: none"> Define requirements to include brokerage information, minimum size, etc. Review, make recommendations if necessary, and provide a draft Disclosure Statement regarding teams Review, make recommendations if necessary, and draft regulation changes <p>Expand the scope to include team educations, advertising, supervision, brokers role, and consumer protection.</p> <p>Provide a FAQ's (Frequently Asked Questions) to be approved by the Commission and then placed on our website.</p>	Commissioners Schok & Heaton to provide information to staff	<p>Previous Commission completed a best practice document for Advertising approved & on website</p> <p>Reviewed and created Best Practices to include FAQ document. Approved by Commission at March 2022 meeting and placed on REC website under Team Resources.</p> <p>Make recommendations regarding regulation changes.</p>

2023 ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN

The Commission recognizes we have a very small, yet extremely competent staff for the number of licensees we oversee, and to assist affected consumers. We have every confidence that the Executive Administrator, Project Assistant, and REC Investigator, will all support us in reaching our goals.

Guiding Principle	Objective How will we meet this guiding principle?	Who will complete this task?	Status/Notes
4. Inform Licensees	Assist staff to clear up the following issues: <ul style="list-style-type: none"> • How “inactive status” is logged/started & the notification to the affected licensee. • Define & Verify how required education, for those who apply for license by endorsement. • Define & Simplify the criteria for getting or upgrading license. • Sharing of Information 	Commissioner Markwood & Staff	In progress - See proposed regulations in #12
5. Protect the Consumer/Inform Licensees	Review all regulations & propose one major regulation change (cleanup) which will bring regulations into the 21 st century.	Commissioners & Staff	Complete – DOL review complete, approved by Lt. Governor and effective 9/2021
6. Commission Business/Inform Licensee	Review upcoming licensing renewal cycle fee adjustment, as to conform with the recovery fund balance.	Commissioners & Staff	In progress. Discussed and approved fee changes at March 2022 REC Mtg, currently out for public comment, to close on 9/2/2022. * Requires a Regulation Change
7. Commission Business/Inform Licensees	Review and make recommendations regarding DCE Education Topics for the next renewal cycle.	Commissioners & Staff	Completed
8. Commission Business/Inform Licensees	Create and proposed regulations as required per SB21 to allow for a Military Courtesy License for all license types: Salesperson, Associate Broker and Broker.	Commissioners & Staff	Completed
9. Commission Business/Inform Licensees	Create guidelines for DCE topics	Commissioners & Staff	Completed
10. Commission Business/Inform Licensees	Review and make recommendations to the regulation 12 AAC 64.500(n) and form, regarding the request for CE credit for courses that are not approved by Commission staff.	Commissioners & Staff	In progress, Commissioner to work w/Staff to propose a regulation change.
11. Teams on Consumer Disclosure	Propose changes to the regulation 12 AAC 64.118, Consumer Disclosure with regards to teams.	Commissioners & Staff	In progress, Commission approved revisions to form 08-4145 to go out for public comment at June 9, 2022. Sent to Reg. Specialist, review at Sept mtg.
12. Update outdated or ineffective regulations	Identify and draft revisions for outdated or ineffective regulations by September 30, 2022 per the Governor's Administrative Order #335	Commissioners & Staff	In progress. Commission to review proposed regulations for 12 AAC 64.059, 060,061,075, and 500, at Sept 8 th meeting.

Last Edited 8/25/2022

Property Management Committee - Update

New Business

Proposed Regulations

Chapter 64. Real Estate Commission.

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

12 AAC 64.118 is amended to read:

12 AAC 64.118. Consumer disclosure form. Before a real estate licensee provides specific assistance to a person, or when entering into a contract with the person to provide specific assistance, the real estate licensee shall provide the person with a copy of the commission's *Alaska Real Estate Commission Consumer Disclosure*, dated **June 2022** [FEBRUARY 2015], and adopted by reference. (Eff. 1/1/2005, Register 172; am 11/18/2006, Register 180; am 6/20/2015, Register 214; am ____ / ____ / _____, Register _____)

Authority: AS 08.88.071 AS 08.88.171 AS 08.88.685

AS 08.88.081

Editor's note: Copies of the *Alaska Real Estate Commission Consumer Disclosure*, adopted by reference in 12 AAC 64.118, may be obtained from the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing, Real Estate Commission, 550 W. 7th Avenue, Suite 1500, Anchorage, AK **99501** [99501-3567]; phone: **(907) 269-8168** [(907) 269-8162].



Real Estate Commission

550 West 7th Avenue, Suite 1500, Anchorage, AK 99501

Phone: (907) 269-8160

Email: RealEstateCommission@Alaska.Gov

Website: ProfessionalLicense.Alaska.Gov/RealEstateCommission

Alaska Real Estate Commission Consumer Disclosure

This Consumer Disclosure, as required by law, provides you with an outline of the duties of a real estate licensee (licensee). This document is not a contract. By signing this document you are simply acknowledging that you have read the information herein provided and understand the relationship between you, as a consumer, and a licensee. (AS 08.88.600 – 08.88.695)

There are different types of relationships between a consumer and a licensee. Following is a list of such relationships created by law:

Specific Assistance

The licensee does not represent you. Rather the licensee is simply responding to your request for information, and the licensee may "represent" another party in the transaction while providing you with specific assistance.

Unless you and the licensee agree otherwise, information you provide the licensee is not confidential.

Duties **owed** to a consumer by a licensee providing specific assistance include:

- a. Exercise of reasonable skill and care;
- b. Honest and good faith dealing;
- c. Timely presentation of all written communications;
- d. Disclosing all material information known by a licensee regarding the physical condition of a property; and
- e. Timely accounting of all money and property received by a licensee.

Representation

The licensee represents only one consumer unless otherwise agreed to in writing by all consumers in a transaction.

Duties **owed** by a licensee when representing a consumer include:

- a. Duties owed by a licensee providing specific assistance as described above;
- b. Not intentionally take actions which are adverse or detrimental to a consumer;
- c. Timely disclosure of conflicts of interest to a consumer;
- d. Advising a consumer to seek independent expert advice if a matter is outside the expertise of a licensee;
- e. Not disclosing consumer confidential information during or after representation without written consent of the consumer unless required by law; and
- f. Making a good faith and continuous effort to accomplish a consumer's real estate objective(s).

Neutral Licensee

A neutral licensee is a licensee that provides specific assistance to both consumers in a real estate transaction but does not "represent" either consumer. A neutral licensee must, prior to providing specific assistance to such consumers, secure a Waiver of Right to be Represented (form 08-4212) signed by both consumers.

Duties **owed** by a neutral licensee include:

- a. Duties owed by a licensee providing specific assistance as described above;
- b. Not intentionally taking actions which are adverse or detrimental to a consumer;
- c. Timely disclosure of conflicts of interest to both consumers for whom the licensee is providing specific assistance;
- d. If a matter is outside the expertise of a licensee, advise a consumer to seek independent expert advice;
- e. Not disclosing consumer confidential information during or after representation without written consent of the consumer unless required by law; and
- f. Not disclosing the terms or the amount of money a consumer is willing to pay or accept for a property if different than what a consumer has offered or accepted for a property.

If authorized by the consumers, the neutral licensee may analyze and provide information on the merits of a property or transaction, discuss price terms and conditions that might be offered or accepted, and suggest compromise solutions to assist consumers in reaching an agreement.

Designated Licensee

In a real estate company, a broker may designate one licensee to represent or provide specific assistance to a consumer and another licensee in the same office to represent or provide specific assistance to another consumer in the same transaction.

Acknowledgement

I/we, the below-named consumer(s), have read the information provided in this Alaska Real Estate Consumer Disclosure and understand the different types of relationships I/we may have with the aforementioned real estate licensee. I/we understand that the Team Name listed below is not acting as a Brokerage. In this transaction, the following team members within the brokerage/team may contact you during the transaction for administrative or transactional purposes:

Consumer(s) Name(s):		Licensee Name:	
Team Name: (If Applicable)		License Number:	
Broker/Brokerage Name:			

Team Member	License Number (If Applicable)	Role

I/we understand that I/we will be working with our licensee(s) under the relationship(s) selected below. Please initial in the proper space.

Relationship	Consumer Initials
Specific assistance without representation.	
Representing the Seller/Lessor only. (May provide specific assistance to Buyer/Lessee)	
Representing the Buyer/Lessee only. (May provide specific assistance to Seller/Lessor)	
Neutral Licensee. (Must attach Waiver of Right to be Represented, Form #08-4212)	

I/we acknowledge receipt of a copy of this list of licensee duties, and have read and understand this disclosure.

Seller/Lessor Signature	Date	Time
Buyer/Lessee Signature	Date	Time
Licensee Signature	Date	Time

THIS CONSUMER DISCLOSURE IS NOT A CONTRACT

12 AAC 64.060. APPLICATIONS FOR LICENSURE.

(a) An applicant for licensure to practice as a real estate broker, associate broker, or salesperson shall submit, within six months after the individual has taken the examination required for licensure,

(1) a completed application on the form provided by the department, including all necessary attachments;

(2) the license fee established in 12 AAC 02.360;

(3) the recovery fund fee established in 12 AAC 64.073; and

(4) documentation that the applicant has satisfied the education requirements of AS 08.88.091 and 12 AAC 64.063.

(b) The applicant may be required to furnish information in addition to that set forth on the application if it is relevant to the applicant's qualifications to do business under this chapter. An applicant who has been required to submit additional information may not be issued a license until the required information is received and evaluated and the commission approves the application.

(c) If the commission determines that an applicant is not eligible for licensure, the applicant will be given a statement of issues in accordance with AS 44.62.370.

(d) The department will not process an application if the fees required in (a)(2) and (a)(3) of this section were paid by a check that is returned to the department by the banking institution due to insufficient funds. If the license is issued before the check is returned to the department, failure to pay the fees required in (a)(2) and (a)(3) of this section and the returned check fee required in 12 AAC 02.105 within three months of the applicant's receipt of the department's first notice of the returned check is grounds for revocation of the license.

(e) In this section and in AS 08.88.171, "within six months after the individual has taken the examination" means within the period that begins on the date the applicant passed the examination and ends on the same calendar day of the month that is six months after that examination date.

(f) Repealed 9/9/2021.

(g) Repealed 9/9/2021.

(h) An applicant applying for licensure by examination shall provide a current certified license history, including any disciplinary action or investigation taken or pending, ~~sent directly~~ to the department from all jurisdictions or other licensing states where the applicant holds or has ever held a real estate license.

12 AAC 64.061. LICENSE BY ENDORSEMENT.

(a) A license which has lapsed, been suspended, been surrendered by a licensee for disciplinary reasons, or a license which has been limited in any way for disciplinary reasons is not considered valid and active for purposes of licensure by endorsement.

(b) A licensee who requests licensure by endorsement must have a certification of license status sent ~~directly~~ to the commission from the other licensing authority.

(c) For purposes of licensure by endorsement, a valid and active license is a real estate license that is issued by another state and is equivalent to a license issued by this state. For the license to be considered active, the applicant for a license in this state must have met standards of activity and license status in the other state that are equivalent

to the standards in this state for active licensure as provided in 12 AAC 64.080, 12 AAC 64.110, and AS 08.88.171. The applicant must have worked as a real estate licensee as a principal occupation. Within the six months immediately preceding application under AS 08.88, an applicant applying for a

(1) broker license or associate broker license must submit an affidavit that states that the applicant has, within those six months

(A) owned a real estate business;

(B) been employed as a broker by a corporation or partnership; or

(C) been an actively licensed broker or associate broker under another broker; the commission may

(i) determine that the applicant must provide additional information regarding the applicant's active status by furnishing a report of listings and sales, or of property management activity, accomplished by the applicant during three or more years within the last five years of licensure

immediately preceding application in order to verify that the applicant meets the requirements of this subparagraph; the report may be provided by electronic mail or regular United States mail, and must be certified as correct by the broker with whom the applicant has been associated; if due to conditions outside of the control of the applicant, a broker is not reasonably available to certify the report, an applicant may request and receive approval from the commission for an alternative manner to provide verification that the report is correct;

(ii) require additional investigation and inquiry relating to the applicant's qualifications under this subparagraph;

(2) salesperson license must submit an affidavit that states that the applicant has, within those six months, been employed by or affiliated with a broker as a salesperson; the commission may require the applicant to submit listings, sales records, or proof of other licensed activities to verify that the applicant meets the requirements of this subsection.

12 AAC 64.075. EMPLOYMENT AND TRANSFER.

(a) An individual may not be involved in activities requiring licensure under AS 08.88 until the individual's employing broker signs and delivers to the commission, either by electronic mail or regular United States mail, a notice of employment of the individual and the individual's ~~license certificate~~ **[complete the Broker Notice to Real Estate Commission of Licensee Termination form]** is delivered to the broker by the licensee or the commission.

(b) When a licensee requests a license transfer from one broker to another, the **terminating broker shall [complete the Broker Notice to Real Estate Commission of Licensee Termination form], sign and date the front of the license certificate, provide a copy to the licensee, and submit to the commission, either by electronic mail or regular United States mail,** within five days from the date of the licensee's request for a license transfer. The licensee shall provide the new employing broker with a copy of the ~~signed license certificate~~ **[the completed Broker Notice to Real Estate Commission of Licensee Termination form]** and provide the commission with a completed application for license transfer and the fees established in 12 AAC 02.360. The commission will mail an amended license certificate directly to the new employing broker.

(c) After applying for a license transfer, the licensee may work in the office of the new employing broker for no more than 30 days while waiting for an amended license certificate. The new employing broker shall keep a copy of the licensee's signed application for license transfer and a copy of the ~~signed license~~ **[complete the Broker Notice to Real Estate Commission of Licensee Termination form]** certificate described in (b) of his section until the amended license certificate is received.

(d) The commission's designee shall review and approve a license transfer if the transfer

(1) allows a licensee to resume licensed practice under AS 08.88.171(a)(1), (a)(2), (b)(1), or (b)(2), or after being re-employed as a licensed real estate salesperson for purposes of AS 08.88.171(c); and

(2) does not require further review by the commission.

(e) Failure of the licensee to notify the commission of a transfer or status change within 15 days after the commission's receipt, either by electronic mail or regular United States mail, of notice from the licensee's terminating broker interrupts the licensee's period of active and continuous experience.



Real Estate Commission
550 West 7th Avenue, Suite 1500, Anchorage, AK 99501
Phone: (907) 269-8160
Email: RealEstateCommission@Alaska.Gov
Website: *ProfessionalLicense.Alaska.Gov/RealEstateCommission*

Broker Notice to Real Estate Commission of Licensee Termination

PART I Licensee Information	
Name of Licensee:	First _____ Middle _____ Last _____
License Number:	_____
Office Terminated From:	_____ Date Terminated: _____
Dates Affiliated with Office:	From: _____ To: _____
Reason for Termination:	<input type="checkbox"/> Transferring to another office <input type="checkbox"/> Inactivating license <input type="checkbox"/> Unable to locate licensee <input type="checkbox"/> Lapsed license due to noncompliance of Post Licensing Education (PLE) <input type="checkbox"/> Disciplinary action by broker (attach explanation) <input type="checkbox"/> Other (attach explanation)

PART II Broker Signature	
I understand that I am responsible for listings and transactions that have been generated by this licensee and which are still pending. I further understand that no transactions submitted by this licensee and dated later than the above date will be attributed to my office or subject to my supervision.	
Broker Name (Print):	_____ Broker Number: _____
Broker Signature:	_____ Date: _____

12 AAC 64.063. MINIMUM EDUCATION REQUIREMENTS FOR LICENSURE.

(a) All real estate education courses used to qualify for initial licensure must

(1) meet the requirements of 12 AAC 64.400 - 12 AAC 64.470 and this section; and

(2) have been completed within the 18 months immediately preceding the date of application, except that the real estate education courses used to qualify for initial licensure by endorsement must have been completed within the 24 months immediately preceding the date of application.

(b) To meet the real estate education requirements for licensure under AS 08.88.171(a) or (b), an applicant for a broker or associate broker license must document completion of the following contact hours of education in the following topics:

(1) broker supervision requirements and record keeping - four contact hours;

(2) trust accounting procedures - three contact hours;

(3) organizing and managing a real estate office - three contact hours;

(4) property management – two contact hours; and

(5) broker-level education to understand the applicability of the following areas covered previously in the applicant’s initial education course to receive a real estate salesperson license:

(A) licensee relationships, disclosure, and conflict of interest – three contact hours;

(B) forms of ownership - two contact hours;

(C) property law, public and private rights and limitations - two contact hours;

(D) forms of conveyances and recording of documents - two contact hours;

(E) contracts and transaction documents - two contact hours;

(F) financing instruments and accounting principles - two contact hours;

(G) Alaska real estate license law and Alaska landlord tenant law - three contact hours; and

(H) federal fair housing and Real Estate Settlement Procedures Act (RESPA) laws - two contact hours.

(c) To meet the real estate education requirements for licensure under AS 08.88.171(c), an applicant for an initial real estate license shall document completion of the following topics and hours:

(1) licensee relationships, disclosure, and conflict of interest - six contact hours;

(2) forms of ownership - four contact hours;

(3) property law, public and private rights and limitations - four contact hours;

(4) forms of conveyances and recording of documents - four contact hours;

(5) contracts and transaction documents - eight contact hours;

(6) financing instruments and accounting principles - six contact hours;

(7) Alaska real estate license law and Alaska landlord tenant law - six contact hours; and

(8) federal fair housing and RESPA laws - two contact hours.

(d) To document the real estate education received, an applicant shall list on the application form the following information:

(1) course title and commission course approval number, if applicable;

(2) course sponsor;

(3) number of contact hours; and

(4) instructor of the course.

(e) An associate broker who has met the education requirements in (b) of this section does not need to repeat those requirements when upgrading to a broker license.

(f) A licensee is responsible for maintaining adequate and detailed records, including course certificates or transcripts, showing completion of education courses claimed, and shall make the

records available to the commission upon request. Records must be retained for three years after the date a course was taken.

(g) For the purposes of this section and AS 08.88.091,

(1) one contact hour equals a minimum of 50 minutes of instruction;

(2) one academic semester credit hour equals 15 contact hours;

(3) one academic quarter credit hour equals 10 contact hours.

(h) Notwithstanding (a)(2) of this section, if, during a disaster, the real estate salesperson or broker examination is not administered, an applicant who has completed the real estate education courses required in (b) or (c) of this section may submit the courses as part of a completed application under 12 AAC 64.060(a) up to 60 days after testing has resumed.

12 AAC 64.059. REVIEW OF LICENSE APPLICATIONS.

(c) The following checklist is established by the commission for reviewing an application for a salesperson license by endorsement; a salesperson license by endorsement will be issued to an applicant who

- (1) meets the requirements in (b)(1), (b)(5), and (b)(6) of this section;
- (2) has passed the state law portion of the examination for real estate salespersons;
- (3) files the completed form for application with the division within six months of passing the state law portion of the examination for real estate salespersons as calculated under 12 AAC 64.060(e);
- (4) provides a license history from the licensing authorities in all other states in which the applicant holds a real estate license that shows the applicant meets the requirements in 12 AAC 64.061(c) for a valid and active license;
- (5) submits documentation that the applicant met education requirements that covered the topics and hours listed in 12 AAC 64.063(c)(1) - (c)(6) and (c)(8) to obtain a license in another jurisdiction; and**
- (6) submits evidence of completing six contact hours of course work on Alaska real estate license law as required in 12 AAC 64.063(c)(7).

(f) The following checklist is established by the commission for review of an application for an associate broker license by endorsement. An associate broker license by endorsement will be issued to an applicant who

- (1) meets the requirements in (d)(1) of this section;
- (2) has passed the state law portion of the examination for real estate brokers;
- (3) files the completed form for application with the division within six months of passing the

state law portion of the examination for real estate brokers as calculated under 12 AAC 64.060(e);

(4) provides a license history from the licensing authorities in all other states in which the applicant holds a real estate license that shows the applicant meets the requirements in 12 AAC 64.061(c) for a valid and active license;

(5) submits documentation that the applicant met education requirements that covered the topics and hours listed in 12 AAC 64.063(b) to obtain a broker or associate broker license in another jurisdiction;

(6) submits documentation that the applicant has completed six contact hours of course work on Alaska real estate license law and Alaska landlord tenant law as required in 12 AAC 64.063(c);

(7) pays the application and initial license fees established in 12 AAC 02.360; and

(8) pays the recovery fund fee established in 12 AAC 64.073.

Teams - commissions

Hoskinson, Glenn A (CED)

From: Burley, Patty C (LAW)
Sent: Tuesday, August 16, 2022 10:00 AM
To: Hoskinson, Glenn A (CED)
Cc: Chambers, Sara C (CED); Harris, Nancy A (CED); Hattan, Rebecca E (LAW)
Subject: RE: question for DOL from REC

In response to your question, can real estate teams that are set up as Limited Liability Corporations (LLC) collect commissions and divide ownership of the corporation among other licensees:

As the REC Commission members are aware, licensees must work under a broker (12 AAC 64.075). The law is written as to contemplate 1 broker (the registered broker) and 1 backup (the associate broker) per office. 12 AAC 64.078 discusses absences of the broker and 12 AAC 64.120 discusses branch offices (require an associate broker to oversee the office).

Brokers registered with the REC may employ or terminate licensed associate brokers or salespersons. (12 AAC 64.077)

A broker licensed in this State may do business as a legal entity so long as that legal entity is organized under the laws of this State (12 AAC 64.068). If the broker acts on behalf of the business, corporation, or organization, the broker must be authorized to act via resolution, or the policy making body of that business, corporation, or organization. The resolution must be a permanent part of the records of that business, corporation or organization and must show that the broker has exclusive authority over and responsibility for authorizing payment of all commissions, salaries, finder's fees or other compensation activities. (12 AAC 64.065) The business name must be registered with the REC (12 AAC 64.112)

Pursuant to 12 AAC 64.240(3), a properly licensed real estate broker may pay a fee or commission directly to an associate broker or real estate salesperson licensed in this state provided they are employed by the broker.

The acceptance of a commission or valuable consideration as a real estate salesperson for the performance of any of the acts specified in AS 08.88 or 12 AAC 64 from any person except the real estate broker whose name appears on the salesperson's license is a violation of 12 AAC 64.140(a)(2). Thus, collection (acceptance) of a commission by real estate "teams" would be a violation of 12 AAC 64.140 since it is not payment from the broker directly. The exception would be if the broker were acting under the broker's company which was managed pursuant to 12 AAC 64.068 and registered with the REC as required in 12 AAC 64.112 but the question does not appear to imply this is the type of business which the real estate teams are contemplating.

Patty Burley
Assistant Attorney General
Commercial, Fair Business & Child Support Section
Alaska Department of Law
1031 W. 4th Avenue, Suite 200
Anchorage AK 9501-1994
(907) 269-5100

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Auctions – license required

Harris, Nancy A (CED)

From: Harris, Nancy A (CED)
Sent: Thursday, August 18, 2022 12:05 PM
To: Elizabeth Schok
Subject: RE: Legal question

Elizabeth,

He does not need a real estate license to sell the Mobile Home. However, he may want to check with DMV; they may require something for the mobile home sale.

You would need a real estate license to auction off a piece of property per AS 08.88161, License required. However, there is also AS 08.88.165 that speaks to the Conduct of Auctions if someone does not have a real estate license.

Sec. 08.88.161. License required.

Unless licensed as a real estate broker, associate real estate broker, or real estate salesperson in this state, a person may not, except as otherwise provided in this chapter,

- (1) sell, exchange, rent, lease, auction, or purchase real estate;
- (2) list real estate for sale, exchange, rent, lease, auction, or purchase;
- (3) collect rent for the use of real estate or collect fees for property management;
- (4) practice, or negotiate for a contract to practice, property management;
- (5) collect fees for community association management;
- (6) practice, or negotiate for a contract to practice, community association management;
- (7) as a business, buy, sell, or deal in
 - (A) options in real estate; or
 - (B) options in improvements to real estate;
- (8) assist in or direct the procuring of prospective buyers and sellers of real estate, communicate with prospective buyers and sellers of real estate, or assist in the negotiation of a transaction that results or is calculated to result in the sale, exchange, rent, lease, auction, or purchase of real estate;
- (9) accept or pay a fee for the performance of any of the activities listed in this section except as otherwise specifically provided in this chapter;
- (10) hold out to the public as being engaged in the business of doing any of the things listed in this section; or
- (11) attempt or offer to do any of the things listed in this section.

Sec. 08.88.165. Conduct of auctions.

Notwithstanding AS 08.88.161, a person who is not licensed under this chapter may conduct an auction of real estate if

- (1) the person has completed an auctioneering program at a school certified by an agency of this or another state, and the program included a course on real estate sales; and
- (2) a real estate broker licensed under this chapter or an associate real estate broker licensed under this chapter supervises and is present during the auction.

Hope this helps. Let me know if you have any other questions.

Enjoy your Thursday!

Nancy Harris
Executive Administrator
Real Estate Commission
550 W 7th Avenue Ste 1500

Anchorage, AK 99501
(907) 269-8168

Please submit applications and payments to the Commission via courier or mail (USPS, FedEx, UPS, etc).

-----Original Message-----

From: Elizabeth Schok [mailto:eschok@gci.net]
Sent: Wednesday, August 17, 2022 1:12 PM
To: Harris, Nancy A (CED) <nancy.harris@alaska.gov>
Subject: Legal question

CAUTION: This email originated from outside the State of Alaska mail system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I had an auctioneer call me yesterday. He has a client who wants him to auction off a mobile home and piece of property. Can he sell it for them or does he need a licensee involved? I just don't know the answer to that. I equate it to the state or banks auctioning houses at the courthouse steps but not having a licensee involved. I'm just not sure about the statute regarding that.

Sent from my iPhone

Elizabeth McConkey Schok
Realtor, Associate Broker, ABR, SSR, CMS, CRS Somers & Associates Realtors, Inc.
907-322-9188 cell

<https://gcc02.safelinks.protection.outlook.com/?url=http%3A%2F%2Fwww.findyourigloo.com%2F&data=05%7C01%7Cnancy.harris%40alaska.gov%7C36c07d8bf96b4ab8973908da8095325e%7C20030bf67ad942f7927359ea83fca38%7C0%7C0%7C637963675526399612%7CUnknown%7CTWFpbGZsb3d8eyJWIjoiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTil6lk1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=q74Zp6BakqDSTelclvG01T AxeinXtZdctgdMNC%2BIFWI%3D&reserved=0>

Top Producing Realtor 2007-present
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*if you know of anyone looking to buy or sell a home I'd love to help. Your referral would be a great compliment!

Executive Administrator's Report

LICENSING REPORT
September 8, 2022

New Licensees: February 23, 2022 - August 25, 2022: 199
Total Number of <u>Active</u> Licensees with 1/31/2024 exp: 2,980
Total Number of Licensees with 1/31/2024 exp: *3,043

ACTIVE: 1/31/24 exp	March	Jun	Sept
Broker	386	400	399
Associate Broker	384	390	393
Salesperson	2,013	2,123	2,188
Total Active:	2,783	2,913	2,980

INACTIVE: 1/31/24 exp	March	Jun	Sept
Broker	1	2	2
Associate Broker	0	1	3
Salesperson	2	8	12
Total Inactive:	3	11	17

LAPSED: NON-COMPLIANCE OF PLE w/exp date of 1/31/24			
	March	Jun	Sept
Broker	0	0	0
Associate Broker	0	0	0
Salesperson	2	1	0
Total:	3	2	0

Initial Licenses issued Qrtly:	Oct - Dec 21	Jan - Mar 22	Apr - Jun 22
	44	106	109
	July - Aug		
	40		

Transfers:	Dec	Jun	Sept
	145	151	79

PLE Completed:	Dec	Jun	Sept
	50	66	55

Upgrades:	Endorsement:
S - AB = 0 / S - B = 0	S = 7 / AB = 11 / B = 0

In this reporting period	Mar	Jun	Sept
License Returned	6	35	46
Probation License	0	0	0
Suspended	0	0	0
Revoked	0	0	0
Surrendered	0	0	0

INACTIVE: 1/31/22 exp	March	Jun	Sept
Broker	1	4	4
Associate Broker	0	6	6
Salesperson	2	70	66
Total Inactive:	3	80	76

LAPSED: 1/31/22 exp	March	Jun	Sept
Broker	48	36	36
Associate Broker	43	33	33
Salesperson	401	294	288
Total Lapsed:	492	363	357

*includes licensees that are active, inactive, lic rtnd, probation, suspension, surrender, and lapsed (PLE), all with 1/31/2024 expiration date

EDUCATION REPORT
September 8, 2022
(as of 8/25/2022)

<u>Course Type</u>	<u>Currently Approved</u>
Pre-Licensing (SPL)	11
Broker Upgrade Pre-Licensing (BPL)	4
Elective Continuing Education (ECE)	323
Designated Continuing Education (DCE)	52
Post Licensing Education (PLE)	2
	Total: 392

24 initial courses approved between 5/26/22 and 8/25/22

Instructor

Permanent	86
<u>New Instructor</u>	2
• William Worthy, Anchorage, AK	
• Ursula Stallworth, Mobile, AL	
Temporary Instructor	0

Election of Officers

Election of Officers

- Vice Chair

Election of Officers

- Education Liaison

Commission Members Comments & Questions

Adjournment