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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 16, 2020  
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 16, 2020, at  
13 the State of Alaska Atwood Building, 550 W. 7<sup>th</sup> Avenue, Suite 1550, via Zoom,  
14 Anchorage, Alaska.

15  
16 **Wednesday, December 16, 2020**  
17

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

19 Chairperson PeggyAnn McConnochie called the meeting to order at 9:02 a.m., at which  
20 time a quorum was established.

21  
22 **Roll Call – 1(a)**

23 **Members Present via Zoom**

24 PeggyAnn McConnochie, Broker, 1<sup>st</sup> Judicial District, Chairperson  
25 Margaret Nelson, Broker, Broker at Large, Vice Chairperson  
26 David Pruhs, Broker, 4<sup>th</sup> Judicial District  
27 Cheryl Markwood, Broker, Broker at Large  
28 Jaime Matthews, Public Member  
29 Jesse Sumner, Public Member

30  
31 **Unexcused Absent:**

32 Samuel Goldman, Broker, 3<sup>rd</sup> Judicial District

33  
34 **Staff Present:**

35 Nancy Harris, Project Assistant

36  
37 **Staff Present via Zoom:**

38 Shyla Consalo, Executive Administrator  
39 Autumn Miller, REC Investigator  
40 Jared Famularo, Investigator – REC Probation Monitor  
41 Erika Prieksat, Senior Investigator  
42 Marilyn Zimmerman, Paralegal

43  
44 **Guests Present via Zoom:**

45 Errol Champion, Broker, Coldwell Banker Race Realty, Juneau  
46 Kassandra Taggart, Broker, Real Property Management Last Frontier, Anchorage  
47 Renae Miller, Broker, MARC Realty, Anchorage  
48 Lonnie Logan, Broker, Realty One Group Aurora, Anchorage  
49 Tammy Sweet, Salesperson, Fernandez Real Estate Group, Wasilla  
50 Tara Van Orsdal, Salesperson, Denali Real Estate, Anchorage  
51 Laura McMillon, Compliance Administrator, The CE Shop  
52 Maude Morse, Alaska Housing Finance Corporation  
53 Maria Celli, Alaska Housing Finance Corporation  
54 Julie Burns, Public Member  
55 Tim, Association Unknown

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56  
57 Approval of Agenda – 1(b)  
58 Commission Members reviewed the meeting agenda.  
59  
60       **On a motion duly made by Ms. Nelson, seconded by Ms. Matthews, it was**  
61  
62           **RESOLVED to approve the meeting agenda for December 16, 2020.**  
63  
64       **All in favor; Motion passed.**  
65

66 Statements of Conflicts of Interest – 1(c)  
67 There were no conflicts of interests.  
68  
69

70 **Agenda Item 2 – Public Comments**  
71 There were no public comments.  
72  
73

74 **Agenda Item 3 - Approval of Meeting Minutes**  
75 September 23, 2020 Meeting Minutes – 3(a)  
76

77       **On a motion duly made by Ms. Nelson, seconded by Mr. Pruhs, it was**  
78  
79           **RESOLVED to approve the September 23, 2020 meeting minutes.**  
80  
81       **All in favor; Motion passed.**  
82  
83

84 **Agenda Item 5 – Committee Reports**  
85 Property Management Committee – 5(a)  
86 Ms. Taggart, Chair of the Property Management Committee, presented the Commission  
87 with best practices for property management contracts and disclosures, and would like it to  
88 be posted to the REC website for their consideration. Ms. Taggart explained that this best  
89 practice goes over what brokerages might want to consider within their handbook of how  
90 they handle management and lease contracts. It also lays out what licensees should  
91 consider when handling management and lease contracts. This best practice is part two of  
92 the Committee's three-part project. The next best practice the Committee will be working  
93 on is a best practice regarding security deposits, escrow deposits, and trust accounts.  
94

95 Ms. McConnochie thanked Ms. Taggart for the report, and the excellent job the Committee  
96 is doing. She asked if Ms. Taggart would explain the thought process in creating the  
97 document prior to anyone asking questions.  
98

99 Ms. Taggart explained that beginning last January, the Committee did a series of  
100 brainstorming exercises with everyone attending the Committee meetings (typically ranged  
101 from 7 – 20 people). They took into account common complaints filed and  
102 confusions/problems within the industry. The goal was to put together a tool that went over  
103 the common practices within the property management industry to help avoid confusions,  
104 complaints, and problems. And, instead of making one large best practice that covered  
105 these common practices, the Committee decided to break it up into three best practices  
106 under the following categories: reporting; contracts and disclosures; and security deposits,  
107 escrow deposits, and trust accounts. Once the categories were established, the

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108 Committee completed the brainstorming sessions in these segments and worked through  
109 each segment until an approved product was completed.

110

111 Ms. Nelson commended Ms. Taggart and the Committee on their efforts thus far, and  
112 stated they were doing a fantastic job.

113

114       **On a motion duly made by Ms. Nelson, seconded by Ms. Matthews, it was**

115

116       **RESOLVED to adopt the Property Management Committee's best**  
117       **practices for property management contracts and disclosures to be**  
118       **published on the REC website.**

119

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

121

122

123 **Agenda Item 6 – Old Business**

124 **AREC Property Transfer Disclosure Form Re-Write – 6(a)**

125 Mr. Pruhs stated he's not been able to get a meeting together with Ms. Markwood to  
126 discuss his progress on the document; however, he did obtain some additional information  
127 from Errol Champion that will be helpful in their efforts moving forward. Mr. Pruhs indicated  
128 he would be meeting with Ms. Markwood next week to wrap up his portion of the project.

129

130 Ms. McConnochie thanked Mr. Pruhs for the update, and requested they get their draft out  
131 to Ms. Consalo as soon as possible, so it can be distributed to all Commission members  
132 for review/input prior to the next meeting. The goal is to have something that can be  
133 discussed and considered at the next meeting.

134

135 **Regulation Revisions Status Update – 6(b)**

136 Ms. Consalo explained Mr. Maiquis was unable to attend the meeting to give his report  
137 due to being inundated with extra tasks as a result of losing several staff members in the  
138 Division. Ms. Consalo explained that Mr. Maiquis has also been very busy with processing  
139 new emergency regulations on several of the healthcare boards because of the new  
140 COVID guidance and emergency order extensions. Mr. Maiquis apologized that he has not  
141 been able to work on the Commission's regulation project, but stated he hopes to have our  
142 regulation project out for public comment by the next meeting.

143

144 **Disciplinary Matrix Review – 6(c)**

145 Ms. Consalo explained that Investigations provided her with an excel spreadsheet of case  
146 precedent for different types of real estate violations from January 2016 to August 2020.  
147 Within the program Investigations uses to record investigation cases, there are certain  
148 categories investigators have to classify the types of violations. Ms. Consalo used those  
149 categories to organize the flow of the matrix she drafted, which is why it looks different  
150 from the old matrix. Ms. Consalo explained that because of how previous investigators  
151 categorized violations, there were quite a few categories of violations that did not have  
152 case precedent, so the main purpose in reviewing this document is to go over those  
153 categories without precedent and determine what the Commission would like that  
154 precedent to look like for those violations, moving forward.

155

156 Ms. Nelson asked why the case precedent provided only went back to 2016. Ms. Consalo  
157 stated she's not sure, but assumes it's because Investigations felt that 2016 was far  
158 enough back to provide a solid reference base for case precedents. Ms. Nelson then  
159 commented that most of the Commission members have been involved a lot with these  
160 cases, and there was a case she worked on that did not have case precedent so a

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161 decision was made based on what she thought was the right thing to do. Ms. Nelson  
162 asked if that becomes the precedent and will the document be updated when they make  
163 decisions on cases where there's no precedent. Ms. Consalo explained that is why they  
164 are reviewing the document today, so that there will be a baseline for those cases in the  
165 future. Unfortunately, because there was not another report pulled between August 2020 –  
166 December 2020, any case precedent that may have been developed during that time will  
167 not be on this document, as drafted. However, this is part of why the document must be  
168 reviewed and approved by both investigations and Department of Law prior to bringing it  
169 before the Commission for adoption and use. Additionally, after speaking with Investigator  
170 Whaley regarding the categories of violations that did not have precedent, she suggested  
171 the best course of action would be for the Commission to discuss what they felt would be  
172 the best course of action for those types of violations and how to address them moving  
173 forward.

174  
175 Ms. McConnochie asked Ms. Consalo to explain the process of getting this document  
176 approved, and how the decisions the Commission makes today is going to influence what  
177 happens tomorrow. Ms. Consalo explained that whatever decisions are made today will be  
178 updated and reflected in the matrix. It will then be submitted to Investigations for review, to  
179 ensure the recommendations are within known precedent then they will give the approval  
180 for the document to be sent to the Department of Law for review. If Investigations or the  
181 Department of Law have any changes or recommendations, the document will come back  
182 to Ms. Consalo, and she will present those changes to the Commission for discussion.  
183 This process will repeat itself until the document is approved by Investigations and the  
184 Department of Law. Once Ms. Consalo has those approvals, the document will be  
185 presented to the Commission for adoption and use.

186  
187 Ms. Nelson commented that this document is a serious document and was not sure the  
188 Commission should act as a whole by going through each section and recommending  
189 disciplinary sanctions. She suggested the Commission create a Committee to do this, so a  
190 more comprehensive report can be provided to the Commission for adoption.

191  
192 Ms. Markwood thanked Ms. Consalo for putting the document together, and stated it's  
193 going to be very useful once it's approved. As Commission members, any time they are  
194 asked to review an investigation, it's a serious matter. By having this document available  
195 to help in determining what the best approach on a case would be is incredibly important.  
196 Ms. Markwood agrees with Ms. Nelson that this is such a serious document that the  
197 Commission does need to look at this very carefully, but she recognizes that regardless of  
198 what the Commission decides, the document will need to go through Investigations and  
199 the Department of Law before anything is finalized. Investigations and Department of Law  
200 are going to be looking at this a lot more closely than they as Commissioners are, and  
201 she's going to hold their comments much weightier than what is decided today. By moving  
202 this to a Committee, the problem is that they, as Commissioners, are not allowed to meet  
203 with more than three members. So, this is the appropriate place to be discussing each of  
204 these line items. Ms. Markwood suggested the Commission review the matrix today so it  
205 can be moved forward in the process to get finalized and approved.

206  
207 Ms. McConnochie asked for the input from the rest of the Commission members on this  
208 matter. Mr. Pruhs and Mr. Sumner agreed with moving forward with the review. Ms.  
209 Matthews stated that, as a public member, she didn't have the history and background on  
210 this document like the licensed Commission members did; however, she does think it's a  
211 lot of information to go through today and it might be beneficial to have a separate  
212 Committee review the document.

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214 Ms. McConnochie thanked everyone for their comments, and suggested they try to go  
215 through the document, and if at any point they feel it needs to be sent off to a Committee  
216 for review, then they'll address it at that time. Prior to reviewing the document, it was  
217 discussed and agreed by the Commission members that minor violations consisted of  
218 those violations that were technical in nature, and posed no direct threat or harm to the  
219 public. Minor violations also excluded any violations that involve a licensee's inability to  
220 practice safely.

221

222

223 **Agenda Item 4 – Investigative Report**

224 **Probation Report – 4(a)**

225 Erika Priksat, Senior Investigator, presented the probation report to the Commission and  
226 introduced the new REC Probation Monitor, Jared Famularo. There are 2 licensees on  
227 probation, and 1 licensee released from probation since the last report. Everyone on  
228 probation is currently in compliance.

229

230 **Statistical Report – 4(b)**

231 Autumn Miller, REC Investigator, presented the investigation statistics for the reporting  
232 period of September 10, 2020 through November 30, 2020. There are 36 open matters  
233 and 15 matters were closed from the last report.

234

235 Ms. Nelson commended Ms. Miller for doing a good job on the investigations. She has  
236 worked with Ms. Miller on a couple of difficult cases recently, and has found her to be very  
237 professional. She does a great job dealing with some very difficult people, and Ms. Nelson  
238 really appreciates all the hard work. Ms. McConnochie echoed Ms. Nelson's gratitude.

239

240 **CE Investigative Matters – 4(c)**

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

242

243       **RESOLVED to go into Executive Session in accordance with AS**  
244       **44.62.310(c) for the purpose of discussing subjects that tend to**  
245       **prejudice the reputation and character of any person.**

246

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

248

249       The Commission went into Executive Session at 9:40 a.m.

250

251       **On a motion duly made by Ms. Markwood, seconded by Ms. Matthews, it was**

252

253       **RESOLVED to come out of Executive Session.**

254

255       The Commission came out of Executive Session at 9:53 a.m.

256

257

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

259

260       **RESOLVED to approve the request for consideration in case #2020-**  
261       **000836.**

262

263       **Roll call vote: Ms. Markwood – no, Ms. Nelson – no, Mr. Pruhs – no, Ms.**  
264       **Matthews – no, Mr. Sumner – no, and Ms. McConnochie – no.**

265

266

**Motion failed.**

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267  
268      The Commission denied the request for consideration in case #2020-000836.  
269

270           **On a motion duly made by Ms. Nelson, seconded by Ms. Markwood, it was**  
271  
272           **RESOLVED to accept the Consent Agreement in case #2020-000912.**

273  
274           **Roll call vote: Ms. Markwood – yes, Ms. Nelson- yes, Mr. Pruhs – yes, Ms.**  
275           **Matthews – yes, Mr. Sumner – yes, and Ms. McConnochie – yes.**

276  
277           **Motion passed.**

278  
279      The Commission accepted the Consent Agreement in case #2020-000912.

280  
281           **On a motion duly made by Ms. Nelson, seconded by Ms. Markwood, it was**  
282  
283           **RESOLVED to accept the Consent Agreement in case #2020-000913.**

284  
285           **Roll call vote: Ms. Markwood – yes, Ms. Nelson- yes, Mr. Pruhs – yes, Ms.**  
286           **Matthews – yes, Mr. Sumner – recused, and Ms. McConnochie – yes.**

287  
288           **Motion passed.**

289  
290      The Commission accepted the Consent Agreement in case #2020-000913.

291  
292  
293      Break at 10:00 a.m.  
294      Reconvened at 10:10 a.m.

295  
296  
297      **Agenda Item 6 – Old Business**

298      **Disciplinary Matrix Review – 6(c)**  
299      The Commission went through each category individually to ensure there were no  
300      clarifications or questions on violations with case precedent, and to address/make  
301      recommendations on violations that did not have case precedent.

302  
303      There were no questions re: the Advertising category.

304  
305      On the Breach of Fiduciary Duty category, Ms. Consalo explained there was no case  
306      precedent for this category, so the Commission needed to determine an amount to  
307      recommend for the Imposition of Civil Fine, and the terms for the Consent Agreement.

308  
309           **On a motion duly made by Ms. Markwood, seconded by Mr. Pruhs, it was**

310  
311           **RESOLVED to set the Imposition of Civil fine for Breach of Fiduciary**  
312           **Duty to “up to \$2,500”.**

313  
314           **All in favor; Motion passed.**

315  
316  
317           **On a motion duly made by Ms. Markwood, seconded by Mr. Pruhs, it was**

318  
319           **RESOLVED to set the Consent Agreement terms for Breach of**

320           **Fiduciary Duty to “up to a \$5,000 fine, up to 2 years of probation, and up to 9**  
321           **hours of education”. The limitations on practice will be taken out, and the**  
322           **suspension and reprimand will be left on as options for the reviewer to use at**  
323           **their discretion.**

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

325           There were no questions re: the Continuing Education, Criminal Action – No Conviction,  
326           and Criminal Action – Conviction categories.

327           On the Falsified Application category, Ms. Consalo explained there was no case precedent  
328           for this category for an Imposition of Civil Fine, so the Commission needed to determine  
329           an amount to recommend.

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

331           **RESOLVED to set the Imposition of Civil fine for Falsified Application**  
332           **to “up to \$2,500”.**

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

334           On the Financial Scam category, Ms. Consalo explained there was no case precedent for  
335           this category for Consent Agreement terms, so the Commission needed to determine what  
336           terms to recommend.

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

338           **RESOLVED to set the Consent Agreement terms for Financial Scam to**  
339           **“up to a \$10,000 fine, up to 5 years of probation, and up to 20 hours of**  
340           **education”. The limitations on practice will be taken out, and the suspension**  
341           **and reprimand will be left on as options for the reviewer to use at their**  
342           **discretion.**

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

344           At 10:55, Mr. Pruhs requested to be excused from the meeting due to having to host a  
345           radio show, and would return after the lunch break. Ms. McConnochie excused Mr. Pruhs.

346           On the Fraud or Misrepresentation category, Ms. Consalo explained there was no case  
347           precedent for this category, so the Commission needed to determine an amount to  
348           recommend for the Imposition of Civil Fine, and the terms for the Consent Agreement.

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

350           **RESOLVED to set the Imposition of Civil fine for Fraud or**  
351           **Misrepresentation to “up to \$2,500”.**

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

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

354           **RESOLVED to set the Consent Agreement terms for Fraud or**

373           **Misrepresentation to “up to a \$10,000 fine, up to 5 years of probation, and up**  
374           **to 20 hours of education”. The limitations on practice will be taken out, and**  
375           **the suspension and reprimand will be left on as options for the reviewer to**  
376           **use at their discretion.**

377  
378           **All in favor; Motion passed.**

379  
380         On the Probation Violation category, Ms. Consalo explained that the licensee will already  
381         be on a Consent Agreement if this violation occurs, so the options available are a little  
382         different than a normal violation. Ms. Consalo explained there was no case precedent for  
383         this category for additional Consent Agreement terms, so the Commission needed to  
384         determine what terms to recommend.

385  
386         **On a motion duly made by Ms. Nelson, seconded by Ms. Markwood, it was**  
387  
388           **RESOLVED to set the Consent Agreement terms for Probation**  
389           **Violation to “up to an additional \$2,500 fine”. The suspension will be left on**  
390           **as an option for the reviewer to use at their discretion, and the rest of the**  
391           **terms will be taken out.**

392  
393           **All in favor; Motion passed.**

394  
395         On the Substance Abuse category, Ms. Consalo explained this violation was not very  
396         common in the real estate industry, and is also different with regard to the  
397         recommendations available and typical for a Consent Agreement for this type of violation.  
398         Ms. Consalo explained there was no case precedent for this category, so the Commission  
399         needed to determine an amount to recommend for the Imposition of Civil Fine, and the  
400         terms for the Consent Agreement.

401  
402         **On a motion duly made by Ms. Markwood, seconded by Ms. Nelson, it was**  
403  
404           **RESOLVED to set the Imposition of Civil fine for Substance Abuse to**  
405           **“up to \$2,500”.**

406  
407         Commission members discussed the motion on the table.

408  
409         **On a motion duly made by Mr. Sumner, seconded by Ms. Markwood, it was**  
410  
411           **RESOLVED to amend the main motion and set the Imposition of Civil**  
412           **fine for Substance Abuse to “up to \$1,500”.**

413  
414         **Motion failed. The original motion on the table passed.**

415  
416  
417         **On a motion duly made by Ms. Markwood, seconded by Ms. Nelson, it was**  
418  
419           **RESOLVED to set the Consent Agreement terms for Substance Abuse**  
420           **to “up to a \$5,000 fine and up to 18 months of probation”. The education will**  
421           **be taken out, and the remaining recommendations will be left on as options**  
422           **for the reviewer to use at their discretion.**

423  
424         **All in favor; Motion passed.**

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426 On the Supervision category, Ms. Consalo explained there was no case precedent for this  
427 category for an Imposition of Civil Fine, so the Commission needed to determine an  
428 amount to recommend.

429

430           **On a motion duly made by Ms. Nelson, seconded by Ms. Markwood, it was**  
431  
432           **RESOLVED to set the Imposition of Civil fine for Supervision to “up to**  
433           **\$2,500”.**

434

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

436

437 On the Trust Account category, Ms. Consalo explained there was no first or minor offense  
438 for this category because trust account violations are serious matters, and should be  
439 treated as such – the Commission agreed. Ms. Consalo explained there was no case  
440 precedent for this category for Consent Agreement terms, so the Commission needed to  
441 determine what terms to recommend.

442

443           **On a motion duly made by Ms. Markwood, seconded by Ms. Nelson, it was**  
444  
445           **RESOLVED to set the Consent Agreement terms for Trust Account to**  
446           **“up to a \$5,000 fine, up to 2 years of probation, and up to 12 hours of**  
447           **education”. The remaining recommendations will be left on as options for the**  
448           **reviewer to use at their discretion.**

449

450 Commission members discussed the motion on the table.

451

452           **On a motion duly made by Mr. Sumner, seconded by Ms. Markwood, it was**  
453  
454           **RESOLVED to amend the main motion and set the fine for Trust**  
455           **Account to “up to \$50,000”. The remaining recommendations in the main**  
456           **motion to stay the same.**

457

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

459

460 On the second Unlicensed Practice category, Ms. Consalo explained there was no case  
461 precedent for this category for an Imposition of Civil Fine, so the Commission needed to  
462 determine an amount to recommend.

463

464           **On a motion duly made by Ms. Matthews, seconded by Ms. Markwood, it was**  
465  
466           **RESOLVED to set the Imposition of Civil fine for Unlicensed Practice**  
467           **to “up to \$2,500”.**

468

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

470

471 Ms. Markwood commented that she would like to recommend a change to the fine amount  
472 for the current case precedent for Unlicensed Practice. Because the Commission would  
473 like to set the fine amount for the first or minor offense to \$2,500, she would like to  
474 recommend that the fine amount for any subsequent or serious offense be \$5,000.

475

476           **On a motion duly made by Ms. Matthews, seconded by Ms. Markwood, it was**  
477  
478           **RESOLVED to change the fine amount in the Consent Agreement for a**

479                   **second or serious offense for Unlicensed Practice to “up to \$5,000”.**

480  
481                   **All in favor; Motion passed.**

482  
483                   On the Violation of Licensing Regulation category, Ms. Consalo explained there was no  
484                   case precedent for this category for an Imposition of Civil Fine, so the Commission needed  
485                   to determine an amount to recommend.

486  
487                   **On a motion duly made by Ms. Markwood, seconded by Ms. Matthews, it was**

488  
489                   **RESOLVED to set the Imposition of Civil fine for Violation of Licensing**  
490                   **Regulation to “up to \$2,500”.**

491  
492                   **All in favor; Motion passed.**

493  
494  
495                   Break at 11:28 a.m.  
496                   Reconvened at 11:34

497  
498  
499                   2020 AREC Strategic Plan Review – 6(d)

500                   Ms. McConnochie congratulated the Commission members and staff for all the hard work  
501                   they've done over the last 9 months in completing items from the Strategic Plan that was  
502                   created in March. It has been a huge accomplishment to get as far as we have, and it  
503                   could not have been done without everyone's collaborative efforts.

504  
505                   Ms. McConnochie stated she would be going through each of the Strategic Plan's tasks to  
506                   help identify what tasks the Commission should be looking to start, and go over what tasks  
507                   have been completed to date. Ms. McConnochie started with the first task: "With  
508                   agreement of the appropriate departments, upload informational videos done by  
509                   appropriate personnel on: 1) how to file a complaint against a licensee and its process;  
510                   and 2) if a complaint is filed against a license what the process is for a license.  
511                   Additionally, provide best practice 'white papers' on various topics as approved by the  
512                   Commission for placement on our website." Ms. Consalo provided a status update on this  
513                   task by informing the Commission that her time between the last meeting and this meeting  
514                   was primarily consumed with the drafting of the disciplinary matrix. Unfortunately, that was  
515                   not a task included on the Strategic Plan, but it was a matter identified by the Commission  
516                   on several occasions that warranted attention. Ms. Consalo stated she was recently able  
517                   to start working on the script for the video. The slides are already done, she just needs to  
518                   finish the script and record over the slides once the script is done. Ms. Consalo indicated  
519                   her goal was to have a draft video to the Chief Investigator for review by the next meeting.

520  
521                   Ms. McConnochie moved to the second task: "Provide the Commission for consideration,  
522                   what they should have jurisdiction over in property management; i.e. financial  
523                   responsibilities of the property owner or property manager. Then, provide next steps  
524                   should the Commission agree to move forward with recommendations. And, provide a list  
525                   of property management FAQs (frequently asked questions) for both licensed property  
526                   managers and property owners, to be approved by the Commission then placed on our  
527                   website." Ms. McConnochie stated this task continues to be a work in progress, but the  
528                   Property Management Committee has done a phenomenal job in chipping away at this,  
529                   and has already provided several valuable best practice documents that have been posted  
530                   on the website.

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532 Ms. McConnochie moved to the third task: “Refine and rework current processes, to  
533 increase the speed of actions to keep outside licensees and/or non-licensees from  
534 transacting business for which an Alaska real estate license or broker’s license is required.  
535 Then, put this information on the Commission website and make sure it is easily  
536 accessible.” Ms. Nelson stated this one has been on her mind, but unfortunately, she  
537 hasn’t been able to put anything together and requested this task be added to the  
538 Strategic Plan for 2021.

539  
540 Ms. McConnochie moved to the fourth task: “Define minimum standards, based on what  
541 other jurisdictions have successfully implemented, for team advertising (i.e. the  
542 requirement to include brokerage information, minimum size etc).” Ms. McConnochie  
543 stated this task is currently be worked on, and Ms. Nelson has created a best practice  
544 document that will be discussed later in the meeting. This will definitely be another task  
545 that will need to be carried over to the 2021 Strategic Plan, and may result in the  
546 Commission taking a look at and discussing possible regulation changes regarding  
547 advertising.

548  
549 Ms. McConnochie moved to the fifth task, which consists of five separate sub-tasks:  
550 “Assist staff to clear up the following issues:  
551     • How “inactive status” is logged/started and the McConnochie & Staff notification  
552         to the affected licensee  
553     • How required education, for those who apply for license by endorsement, is  
554         defined and verified  
555     • Provided a military spouse has a current license in good standing in another  
556         state, streamline the process when they apply for an Alaska real estate license  
557     • Change how the Commission receives and disseminates license history; i.e.  
558         paper versus digital, or some other process  
559     • Define and simplify the criteria for getting or upgrading an Alaska real estate  
560         license; i.e. referring to criminal history and what specifically constitutes a valid  
561         reason a license will not be given/upgraded and the timing since conviction or  
562         completion of sentence”

563 Ms. McConnochie noted that Commission has completed two of these five sub-tasks, and  
564 thanked Ms. Consalo and Ms. Harris for all the hard work they’ve been doing in helping to  
565 complete these items. The two sub-tasks that have been completed are the “streamlining  
566 the licensing process for military spouses”, and the “changing how the Commission  
567 receives and disseminates license history” tasks. Ms. McConnochie asked Ms. Consalo to  
568 explain a little more about the streamlined licensing process for military members and their  
569 spouses. Ms. Consalo stated the Division has an expedited request for military members  
570 and their spouses to submit with their application, so it places their application at the top of  
571 the list to process. For real estate license applications, this request isn’t necessary  
572 because the real estate inbox is caught up, and we are able to process license  
573 applications very quickly now. That tool is still available to them if they wish to use it, but it  
574 isn’t necessarily needed for real estate applications, as there is no current delay in  
575 processing times.

576  
577 Ms. McConnochie then asked Ms. Consalo to give a brief explanation on how the Division  
578 has been operating under COVID restrictions to give licensees and the public an idea of  
579 the difficult circumstances we’ve been working though, and how that has affected  
580 processing times. Ms. Consalo explained that for the most part, staff has been working or  
581 able to work a part-time telecommute schedule, and Ms. Harris has been able to be in the  
582 office full time since June. However, with the current increased rate of infections occurring,  
583 staff has been directed to go to a full-time telecommute schedule, if possible. Ms. Consalo  
584 indicated she was able to obtain approval for Ms. Harris to work a part-time telecommute

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585 schedule and be in the office three days a week to ensure licenses were being mailed out  
586 and phone calls/messages were being answered. With regard to application processing,  
587 Ms. Consalo explained that the applications go through the admin team first. They process  
588 the payments, date stamp the documents, and scan the documents into our database,  
589 which is where staff is able to see and process the documents. That process can typically  
590 take anywhere from three to five days before staff can see it in the system. Once it hits the  
591 system, Ms. Consalo indicated she is typically able to turn things around in a day or two,  
592 depending on what's going on that week. Occasionally, there are delays on the admin side  
593 of things that are out of Commission staff control that could cause processing times to be  
594 a little longer; however, those situations are uncommon and processing times are still less  
595 than 2 weeks. Ms. McConnochie commended Ms. Consalo and Ms. Harris for the amazing  
596 job they are doing in ensuring everything is processed as quickly as possible, even during  
597 these difficult and unusual circumstances.

598

599 Ms. McConnochie moved to the sixth task: "Review all regulations and propose one major  
600 regulation change (clean up) which will bring regulations into the 21<sup>st</sup> century." The  
601 Commission has done its job with this task, and it is now in the hands of the Regulation  
602 Specialist for finalization and public comment. Mr. Maiquis' goal is to have this done by the  
603 next meeting.

604

605 Ms. McConnochie commended the Commission for the remarkable amount that has been  
606 completed thus far. Ms. McConnochie suggested that Commission members start thinking  
607 about goals they'd like to accomplish over the next year, so they can be brought for  
608 discussion and consideration at the next meeting. At the March meeting, the Commission  
609 should take a look at what was reviewed today, combined with any additional goals, to  
610 help create the Strategic Plan for 2021.

611

612 Break for lunch at 11:49 a.m.

613 Reconvened at 1:00 p.m.

614

615

616 **Agenda Item 8 – Division Update**

617 **REC Revenues and Expenditures Report – 8(a)**

618 Sharon Walsh, Deputy Director of the Division of Corporations, Business, and Professional  
619 Licensing, presented the Division Update.

620

621 Ms. Walsh presented the report for the fourth quarter of 2020, ending June 30, 2020 and  
622 the first quarter of 2021, ending September 30, 2020. For the fourth quarter of fiscal year  
623 2020, she stated the current revenue was \$618,451. Expenditures totals were as follows:  
624 There was non-investigative expenditures of \$87,702 and investigative expenditures of  
625 \$98,664, for a total of \$186,366 in direct expenditures. There were indirect expenditures of  
626 \$167,178 (this includes internal administration, department, and statewide costs), leaving  
627 the total expenditures at \$353,544. There was a total surplus of \$1,047,062.

628

629 For the first quarter of fiscal year 2021, she stated the current revenue was \$69,005.  
630 Expenditures totals were as follows: There was non-investigative expenditures of \$22,038  
631 and investigative expenditures of \$20,443, for a total of \$42,481 in direct expenditures.  
632 There were indirect expenditures of \$41,795 (this includes internal administration,  
633 department, and statewide costs), leaving the total expenditures at \$84,276. There was a  
634 total surplus of \$1,031,791.

635

636

637

638 **Agenda Item 7 – New Business**  
639 Advertising FAQ & Discussion Re: Possible Advertising Regulation Changes Project – 7(a)  
640 & 7(b)

641 Ms. Nelson stated she did a review of the Commission's current regulations regarding  
642 advertising, reviewed 35 other state policies and regulations regarding advertising, and put  
643 together a full proposal on advertising regulations to review. However, for now, she put  
644 together a best practice document to help educate and remind licensees on current  
645 advertising rules. There have been a lot of complaints and calls coming in regarding  
646 advertising issues, and this will hopefully help both licensees and the general public  
647 understand what is required. Md. Nelson also stated she was going to work on a booklet  
648 containing frequently asked questions about advertising.

649  
650 The Commission discussed a few of changes/adjustments to be made to the best practice  
651 document for better clarity. The following changes were recommended: Add additional  
652 regulation references; re-configure paragraph #1 to make it clear that a brokerage can  
653 have a home office, as long as they meet the applicable registration and signage  
654 requirements; state "any and all social media platforms"; change "broker's name" to  
655 "brokerage/brokerage name"; change "is" to "may" before the statement regarding grounds  
656 for revocation or suspension.

657  
658       **On a motion duly made by Ms. Nelson, seconded by Ms. Markwood, it was**

659  
660           **RESOLVED to adopt the Advertising best practices, as amended, to**  
661           **be published on the REC website.**

662  
663       **All in favor; Motion passed.**

664  
665 Ms. McConnochie thanked Margaret for all the hard work she's done on this document,  
666 and the regulation changes that will be put up for discussion at a future meeting.

667  
668       **Election of Vice Chair & Education Liaison – 7(c)**  
669 Ms. McConnochie asked if there was anyone who would like to nominate a Commission  
670 member for the Education Liaison. She explained the job of the Education Liaison is to  
671 help Ms. Harris if she runs into an issue with a course she is looking to recommend  
672 approval or denial. Ms. McConnochie explained a real estate license is not required for  
673 this position, and Ms. Harris does not reach out with issues often, so it does not require a  
674 lot of extra time. Mr. Sumner was nominated for the Education Liaison. There were no  
675 further nominations.

676  
677       **On a motion duly made by Mr. Sumner, seconded by Ms. Markwood, it was**

678  
679           **RESOLVED that Mr. Sumner would be the Education Liaison for the**  
680           **Commission for 2021.**

681  
682       **All in favor; Motion passed.**

683  
684 Ms. McConnochie asked if there was anyone who would like to nominate a Commission  
685 member for the Vice Chair. Ms. Markwood was nominated for Vice Chair. There were no  
686 further nominations.

687  
688  
689  
690

691                   **On a motion duly made by Ms. Nelson, seconded by Ms. Matthews, it was**  
692

693                   **RESOLVED that Ms. Markwood would be the Vice Chair for the**  
694                   **Commission for 2021.**

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

696                   2021 Meeting Dates – 7(d)

700                   Ms. McConnochie asked everyone to pull up their calendars for 2021, so they could  
701                   decide which dates would work best for the next year of Commission meetings. All  
702                   Commission members agreed to the following meeting dates for 2021:

- 703                   • March 17<sup>th</sup>
- 704                   • June 16<sup>th</sup>
- 705                   • September 15<sup>th</sup>
- 706                   • December 15<sup>th</sup>

707                   Ms. Consalo then gave a quick explanation and reminder of the attendance policy for  
708                   meetings, and the importance behind this policy. She explained Commission members  
709                   must notify her at least 30 days in advance if they will not be able to attend a meeting for a  
710                   non-emergency reason, and it will be up to the Commission Chair if that absence is  
711                   excused or not.

712  
713  
714

715                   Agenda Item 9 – Executive Administrator’s Report

716                   Education Statistics – 9(a)

717                   Ms. Harris presented the education report for December 16, 2020. She reported that as of  
718                   December 7, 2020, there were 13 pre-licensing courses; 4 broker upgrade courses; 319  
719                   elective courses; 36 designated courses; and 71 post-licensing courses approved, with a  
720                   total of 443 courses approved. Ms. Harris stated there are currently 67 approved  
721                   instructors.

722  
723

Licensing Statistics – 9(b)

724                   Ms. Consalo presented the licensing report for December 16, 2020. She reported that as  
725                   of December 8, 2020, there were 2,796 active licensees; 25 inactive licensees; 378 lapsed  
726                   licenses with 7 of those for non-compliance of PLE; there were 296 transfers; 51 licensees  
727                   who completed their PLE requirements; 4 license upgrades from salesperson to associate  
728                   broker; 1 license upgrades from salesperson to broker; and 2 licensees on probation.

729

730                   Current Office Procedures – 9(c)

731                   Ms. Consalo covered most of this while going over the progress on the 2020 Strategic  
732                   Plan, and reiterated the most recent change within the Division regarding physically  
733                   working in the office, and what the change looked like for Commission staff. Ms. Consalo  
734                   will be working from home 100%, and Nancy will be working from home part-time – she  
735                   will physically be in the office on Wednesdays – Fridays until further notice.

736

737                   RISC E&O Claims Report – 9(d)

738                   Ms. Consalo presented the report for RISC E&O claims for their third quarter (Jul – Sept).  
739                   Total closed claims were \$3,000, and the total open claims were \$16,000, for a total of  
740                   \$19,000 in claims for the third quarter. Two of these claims were the same claims/cases  
741                   reported in the second quarter report, so there was one new claim opened in the third  
742                   quarter.

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743  
744     Recovery Fund Balance Report – 9(e)  
745     The Commission reviewed the Recovery Fund Balance Report as presented.  
746     Ms. Consalo presented the Recovery Fund Report for the fourth quarter, ending  
747     September 30, 2020. The Commission received a total of \$18,395 for license fees  
748     processed between July and September, leaving the current total fund balance at  
749     \$327,850. The projected balance for the end of the fiscal year is \$211,011 with an average  
750     2-year licensing cycle fund balance of \$269,431.

751  
752     Application Matters – 9(f)  
753         **On a motion duly made by Ms. Markwood, seconded by Ms. Matthews, it was**  
754  
755             **RESOLVED to go into Executive Session in accordance with AS**  
756             **44.62.310(c) for the purpose of discussing subjects that tend to**  
757             **prejudice the reputation and character of any person.**

758  
759         **All in favor; Motion passed.**

760  
761     The Commission went into Executive Session at 2:00 p.m.

762  
763         **On a motion duly made by Ms. Markwood, seconded by Ms. Matthews, it was**  
764  
765             **RESOLVED to come out of Executive Session.**

766  
767     The Commission came out of Executive Session at 2:36 p.m.

768  
769         **On a motion duly made by Ms. Markwood, seconded by Ms. Matthews, it was**  
770  
771             **RESOLVED to approve the license application for Julie Burns, license**  
772             **#166982.**

773  
774         **Roll call vote: Ms. Markwood – no, Ms. Nelson – no, Mr. Pruhs – no, Ms.**  
775         **Matthews – no, Mr. Sumner – no, and Ms. McConnochie – recused.**

776  
777         **Motion failed.**

778  
779     The Commission denied the license application for Julie Burns, license #166982.

780  
781         **On a motion duly made by Ms. Markwood, seconded by Ms. Matthews, it was**  
782  
783             **RESOLVED to approve the license application for Alicia Hinzman,**  
784             **license #168456.**

785  
786         **Roll call vote: Ms. Markwood – yes, Ms. Nelson- yes, Mr. Pruhs – yes, Ms.**  
787         **Matthews – yes, Mr. Sumner – yes, and Ms. McConnochie – yes.**

788  
789         **Motion passed.**

790  
791     The Commission approved the license application for Alicia Hinzman, license #168456.

792  
793     At 2:41 p.m., Mr. Pruhs lost his internet connection, and was unable to return to the  
794     meeting.

795

796

**Agenda Item 10 – Commission Member Comments & Questions**

797

798 Ms. Nelson stated she's been very busy lately working with the estate of Paul Moore, who  
799 unexpectedly passed away in August. He was the broker of Distinctive Properties. Ms.  
800 Nelson urged anybody who a broker to make sure they have a plan in place should they  
801 suddenly not be with us. It has been a horrible and frustrating process for the family.  
802 Passwords weren't left, access to trust accounts weren't given, and it's been very difficult.  
803 Ms. Consalo has been working with the family as well, and Ms. Nelson expressed her  
804 appreciation. Ms. Nelson wished everyone a very Merry Christmas, and is looking forward  
805 to the new year.

806

807

808 Ms. Markwood stated this year has been very challenging, but she's proud to have served  
809 on the Commission with everyone. She commended Ms. Taggart for her hard work on the  
810 Property Management Committee. Keeping everyone on track and steering that particular  
811 project forward has been really challenging, and she's very proud of the work Ms. Taggart  
812 has done. She commended Ms. Nelson's work on the advertising topic – it has been  
813 extremely helpful. She also wanted to note that this was Mr. Pruhs last Commission  
814 meeting, and she's been grateful to have him as both a mentor and team member on the  
815 Commission. She thanked him for all of his hard work for the real estate industry over the  
816 last few years, and she's looking forward to 2021 with everyone and all of the continued  
817 work the Commission will do. She also reiterated Ms. Nelson's sentiments regarding  
818 brokerages. She suggested putting together a best practice regarding the issue because,  
819 she also lost somebody this year that owned a property management company that did  
820 association management. When she passed away, it was very, very traumatic for  
821 everybody; and trying to get security deposits, lease agreements, etc. was very difficult.  
822 Ms. Markwood wished everybody a very Merry Christmas.

823

824

825 Ms. Matthews started with a question regarding the current status of timelines/delays with  
826 titles and recordings in transactions, as she has received several questions about this. Ms.  
827 McConnochie stated she would jump in with her response, but encouraged the other  
828 Commission members to add to her response if they had additional information. She  
829 explained that COVID has caused a horrible situation. They are experiencing delays with  
830 recording, getting titles and appraisals done all over the State. It's very difficult because  
831 there are people trying to get brand new loans with these low interest rates, and people  
832 trying to refinance at the same time. Ms. McConnochie doesn't know what can be done to  
833 speed it up, but it's an unfortunate circumstance that everyone is having to deal with right  
834 now until the COVID situation goes away. Ms. Matthews thanked Ms. McConnochie for  
835 her input. She thanked Mr. Pruhs for his time on the Commission, and Ms. Consalo for her  
836 comments during the meetings and the tremendous work she does in putting together the  
837 meeting packets for everyone. She thanked Ms. McConnochie for her leadership, and the  
838 great job she does running an efficient meeting. She thanked Ms. Nelson for all the time  
839 she's dedicated to the advertising best practice and future regulation changes. Ms.  
840 Matthews wished everyone a Merry Christmas, and appreciates being a part of the  
841 Commission.

842

843

844 Mr. Sumner wished everyone a Merry Christmas, and stated Mr. Pruhs will be missed.  
845  
846 Ms. McConnochie informed everyone that she was term limited out, so this was also going  
847 to be her last meeting as a Commission member. First, she thanked Ms. Harris for the  
848 amazing job she did when she had to stand in until the Commission got a new Executive  
849 Administrator. Second, she thanked Ms. Consalo for the amazing amount of work she's  
850 done to step everything up, and to get changes made to things that have been needing  
851 changed for a while. Getting the website fixed, the disciplinary matrix drafted, and

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849 significantly reducing application processing times - nobody could have done it without  
850 her, and she really appreciates the hard work and diligence. Ms. Harris and Ms. Consalo  
851 do the work of four people with two, and the progress over the last year has been  
852 amazing. Ms. McConnochie expressed appreciation to Mr. Sumner for his comments and  
853 insights. It's been extremely wonderful to have him on the Commission. Keep up the good  
854 work, and keep opening up and expressing how he feels about things. Ms. McConnochie  
855 thanked Ms. Matthews for being such an involved member of the public. She expressed  
856 Ms. Matthews has been one of the best public members the Commission has ever had.  
857 She's stepped up and learned, and is speaking up and asking questions that need to be  
858 asked from a public perspective. That brings something to the Commission that they  
859 haven't had in a while. Ms. McConnochie thanked Ms. Markwood for the phenomenal job  
860 she's doing, and for bringing the property management perspective in. This is something  
861 the Commission has needed for a very long time because property management is  
862 different than sales; and to be able to have her perspective on the Commission has been  
863 extremely helpful. Ms. McConnochie thanked Ms. Nelson for the incredible amount of work  
864 she's done on the Commission thus far. She's taken the rocks that have been put before  
865 the Commission and has dealt with them all with grace. In closing, Ms. McConnochie  
866 stated she has no doubt the next Commission starting in 2021 will be as good, if not  
867 better, than what the Commission is today. She can't wait to watch the Commission on the  
868 other side, and is looking forward to seeing everyone in 2021. If there are any questions  
869 going into 2021, reach out to her and she'd be more than happy to give her opinion. Ms.  
870 McConnochie wished everyone a Merry Christmas.

871

872

**873 Agenda Item 11 – Adjournment**

874       **On a motion duly made by Ms. Nelson, seconded by Mr. Sumner, it was**

875

876           **RESOLVED to adjourn.**

877

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

879

880       Meeting adjourned at 2:53 p.m.

881

882       The next meeting will be held March 17, 2021 in Anchorage.

883

884

885

886           Prepared and submitted by:  
887           Real Estate Commission Staff

888

889

890           Approved:

891             
892

893

894

895

Cheryl Markwood  
REC Chairperson  
Alaska Real Estate Commission