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2 STATE OF ALASKA
3 DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
4 DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
5

6 REAL ESTATE COMMISSION
7 MEETING MINUTES
8

9 December 18, 2019
10

11 By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article
12 6, a scheduled meeting of the Real Estate Commission was held December 18, 2019, at
13 the State of Alaska Atwood Building Ste 1236, 550 W. 7th Avenue, Anchorage, Alaska.
14

15 **December 18, 2019**

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

17 Chairperson PeggyAnn McConnochie called the meeting to order at 9:03 a.m. at which
18 time a quorum was established.
19

20 Roll Call – 1(a)

21 Members present:

22 PeggyAnn McConnochie, 1st Judicial District, Chairperson
23 Margaret Nelson, Broker, Broker at Large, Vice Chairperson
24 Cheryl Markwood, Broker at Large
25 Jerry Royse, Broker, 3rd Judicial District, Education Liaison
26

27 Members present via ZOOM:

28 Jesse Sumner, Public Member
29 Jamie Matthews, Public Member
30 David Pruhs, Broker, 4th Judicial District
31

32 Staff Present:

33 Nancy Harris, Acting Executive Administrator
34 Shyla Consalo, Investigator for REC
35 Greg Francois, Chief Investigator, CBPL
36

37 Guests Present:

38 Errol Champion, Liaison for AAR, Juneau
39 Lonnie Logan, Associate Broker, Herrington and Company, Anchorage
40 Cassandra Taggart, Broker, Real Property Management Last Frontier, Anchorage
41 Paddy Coan, Associate Broker, Keller Williams Realty, Anchorage
42 Anita Bates, Associate Broker, Dwell Realty, Anchorage
43 Renea Miller, Broker, Marc Realty, LLC, Anchorage+
44 PJ Robertson, member of the public, Wasilla
45 Rob Tingstrom, Salesperson, Arolik Real Estate, Wasilla
46 Robert Meinhardt, Salesperson, Arolik Real Estate, Wasilla
47

48 Guests Present via ZOOM:

49 Mark Masley, Salesperson, Keller Williams Realty, Anchorage
50

51 Approval of Agenda-1(b)

52 Commission members reviewed the meeting agenda.
53

54 **On a motion duly made by Mr. Royse, seconded by Ms. Markwood, it was,**
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RESOLVED to approve the meeting agenda for December 18, 2019 as amended.

Ms. Harris asked for additional items be added to the agenda. Clean up regulations, added as agenda item 7(e), fine matrix, added as agenda item 7(f), and conversation regarding December meeting date, added as agenda item 7(g).

All in favor; Motion to passed.

Statements of Conflicts of Interest-1(c)

Mr. Sumner, Ms. Nelson, Ms. Matthews, Mr. Pruhs and Ms. Markwood had no conflict of interest to disclose.

Ms. McConnochie disclosed she a real estate educator.

Mr. Royse disclosed he is a real estate educator.

Agenda Item 2 – Oral Comments (per scoping project) & Public Comments

Anita Bates, Associate Broker with Dwell Realty, gave oral comments on the Consumer Disclosure form. Ms. Bates stated that the Consumer Pamphlet was put into place January 2005, 15 years ago. She said it was replaced by the new version of the Alaska Real Estate Commission Consumer Disclosure. The reason for that was to try and modify the form to make it more user friendly, understandable, easier for people to read and easier for licensees to explain to their consumers. There has been considerable discussion with the Commission regarding changing this form to meet different business models, different ways of doing business and bringing things up to date. She agreed that there needs to be work done to make the Consumer Disclosure appropriate for today's real estate practice. However, she would like to suggest that before modifying the form again, that the Commission should fulfill the duties that it was charged with back in 2005 when the statute was first adopted. She referred to AS 08.88.685(a)(5) and (b)(1). She said that she has not seen this done and it does not appear anywhere in the real estate regulations. She said she has not seen any consumer complaints about the disclosure and believes the confusion comes from licensees. Licensees do not seem to realize how they are supposed to use the form because it has never been clarified in regulations. The law was written and there was supposed to be regulations established on how that law was to be administered; how the disclosure was supposed to be interrupted. She stated that in her opinion, rather than trying to modify the disclosure form that maybe the Commission should look at some ways to establish policies and guidelines on how the form is to be used. Then, if the forms need to be modified even further, you can do that. She suggested to go back and do research on the development of the statutes, possibly speaking with some of those that were involved, former Commission members and industry leaders, to clarify their intent on the use of the form and figure out what type of regulations need to be written and addressed.

Ms. McConnochie asked if there were any more oral comments in person or online on the scoping project. No one came forward and the oral comment period was closed.

Paddy Coan, Associate Broker and broker manager with Keller Williams Realty, Alaska Group, and with the Alaska Association of Realtors Board of Directors and the National Association of Board of Directors. Ms. Coan said she is speaking on a specific part of the statutes that she has a conflict about and how the Commission is enforcing that and what

108 is happening in the field. The statute that Ms. Coan is referring to is AS 08.88.037(a),
109 Investigations and Injunction. Ms. Coan said she had a license that she returned with
110 cause to the Commission in May along with a letter. The issue is about the process. She
111 said she taught the law over 10 years and it is very clear that for a broker to return a
112 license and state what the issue was under section 08.88.037(a) says that, “the
113 commission may request the department to conduct investigations to determine whether a
114 person has violated a provision of this chapter or a regulation adopted under it, or to
115 secure information useful in the administration of this chapter.” She said she thinks the
116 Commission should understand that there are HR guidelines in affect that effect
117 companies and corporations, especially larger companies. Termination and going after a
118 licensee presents some interesting implications. It is her preference that they follow the
119 law that simply states to return the license and tell why and the Commission does the
120 investigation. She said it further states, in their duties, that the Commission can issue a
121 temporary order, they can do the work. It is not up to her to do the investigation but to
122 return the license for cause and the REC does that investigation. She said she was asked
123 to fill out a form and she was further asked to do the investigation and turn that work in.
124 She said there is a form that the Commission provides but because of HR restrictions that
125 is not something that is comfortable or good for a company to do. She wanted to bring this
126 to the Commission’s attention because, as most of you know, all the talk on the street is
127 effective. She said that her and her company have been questioned why nothing was
128 done about the individual whose license was returned. She said this involved three
129 different companies and the issue was signing a client’s name. That is severe to her so
130 she returned the license and stated the reason why and it was up the REC to do the
131 investigation. Ms. Coan asked the Commission to look at section 08.88.073(a) and come
132 up with a way we can follow the statute but not put the burden on the brokerages to do the
133 work that is under the purview of the Commission.

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Mr. Royse said that the Commission needs a process with our investigative group for this issue because he believes there is not one in place now. He said we need to define that process if a license is returned by the broker for cause.

140 **Agenda Item 3 - Approval of Meeting Minutes**
141 **September 25, 2019 meeting minutes**

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On a motion duly made by Ms. Nelson seconded by Mr. Royse, it was,

RESOLVED to approve the September 25, 2019 meeting minutes.

All in favor; Motion to passed.

150
151 **Agenda Item 4 – Committee Reports**
152 **Property Management Committee 4(a)**

153 Ms. Nelson recognized Ms. Kassandra Taggart as the Chair of the Property Management
154 (PM) Committee and stated that she is doing a fantastic job. She said that Ms. Markwood
155 and Mr. Pruhs are also attending the committee meetings.

156
157
158

Ms. Nelson said that at the December 13, 2019 Property Management Committee meeting the members came up with a mission statement and prioritized areas to work on in 2020.

159 The committee is asking for approval on this mission statement and the authority to move
160 forward on the five listed areas of focus.

161
162 The mission statement is:
163 Licensed property and association managers be well informed, educated and supportive of
164 real estate needs for Alaskans.

165
166 Five listed areas for focus, in priority:
167 1. Clarity and best practices on security deposits and management of client accounts.
168 2. Advocacy for education of all property and association management.
169 3. Audit of Alaska Real Estate Commission property management and association
170 regulations to bring up the standards to today's practices. Specifically focusing on:
171 12 AAC 64.550, 12 AAC 64.560 and 12 AAC 64.570.
172 4. Research what other states have done in the area of property management and
173 association management, especially through ARELLO and Florida.
174 5. Connecting property and association management resources to the public.

175
176
177 **On a motion duly made by Ms. Nelson seconded by Mr. Royse, it was,**

178
179 **RESOLVED to give the Property Management Committee the authority**
180 **to proceed with their mission statement and focus for 2020.**

181
182 **All in favor; Motion to passed.**

183
184
185 Education Committee - 4(b)

186
187 **On a motion duly made by Mr. Royse seconded by Ms. Nelson, it was,**

188
189 **RESOLVED to give the Education Committee the authority, to address**
190 **educational issues on the behalf of the Commission and bring back**
191 **recommendations.**

192
193 **All in favor; Motion to passed.**

194
195
196 **Agenda Item 5 – Old Business**

197 Potential Changes to Consumer Disclosure & Waiver of Rights -5(a)

198 Commission members discussed the scoping process and Mr. Royse had concerns about
199 that process and the authority regarding that process.

200
201 Commission members discussed the draft of the Consumer Disclosure and Waiver of
202 Rights forms.

203
204 Ms. McConnochie said she had some concerns with the current draft of the Consumer
205 Disclosure and Waiver of Right to be Represented. She said this would be the first time,
206 since this form was instituted, that we would have a Consumer Disclosure where there will
207 not be an acknowledgement of the type of relationship that the consumer and licensee will
208 have together. She said she believes that the Commission should have the Department of
209 Law comment on. She said the second thing is on the Waiver of Right to be Represented,
210 you cannot waive a statutory requirement. Under the Waiver of Right to be Represented it

211 says, “releases the licensee from statutory requirement to offer the following duties.” This
212 should also be looked at by Department of Law to make sure that it is something that we
213 can indeed do.

214
215 Ms. McConnochie said the next step is that if the Commission accepts these two
216 documents then the next step is the regulation process.

217
218 Ms. Nelson said she recommends the Commission accept these two forms and move to
219 the regulation process.

220
221 Ms. Markwood said she would like clarification on what the actual regulation process is
222 and said she did have some concerns that these new drafts were sent out, not by the Real
223 Estate Commission or state agency, that the information was not distributed to the public
224 through the proper channels. She said she read the past meeting minutes and realized
225 there are some legal issues with Consumer Disclosure and it would be very helpful for the
226 Commission to know what the Department of Law’s recommendations are for changes. If
227 we had a better scope of understanding of what kind of things we need to change on that
228 form it might make it a lot easier on us to come up with a good form that will be both
229 beneficial for the public and the industry.

230
231 Ms. Harris stated the regulation process for the Commission.

232
233 Commission takes a short break to work on ZOOM issues.

234
235 Break at 9:42 a.m.
236 Reconvened at 9:47 a.m.

237
238

239 **On a motion duly made by Mr. Royse seconded by Ms. Nelson, it was,**

240

241 **RESOLVED to that the AREC Consumer Disclosure and Waiver of**
242 **Right to be Represented revisions be sent to the Department of Law**
243 **for their input prior to a regulation project.**

244

245 Roll call vote: Ms. Nelson-yes, Ms. Markwood-yes, Mr. Pruhs-yes, Mr. Royse- yes, Mr.
246 Sumner- yes, and Ms. McConnochie- yes.

247

248 **Motion passed.**

249

250

251 Notarized Signature regulations, 12 AAC 64.059 (b)(1)(E) and (d)(1)(E) -5(b)

252

253 **On a motion duly made by Mr. Royse seconded by Ms. Nelson, it was,**

254

255 **RESOLVED that the regulations related to notarized signature to 12**
256 **AAC 64.59(b)(1)(E) and 12 AAC 64.59(d)(1)(E) be removed.**

257

258 **All in favor. Motion passed.**

259

260

261 **On a motion duly made by Ms. Markwood, seconded by Mr. Royse, it was,**

262

263 **RESOLVED send the regulations 12 AAC 64.59(b)(1)(E) and 12 AAC**
264 **64.59(d)(1)(E) out for regulation process.**

265
266 **All in favor. Motion passed.**

267
268
269 Ms. Nelson asked to receive Ms. Matthews vote from the previous motion with regards to
270 sending the Consumer Disclosure and Waiver of Right to be Represented forms to the
271 Department of Law for review before going out for public comment.

272
273 **Ms. Matthews' vote was in the affirmative.**

274
275
276 **Agenda Item 6 – New Business**

277 **Fine Matrix -background and status -6(a)**
278 Ms. Harris gave a quick history of the fine matrix to the Commission. The fine matrix was
279 introduced to the Commission in December 12, 2008 and adopted at the December 10-11,
280 2009 REC meeting. She stated that the Commission has been through 4 investigators
281 since this document was adopted. She recommends that this document be revised and
282 get the investigators input on if it is comparable to what is being done currently.

283
284 **On a motion duly made by Ms. Nelson, seconded by Ms. Markwood, it was,**

285
286 **RESOLVED to have the investigative staff review the fine matrix as**
287 **presented and bring back any recommendations for changes at the**
288 **next Commission meeting.**

289
290 **All in favor; Motion to passed.**

291 **PearsonVue contract and overall pass rates -6(b)**

292 Ms. Harris said the contract is in the packet for the Commission's review. The contract
293 expires in June 2020.

294
295 PearsonVue said that that will certainly be able to give a presentation to the Commission
296 regarding test development, how that works and answer any questions the Commission
297 may have. The presentation will be about an hour to an hour and a half.

298
299 PearsonVue will provide the Commission with the overall pass rates either on a monthly or
300 weekly basis. Also, it is at our discretion if we post those reports on our website or not.

301
302 The Commission would like PearsonVue to give the presentation at next meeting. Also, to
303 ask for funding for Commission members to attend in person.

304
305 Ms. Nelson asked that since the contact is up for renewal in June 2020 what is the
306 process for that next year?

307
308 Ms. McConnochie said that would be done through the Division.

309
310 The Commission would like to ask PearsonVue to provide the overall pass rates monthly.

311
312 Mr. Royse would like the Commission to consider, this next year, what types of violations,
313 specifically that would preclude someone from licensure so that they see that and not have
314 to go through the expense of education, testing and application and not receive a license.

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Ms. McConnochie said that the Commission could take that in consideration when they do the regulation reform.

AK Real Estate Commission Property Transfer form – 6(c)

Ms. Harris read a public comment received via email from Mr. Noah Mery on December 12, 2019 regarding AK Real Estate Commission Property Transfer form issue to the Commission.

Nancy,

As discussed on the phone, an issue has been raised to me by a client and his real estate agent relating to a home purchased recently in the Soldotna area. The standard disclosure form references "5 years" in various places. In short, the home has a flooding issue. The seller has, at least through his agent, admitted after the sale that the home has flooded in the past. However, his defense is that he understood the disclosure form to only require him to defects that occurred in the last 5 years, and the last time it flooded was before then. I know the form also has a drainage section asking if seller is "aware of ever having any water in crawl space....," but I think that the use of a 5 year look back for purposes of general disclosures is subject to abuse as a shield for liability. It is already very difficult to prove a seller failed to disclose a defect, and the 5-year period could further muddy the waters. Thank you for your consideration.

Noah H. Mery
Gilman & Pevehouse
130 South Willow, Suite 3
Kenai, Alaska 99611

Mr. Pruhs said that he met with Mr. Royse to look over this form. He said that the last time this form was updated was July 2003, so it is in immediate need to be revised and reformatted. He said he would like Jesse and Jaime to look at this document as well. He would like Jesse to look at the property features and structural components sections as a builder to see how much has changed within 12 years. He stated that by the next meeting he should have something available for the Commission. He will be sitting down with past Commission members to get their thoughts and have a new document in Word so that it can be edited, articulated to give everyone a good review of it. What do you think? What can we add?

The Commission members stated some items that they thought should be considered. Cannabis, environmental issue due to methamphetamine, permits, aware of earthquake damage and energy ratings.

Ms. Nelson recommended Mr. Pruhs reach out to MLS systems who have form committees for their input.

Consideration of forming a Communication Committee – 6(d)

The Commission discussed the consideration of a communication committee. Ms. Harris asked Mr. Royse what would be the purpose of this committee?

Mr. Royse stated that the Commission could do a better job reaching out to the industry and reinforcing the Commission. He said he would like the Commission to reach out to other organizations and look at the Commission's communication capabilities. To get more input from the public, industry and the consumer. He would like to see a monthly

367 newsletter in a digital format that would speak to the successes that the Commission is
368 doing. Broader industry input serves our interest and getting more people engaged. He
369 said he would like to see more people attend meetings using ZOOM. He said the work
370 necessary would be to take an aggressive look at the Commission's communication
371 capabilities, the ability to communicate more effectively with the industry and get their
372 input would serve this Commission to develop a stronger mission.

373
374 **On a motion duly made by Mr. Royse, seconded by Ms. Nelson, it was,**
375
376 **RESOLVED to approve a formation of a communication committee to**
377 **come back with recommendations on how to better serve the**
378 **Commission and the industry.**

379
380 Commission members discussed the motion on the table.

381
382 **On a motion duly made by Ms. Nelson, seconded by Mr. Royse, it was**
383
384 **RESLOVED to table the discussion regarding the communication**
385 **committee until the March meeting.**

386
387 **All in favor. Motion passed.**

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389
390 Commission took a short break to work on ZOOM issues.

391
392 Break at 10:26 a.m.

393 Reconvened at 10:36 a.m.

394

395

396 **Agenda Item 9 – Executive Administrator's Report**

397 **Licensing and Education Report – 9(a)**

398 Ms. Harris presented the Licensing statistics for the December 18, 2019. She stated that
399 these statistics were taken two weeks prior to meeting. She said there were 2768 active
400 licensees; 65 new licenses issued between 7/1/2019 through 9/20/2019, 61 inactive
401 licensees, 4 licensees on probation, 3 license upgrades from salesperson to associate
402 broker, 2 upgrades from salesperson to broker and 7 licensed by endorsement (holds an
403 active license in another state) – 6 salespersons and 1 associate broker. Ms. Harris stated
404 that the renewal statistics as of today, 232 licenses renewed. She also said there are 803
405 people on the listserv.

406

407 Ms. Harris presented the education report for December 18, 2019. She gave the
408 Commission an overview of what type of education and instructors are approved. She
409 reported that there are currently 9 pre- licensing courses, 4 broker upgrade courses, 387
410 elective courses, 54 designated courses, and 70 post licensing courses. There are also
411 140 approved permanent instructors with 6 new instructors.

412

413 **Recovery Fund Balance Report – 9(b)**

414 The Commission reviewed the Recovery Fund Balance Report as presented.

415

416 Ms. Harris gave a report of the Recovery Fund for year ending June 30,2019. The total
417 liabilities are 11,230, total fund balance is \$266,445 and the average 2- year licensing
418 cycle fund balance is \$336,095.

419
420 She stated that the two claims from the September 2019 meeting have been taken out as
421 indicated under the Services – Claims & Associated Legal Costs for report through
422 12/2/2019 at 24,800.
423

424 Mr. Royse stated he had an observation that looking at the 2015, 2016, 2017 and 2018
425 fiscal years that moving from a Surety Fund to a Recovery Fund, based upon the claims
426 that have been submitted, has taken away consumer protection due to the threshold
427 necessary for the Recovery Fund. He stated that while the Surety Fund was originally
428 used to reimburse consumers who had intentional misrepresentation against them the
429 surety fund has morphed instead into a personal service area where very few claims are
430 being paid to the consumers. He said he believed they lost an opportunity for recourse and
431 the recovery fund has shifted more into personal services than paying claims.
432

433
434 **Agenda Item 10 – 2020 Proposed Meeting Dates**

435 The Commission discussed meeting dates for 2020.
436

437 March 25

438 June 17

439 September 23, in person meeting

440 December 16
441

442 The Commission members agreed that it would be beneficial to meeting in person if
443 possible for the March meeting.
444

445
446 Lunch Break at 11:00 a.m.

447 Reconvened at 1:00 p.m.
448
449

450 **Agenda Item 7 – Division Update**

451 Melissa Dumas, Administrator Officer II for the Division of Corporations, Business and
452 Professional License provided Commission members with the financial report.
453

454 Ms. Dumas stated to the Commission members that there have been some changes on
455 the layout of the report. It is a bit different than it used to be. She said there is now
456 additional columns to add each renewal period by the biennium. She said they are doing
457 that for a few reasons, to eliminate another report that they did that was very similar and to
458 make one report work for the legislature well as the programs. Now you can review on a
459 biennium how your expenditures go. Another change that was made to the layout was the
460 expenditures are broken out into investigative and non-investigative charges.
461

462 She said for FY19 4th quarter the REC brought in 282,453 total revenue, personal
463 services at 120,856 in direct expenditures (those who charged time the REC program),
464 travel was 5,036, services were 9,813 with a total of non-investigative expenditures of
465 135,705. Investigative expenditures, for personal service was 83,598, there was no travel
466 and no expert witnesses. For inter-agency legal 530 was investigative, hearing mediation
467 3,689, services-other at 958 for a total of investigative direct expenditures of 88,775 with
468 total direct expenditures of 244,480. She then went into the indirect expenditures made up
469 of internal administrative (CBPL costs) at 110,362, departmental- 57,353 and statewide
470 costs – 20,811 with total indirect expenditures of 188,526 and direct and indirect

471 expenditures totaled 413,006. She said there was a carry forward surplus of 912,708,
472 annual deficit of 130,533 with a fiscal year ending with 782,155.

473
474 Mr. Sumner asked if they shifted the Inter-Agency Legal cost into the Internal
475 Administrative costs.

476
477 Ms. Dumas said no. Maybe you just had a good year. Legal is coded to the program they
478 are working on. She said that they could ask the investigator when she gives her report if
479 they know why the legal costs were so low.

480
481 She said for FY19 1st quarter through September the REC brought in 49,715 total
482 revenue, with the renewal this number will increase significantly. There was 14, 991, in
483 personal services, 32 dollars in travel, 2, 944 in services with a total of 17,967 in non-
484 investigative expenditures. Investigative expenditures were 18,089 for personal service
485 and 518 dollars in other services with a total of 18,607 for total investigative expenditures.
486 With a total of direct expenditures through the first quarter of 36,574. Ms. Dumas said the
487 next numbers of indirect expenditures are just a place holder for one quarter of what was
488 charged last year for each of those categories of 47,132 for total expenditures of 83,706
489 dollars.

490
491

492 **Agenda Item 8 – Investigative Report**

493 **Statistical Report – 8(a)**

494 REC Investigator, Shyla Consalo, presented the investigation statistics for the reporting
495 period of 09/10/19 through 11/18/19. There are 36 opened matters, 21 matters were
496 closed from the last report. A total of 23 matters remain open and ongoing or under active
497 investigation or pending litigation.

498

499 Ms. Consalo said she can answer the question regarding legal fees and why they were
500 low. She said she could speak to the year and 3 months that she has been on the
501 Commission. She said to keep in mind that there was 4-5 months before she started with
502 the Commission were there was no action being done on cases. So, a little over a year
503 and a half, she said she can recall 2 application matters that went to hearing/legal.
504 However, she did say that there will be an increase in legal over the next year
505 unfortunately.

506

507 Ms. Nelson asked about the gap in investigations from April 24 to September 24 2019.
508 Ms. Nelson also asked, on page 2 she saw several incomplete complaints. Why are there
509 incomplete complaints and what is the process?

510

511 Ms. Consalo said they are classified as incomplete complaints when people do not return
512 a signed compliant packet. If the packet is not returned within 30 days, it is closed out and
513 classified as incomplete. If they return it after 30 days they will reopen the case.

514

515 Ms. Consalo said, later in the meeting, that the gap in investigations was due to
516 complaints that were opened and closed within the reporting period. Anything that was
517 opened and closed within the reporting period you will not see that as opened; you will
518 only see the closed date, that is why there seems to be a gap.

519

520 Mr. Royse asked Ms. Consalo if there was anything the Commission needed to do to get
521 more details regarding the regulation that was violated. He said if the Commission had
522 more information they could figure out where the industry is making mistakes and teach

523 more classes in those areas.

524

525 Ms. Consalo said she can provide that information because she has included it in her
526 presentations to licensees. She said the common complaints/violations are: licensee
527 relationships, violating honest and good faith dealings, fraud, misrepresentation and
528 supervision.

529

530 Ms. Markwood asked if there was any way that the regulation that was violated could be
531 provided in the investigative report?

532

533 Ms. Consalo said that she cannot make those changes because that would have to go
534 through her supervisor and these reports are generated through their database and it does
535 not provide that information.

536

537 Ms. Whaley, supervisor of the non-health care investigative team, stated that the database
538 that investigations uses, GL Suites, charges a fee to add more specific information to the
539 database system. She said they are working with the tools that they have and are limited
540 by their funds. The system may be enhanced in the future but they are working with what
541 they have.

542

543 Ms. McConnochie asked Ms. Whaley, a question regarding a public comment that was
544 stated earlier in the meeting. If a broker returns a license to the Commission for just
545 cause, according to the REC statute 08.88.037, it is up to the division/REC to investigate?

546

547 Ms. Consalo said she cannot open a complaint from third hand information. She received
548 the information from Ms. Harris.

549

550 Ms. Whaley said there were a couple of different factors. For them to move forward with a
551 complaint they would need a signed complaint packet. If it is self-disclosure, they would
552 need to contact the investigator directly.

553

554 Mr. Royse said that there is a gap in the procedure. This is a different pathway where
555 there is no mechanism in place to address these kinds of issues. Staff should look at it as,
556 What did the licensee do? and Should the licensee be licensed? We need to address this
557 process so when this happens, it alerts you to investigate.

558

559 Ms. Whaley said they are certainly open for discussion so that they are doing their job for
560 the Commission. She said for Ms. Harris to send her an email and cc Ms. Consalo and
561 they can work on that.

562

563 Ms. Nelson asked if this was procedural or would this require a regulation change?

564 Ms. McConnochie said it was procedural.

565

566 Ms. Consalo gave the Commission an update on her ARELLO investigation workshop she
567 attended. She said she learned a lot. She said what she found interesting was that other
568 states have an investigative unit and an audit unit assigned to their Commission. The
569 auditors have specialized education, either a real estate licensee or some sort of
570 accounting background. They go out and do random audits on a regular basis. She said
571 that would be great to have here in Alaska. She said she has received several questions
572 before she left asking if they do audits on trust accounts so there might be some concerns
573 with trust accounts. She also has been asked about the audit of transactions. She said
574 she made good connections with other jurisdictions and had great round table discussions.

575 She said she is also is now on the ARELLO investigation email so she can see the
576 questions other investigators have and email any questions she may have. She said she
577 found out the training is not the same every year so, if possible, she would like to attend
578 on an annual basis. This workshop qualified her to receive her investigator certification.
579 with ARELLO.

580

581 Probation Report – 8(b)

582 Ms. Whaley introduced the new investigator, Ryan Gill who will be taking over monitoring
583 probation for the REC. He is coming in with a lot of investigative experience.

584

585 Mr. Gill presented the probation report to the Commission. He said 6 licensees are on
586 probation. Two of which have signed and submitted surrender letters that should be
587 included in their meeting packet. He said everyone else on probation is in compliance. He
588 said Ms. Hague left the state without notifying the investigator. She said she was not
589 aware of that requirement although she signed her consent agreement. She was gone for
590 28 days which is just under the 30 days which would have added time to her probation but
591 she has since satisfied that requirement and knows to notify the Commission or
592 investigations agent if she leaves the state.

593

594

595 **On a motion duly made by Ms. Markwood, seconded by Mr. Royse, it was,**

596

597 **RESOLVED to move to accept the surrender for Sara Collison**
598 **case # 2016-001418.**

599

600 **Roll call vote: Mr. Pruhs- yes, Mr. Sumner – yes, Ms. Matthews – yes, Ms.**
601 **Nelson- yes, Ms. Markwood – yes, Mr. Royse – yes and Ms. McConnochie –**
602 **yes.**

603

604 **Motion passed.**

605

606 The Commission accepted the surrender in case #2016-001418 for Sara Collision.

607

608

609 **On a motion duly made by Ms. Markwood, seconded by Mr. Royse, it**
610 **was,**

611

612 **RESOLVED to move to accept the surrender for Elizabeth**
613 **Hairston, case # 2018-001303.**

613

614 **Roll call vote: Mr. Pruhs- yes, Mr. Sumner – yes, Ms. Matthews – yes, Ms.**
615 **Nelson- yes, Ms. Markwood – yes, Mr. Royse – yes and Ms. McConnochie –**
616 **yes.**

617

618 **Motion passed.**

619

620 The Commission accepted the surrender in case #2018-001303 for Elizabeth Hairston.

621

622

623 **Agenda Item 11 – Texas Real Estate Commission (TREC) Regulation Reform**

624 Ms. McConnochie said that one of the things that the REC needs to do in 2020 is to create
625 a strategic plan and look at regulation reform. The division would like the REC to put
626 together a more robust strategic plan. The Commission was provided an example from

627 another board to help the Commission in creating their own plan. The Commission will
628 need to come up with a strategic plan for 2020 and maybe beyond, 1 year, 2 years or 3
629 years. Also, the Commission will need to look at Texas Real Estate Commission's (TREC)
630 regulation reform approach as an example of what the division is looking for.

631
632 Ms. McConnochie said that in March the Commission can work on the strategic plan and
633 regulation reform in the morning so it is fresh and the second part of meeting for the other
634 agenda items. She said she will have Ms. Harris send out the materials for the strategic
635 plan, the REC's past strategic plans (annual reports), and the TREC information to all
636 Commission members so there is enough time for them to review.

637
638 The Commission members discussed having an in-person meeting and reaching out to
639 PearsonVue and other outside organizations to possibly help fund the meeting in March
640 due to budget constraints,

641
642 Ms. McConnochie asked the Commission to make a motion for the justification of an in-
643 person meeting for the March 25, 2020 meeting

644
645 **On a motion duly made by Ms. Markwood, seconded by Mr. Royse, it was,**
646
647 **RESOLVED that the Commission request that the March 25, 2020 meeting be**
648 **an in-person meeting and request funding for travel. The reason for an in-**
649 **person meeting is that the March meeting will be a very robust meeting with**
650 **many important projects to achieve to include strategic planning which will**
651 **be vital to do in person and a presentation PearsonVue regarding test**
652 **development.**

653
654 **All in favor. Motion passed.**

655
656
657 **Agenda Item 11 – Commission Members Comments**

658 Ms. Harris said she appreciated the support from all the Commission members and is in
659 agreement with the Commission that there needs to be better communication with the
660 industry.

661
662 Ms. Nelson congratulated Mr. Royse on becoming a member of the ARELLO education
663 certification committee. She stated there is a section on the ARELLO website that the REC
664 is required to report violations and asked if we currently report. Ms. Harris said the
665 Commission does currently report violations to ARELLO. Ms. Nelson wished everyone a
666 Merry Christmas.

667
668 Ms. Markwood thanked Ms. Harris for doing an outstanding job and the sole person
669 administering from the Commission. She said that working on licensing and renewals
670 needs to be the focus and to encourage our licensees to get renewed. She thanked Ms.
671 Harris for the process being so streamlined and easy. She said she believed this
672 Commission has already started a really great effort to be effective as a Commission and
673 she is excited to see what the committees are working on and are tasked to do. She is
674 excited about the strategic planning and looking forward to seeing the last strategic plan
675 for the division and if that could be provided as soon as possible. She said she is also
676 excited to work with the property management committee and see what they accomplish.
677 They have already scheduled six meeting for the next year.

678

679 Mr. Royse said he would like to mirror Ms. Markwood's comments with regards to Ms.
680 Harris and thanked the Commission members for their work because what they are doing
681 can really make a fundamental improvement in the quality of real estate licensees in this
682 state. He said the Commission has a strong Chairperson, and strong Commission
683 members and he appreciates all their hard work. He is looking forward to contributing.
684

685 Ms. Matthews said she appreciated everything that everyone is doing. She said it was
686 very difficult participating via ZOOM so she will try to be in person when she can. She
687 also thanked Ms. Harris for all her communication. She said as a public member OnBoard
688 has been very helpful having the information ahead of time to be able to read the material.
689 She thanked everyone and for being able to be a part of this Commission.
690

691 Mr. Sumner said he will try to be present for all meetings because it was hard to attend a
692 meeting via ZOOM. He thanked everyone and said he will see them in March.
693

694 Mr. Pruhs said this was a horrendous meeting via ZOOM. The speakers were bad. He
695 wished everyone a Merry Christmas and thanked the Commission members for their
696 participation and all they do.
697

698 Ms. McConnochie echoed everyone's comment and thanked Ms. Harris. She said Ms.
699 Harris has a very difficult job between now and February 1st and congratulated her on
700 getting renewals online because that will make a huge difference. She said she is looking
701 forward to working on the strategic planning session. She will work with Ms. Harris to get
702 the 3 sets of materials out to the Commission members. She asked the Commission
703 members to be prepared to do your homework before they get started on the first portion
704 of the meeting. She wished everyone a fantastic Christmas and a Happy New Year.
705
706

707 **On a motion duly made by Ms. Markwood, seconded by Mr. Royse, it was,**

708 **RESOLVED to adjourn.**

709 **All in favor. Motion passed.**
710
711
712
713

714 Meeting adjourned at 1:58 p.m.
715

716 The next meeting will be held March 25, 2020 in Anchorage.
717
718
719

720 Prepared and submitted by:
721 Real Estate Commission Staff

722 Approved: 

723 _____
724 Peggy Ann McConnochie
725 REC Chairperson
726 Alaska Real Estate Commission
727
728

729 Date: 03/25/2020