

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

5 REAL ESTATE COMMISSION  
6 MEETING MINUTES  
7

8 March 24-25, 2020  
9

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 March 24-25, 2020, at  
13 the State of Alaska Atwood Building, 550 W. 7<sup>th</sup> Avenue, AAC104 and Ste 1550, via  
14 ZOOM, Anchorage, Alaska.  
15

16 **March 24-25, 2020**

17  
18 **Tuesday, March 24, 2020**

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

20 Chairperson PeggyAnn McConnochie called the meeting to order at 9:03 a.m. at which  
21 time a quorum was established.  
22

23 **Roll Call – 1(a)**

24 **Members present via Zoom**

25 PeggyAnn McConnochie, 1<sup>st</sup> Judicial District, Chairperson  
26 Margaret Nelson, Broker, Broker at Large, Vice Chairperson  
27 Jamie Matthews, Public Member  
28 Cheryl Markwood, Broker at Large  
29 David Pruhs, Broker, 4<sup>th</sup> Judicial District  
30 Jesse Sumner, Public Member  
31

32 **Excused Absent:**

33 Samuel Goldman, Broker, 3<sup>rd</sup> Judicial District  
34

35 **Staff Present:**

36 Shyla Consalo, Executive Administrator  
37 Nancy Harris, Project Assistant  
38

39 **Guests Present via ZOOM:**

40 Errol Champion, Liaison for AAR, Juneau  
41 Kassandra Taggart, Broker, Real Property Management Last Frontier, Anchorage  
42 Anita Bates, Associate Broker, Dwell Realty, Anchorage  
43 Kirk Wickersham, Broker, FSBO System, LLC, Anchorage  
44 Mark Masley, Salesperson, RE/MAX Dynamic Properties, Anchorage  
45

46 **Approval of Agenda for March 24, 2020-1(b)**

47 Commission members reviewed the meeting agenda.  
48

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

50  
51 **RESOLVED to approve the meeting agenda for March 24,2020 as**  
52 **presented.**  
53

54 **All in favor; Motion passed.**  
55

56 Statements of Conflicts of Interest -1(c)

57 There were no conflicts of interests.  
58  
59

60 **Agenda Item 2 – Public Comments on Strategic Plan and/or Regulation Reform**

61 Errol Champion said the legislature passed HB124 which is the authorization of electronic  
62 notarization. Mr. Champion said this will provide for electronic notarization in remote  
63 locations or when there is no availability of a notary. This was sponsored by the mortgage  
64 banker and land title offices. The bill will be headed to the Lt. Governor for his signature  
65 then the state will be writing regulations and it should be effective the first of the year. It  
66 simply means any person can be notarized if there is access to some form of video  
67 conferencing. It is interesting to note with the COVID-19 issues we are all facing that NAR  
68 is mandating that all states provide for electronic notarization.  
69

70 Mr. Champion said that HB310 was introduced by House Labor and Commerce regarding  
71 the moratorium on rents and foreclosures. He worked with their lobbyist drafting a  
72 response and subsequently giving testimony, followed up with his letter. The issues they  
73 had with the bill were that they wanted a form of trust but verification of hardship, that this  
74 was not a forgiveness of rents or mortgage payments but instead it was simply a  
75 deferment. He said if they fail to identify it in that form, they would be transferring the  
76 hardship from the person who couldn't pay their rent to the landlord and that was not the  
77 intent.  
78

79 Kirk Wickersham said he wanted to speak to the comprehensive review of the real estate  
80 statutes and regulations. He said the real estate statutes and regulations have not been  
81 looked at comprehensively for some time. The state has added and tweaked and so forth  
82 as needed. He said that the statutes and regulations do not read very well and are not  
83 immediately easy to understand. He said he is sympathetic to the desire to take up that  
84 task, and he commends the Commission for it. He said there was a system set up years  
85 ago that worked very well for licensees and the public. He hopes that the changes are not  
86 substantive and the way real estate is practiced in the state doesn't change. He said if the  
87 Commission starts getting into the substance, he thinks there will be concern on the part of  
88 the industry and it will bog the Commission down in their task of what he understands to  
89 be streamlining and making the regulations more usable and readable. He gave an  
90 example of what happened to the Texas Real Estate Commission many years ago when  
91 they made their regulations very restrictive and the Federal Trade Commission stepped in  
92 and had them change the regulations back. He asked that the Commission do the  
93 streamlining without changing the substance.  
94  
95

96 **Agenda Item 3 – Develop Strategic Plan, Regulation Review, per Department**  
97 **Request**

98 To Include but not limited to discussions on information provided from the Department and  
99 Director Sara Chambers, information on regulation changes provided from Texas, as well  
100 as discussion on committees under the management versus task forces, etc. – 3(a)  
101

102 Ms. McConnochie went over the Strategic Planning Meeting one-page sheet regarding  
103 who the Real Estate Commission is and their purpose and what the Texas Real Estate  
104 Commission's current concept is for occupational licensing reform.  
105

106 The Commission's purpose is to protect the public and to ensure licensees meet  
107 requirements of licensure and review discipline matters of action.  
108

109 Ms. McConnochie went over the power point presentation "Is it Government's  
 110 Responsibility? Rethinking regulation, risk and responsibility in state government", and  
 111 asked members questions regarding possible issues throughout the review.  
 112  
 113 The Commission discussed issues they believed need to be looked at for changes and to  
 114 be placed on their 2020 strategic plan.  
 115  
 116 Recessed for break at 12:45 p.m.  
 117 Reconvened at 1:00 p.m.  
 118  
 119 The Commission discussed the specific issues to place on their strategic plan.  
 120

121 **ALASKA REAL ESTATE COMMISSION STRATEGIC PLAN 2020**

<b>GUIDING PRINCIPLE</b>	<b>OBJECTIVE – how will we meet this guiding principle?</b>	<b>Who will complete this task?</b>
Protect the Consumer / Inform the Licensees	With agreement of the appropriate departments, upload informational videos done by appropriate personnel on: 1) how to file a complaint against a licensee and its process; and 2) if a complaint is filed against a license what the process is for that license. Additionally, provide best practices white papers on various topics as deemed appropriate on the website as approved by the Commission.	Staff & Investigator (Shyla & Autumn)
Protect the Consumer	Provide the Commission for consideration, what the Commission should have jurisdiction over in property management; i.e. financial responsibilities of the property owner or property manager. Then, provide next steps should the Commission agree to move forward with recommendations. And, provide a list of property management FAQs (frequently asked questions) for both licensed property managers and property owners, to review to put in the Commission website.	Property Management Committee of the Commission
Protect the Consumer	Refine and rework current processes, to increase the speed of actions to keep outside licensees or non-licensees from transacting business for which an Alaska real estate license or broker's license is required. Then, put this information on the Commission website and make sure it is easily accessible.	Commissioners Nelson & Pruhs, plus Shyla & Autumn
Protect the Consumer / Inform licensees	Define minimum standards, based on what other jurisdictions have successfully implemented, for team	Commissioner Nelson & McConnochie to provide information to staff

Inform licensees	advertising (i.e. the requirement to include brokerage information). Assist staff to clear up the following issues: <ul style="list-style-type: none"><li>• How “inactive status” is logged/started and the notification to the affected licensee</li><li>• How required education, for those who apply for license by endorsement, is defined and verified</li><li>• Provided a military spouse has a current license in good standing in another state, streamline the process when they apply for an Alaska real estate license</li><li>• Change how the Commission receives and disseminates license history; i.e. paper versus digital, or some other process</li><li>• Define and simplify the criteria for getting or upgrading an Alaska real estate license; i.e. referring to criminal history and what specifically constitutes a valid reason a license will not be given/upgraded and the timing since conviction or completion of sentence</li></ul>	Commissioner McConnochie & Staff (Shyla & Nancy)
Protect the Consumer / Inform licensees	Review all regulations and propose one major regulation change (clean up) which bring regulations into the 21 <sup>st</sup> century.	ALL

122

123

124 **Agenda Item 4 – Recess until Wednesday, March 25, 2020 at 9:00 a.m.**

125

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

127

128 **RESOLVED to recess until tomorrow, Wednesday, March 25, 2020 at**  
129 **9:00 a.m.**

130

131 **All in favor. Motion passed.**

132

133 The Commission recessed at 1:45 p.m.

134

135

136 **Wednesday, March 25, 2020**

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

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

140

141 **Roll Call – 1(a)**

142 **Members present via Zoom**

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143 PeggyAnn McConnochie, 1<sup>st</sup> Judicial District, Chairperson  
144 Margaret Nelson, Broker, Broker at Large, Vice Chairperson  
145 Jamie Matthews, Public Member  
146 Cheryl Markwood, Broker at Large  
147 David Pruhs, Broker, 4<sup>th</sup> Judicial District  
148 Jesse Sumner, Public Member  
149

150 Excused Absence:

151 Samuel Goldman, Broker, 3<sup>rd</sup> Judicial District  
152

153 Staff Present:

154 Shyla Consalo, Executive Administrator  
155 Nancy Harris, Project Assistant  
156

157 Staff Present via ZOOM:

158 Autumn Roark, Investigator for REC  
159 Ryan Gill, Investigator, Probation Monitor  
160 Amber Whaley, Investigator Supervisor  
161 Sharon Walsh, Deputy Director of CBPL  
162

163 Guests Present via ZOOM:

164 Errol Champion, Liaison for AAR, Juneau  
165 Joe Logan, Associate Broker, Herrington and Company, Anchorage  
166 Kassandra Taggart, Broker, Real Property Management Last Frontier, Anchorage  
167 Paddy Coan, Associate Broker, Keller Williams Realty, Anchorage  
168 Anita Bates, Associate Broker, Dwell Realty, Anchorage  
169 Kirk Wickersham, Broker, FSBO System, LLC, Anchorage  
170 Mark Masley, Salesperson, RE/MAX Dynamic Properties, Anchorage  
171 Brianna Gillespie, Senior Content Developer, PearsonVue,  
172 Joel Norris, Business Development Manager, PearsonVue  
173 Christine Nelson, Program Manager of Regulatory Services, PearsonVue  
174

175 Approval of Agenda for March 25, 2020-1(b)

176 Commission members reviewed the meeting agenda.  
177

178 Ms. McConnochie asked for 2 items be added to the agenda under New Business 7(c),  
179 Owner Builder information form, and 7(d), regulation updating.  
180

181 Ms. Consalo asked that under Old Business, agenda item 6(a) Fine Matrix be removed.  
182 She said with the transition to her new position, the new investigator and telecommuting,  
183 they will not be able to address this topic now and would like to address it at the next  
184 meeting.  
185

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

188 **RESOLVED to approve the meeting agenda for March 25,2020 as**  
189 **amended.**  
190

191 **All in favor; Motion passed.**  
192

193  
194 Statements of Conflicts of Interest -1(c)  
195 There were no conflicts of interests.

196 **Agenda Item 2 – PearsonVue Presentation; testing service for the AREC**

197 Brianna Gillespie, Senior Content Developer; Joel Norris, Senior Business Development  
198 Manager; and Christine Nelson, Program Manager of Regulatory Services from  
199 PearsonVue (PV) gave a presentation to the Commission regarding Alaska REC business  
200 update, PV business update, content development and process, operational specific and  
201 project review, action items, and received questions.  
202

203 Mr. Norris gave his presentation first. He stated that PV is not testing until mid-April due to  
204 COVID-19. He said this is in line with national, state, and federal guidelines and will re-  
205 open testing once it is safe to do so. He said that PV provides 2 types of test sites, PV test  
206 sites (operated and owned by PV) and 3<sup>rd</sup> party test sites. 3<sup>rd</sup> party test sites are sites  
207 located in community colleges, universities, vo-tech schools, etc. Many of those facilities  
208 have also closed. Mr. Norris stated there is ongoing communication between the Program  
209 Manager, Christine Nelson, and their individual clients about decisions they are making  
210 and contingency plans they are putting together to support testing in the future. He said if  
211 testing resumes soon or around mid-April, they will provide PV test sites and petition 3<sup>rd</sup>  
212 party test sites for extended hours and additional days to accommodate the overflow. If the  
213 social restriction is continued for a longer period, they have considered other testing  
214 options. He wanted to assure people that PV was addressing the situation as a business.  
215

216 Ms. McConnochie stated that currently the regulation states that if a person passed their  
217 licensing education, they are required take the PV test within 18 months of receiving that  
218 certificate. What if someone put off taking the exam and now cannot take the exam and  
219 they are close to that 18-month period. Is there a way we can exempt them from that 18-  
220 month time?  
221

222 Ms. McConnochie asked Mr. Norris that once testing is reopened in AK how long did he  
223 think it will take to get back a normal testing schedule? Mr. Norris said they will extend the  
224 hours and add days for their PV testing sites and petition the 3<sup>rd</sup> party sites to also extend  
225 their hours and add testing dates to accommodate the overflow.  
226

227 Ms. Gillespie gave her portion of the presentation regarding the test development process  
228 to the Commission. Ms. Gillespie said the purpose of the real estate exam is to protect the  
229 public from incompetent practitioners. Exams must ensure that those committed to  
230 practicing real estate have the knowledge, skills, and abilities to do so. PV builds the exam  
231 with content that is reflective of the current industry practice and in line with rules and  
232 regulations. Applicants should have a basic knowledge of real estate and as they work in  
233 the field, they will gain more knowledge, skills, and abilities. They want to make sure  
234 candidates have the basic knowledge of what they need to do to complete those tasks  
235 necessary to protect the public on day one. Ms. Gillespie explained the life cycle of a test  
236 item (question) and how it is placed on the exam as pretest item before it is placed on the  
237 exam as a scored item. This occurs with the help of Subject Matter Experts (SME) vetted  
238 by the state.  
239

240 Ms. Nelson (Commission member) stated she heard concerns that the first or last five  
241 questions of the exam were questions made to mess up the candidate. Ms. Gillespie  
242 assured the Commission this was not true. She said pretest items are placed throughout  
243 the exam and would not be the first or last five questions on the exam.  
244

245 Ms. Nelson, from PearsonVue, gave her portion of the presentation regarding exam  
246 statistics to the Commission. She went over the statistics for testing volume by test center,  
247 by exam type, exam registration by source, pass rates, and candidate satisfaction surveys.  
248 She said Anchorage test sites do most exams, and 84 -89% of AK candidates register for

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249 the exam online. The pass rates for test takers is consistent for the salesperson and  
250 broker exams at 44 -46% for salesperson and 41% - 42% for brokers. The candidate  
251 satisfaction survey, although a bit more challenging in AK, showed that the numbers are  
252 not out of range of what PV normally sees.

253  
254 Ms. Nelson (Commission member) stated she thought the pass rates were low at 44% and  
255 asked if that was because the exam is to low, or if our educators are not teaching well?  
256 Ms. Gillespie said that PV monitors these figures closely. She said AK numbers are  
257 consistent with pass rates. If the numbers are too low or too high, they will work with SMEs  
258 to determine whether the difficulty of an item was appropriate or if it was too hard or too  
259 easy.

260  
261 Ms. Nelson (Commission member) had some concerns about candidates that take the  
262 exam many times before they pass. She said, as a Commission, they are trying to come  
263 up with different ways that they are not unduly keeping individuals from being licensed as  
264 they have been tasked to do with the current review of the real estate regulations. Ms.  
265 Gillespie said the goal of the exam is to turn people away. Is the exam really doing its job if  
266 75% of the people pass? What is the level they need to have to protect the public? If the  
267 pass rate is in the 20s or in the 80s, that will get her attention that something is not right.  
268 What is that knowledge level? She said she will work with SMEs around the state to  
269 determine where that level is.

270  
271 Break at 10:08 a.m.  
272 Reconvened at 10:15 a.m.

273  
274

275 **Agenda Item 3 – Public Comments**

276 Ms. McConnochie stated, and the Commission members agreed, that on the agenda it  
277 indicated public comment would begin at approximately 10:45 a.m.; however, the  
278 PearsonVue presentation was completed earlier than expected. Therefore, the  
279 Commission will allow public comment now, and if there is anyone who has public  
280 comments at 10:45 a.m., they would also allow public comment at that time.

281  
282 Paddy Coan, Broker manager for Keller Williams Realty - AK Group, asked the  
283 Commission to consider the suspension of the rule that a hard signature be required on  
284 the license to be able to transfer or terminate licenses due to the COVID-19. She asked if  
285 DocuSign could be used on the physical license. She said they would like as many people  
286 out of the office as possible, as they are trying to keep people safe. She said believed this  
287 would not harm the public, as DocuSign is used on their contracts. This would keep people  
288 from coming into the office and doing paperwork.

289  
290 Errol Champion, the liaison for the Alaska Association of Realtors (AAR), updated the  
291 Commission on the adoption of HB124, regarding remote online notarization. It will be  
292 transmitted to the Lt. Governor and, once it is signed, there will be regulations written. The  
293 anticipated effective date is January 1, 2021. The reason he brought this bill to the  
294 attention of the Commission is because the National Association of Realtors (NAR) is  
295 trying to get the Secured Notarization Act in the stimulus package. He said this would  
296 enable the ability to have remote online notarization viewed as a vital step as we deal with  
297 the corona virus.

298 Mr. Champion also updated the Commission on the status of HB310, regarding deadlines  
299 on utilities payment, rent/mortgage payments, evictions, and foreclosures. Input was  
300 provided by various utility companies and other property managers, and they are drafting  
301 changes to the original language of HB310. The changes are the same ones he discussed

302 with the Commission yesterday, regarding trust and verify. The utility companies (not  
303 discussed previously) have a lot of concerns with the deficit revenues and how this can be  
304 treated by the regulatory commission. He asked the Commission to keep watch on HB310  
305 with a revised bill coming out soon.  
306

307  
308 **Agenda Item 4 – Meeting Minutes**  
309 **December 18, 2019 - 4(a)**  
310

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

312  
313 **RESOLVED to approve the December 18, 2019 meeting minutes.**

314 Ms. Markwood had some corrections to the minutes. She stated that on  
315 page 5, lines 218-224, she was not the one who stated those things and  
316 would like that removed. Also, on page 4, line 160, she also did not make  
317 that statement, and she believes it was Ms. Nelson.  
318

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

320  
321 **RESOLVED to amend the December 18, 2019 meeting minutes as**  
322 **discussed.**  
323

324 There was no opposition to the amendments made to the original motion regarding the  
325 December 18, 2020 meeting minutes.

326  
327 Roll call for original motion: Ms. Nelson-yes, Ms. Markwood-yes, Mr. Pruhs-yes, Ms.  
328 Matthews-yes, Mr. Sumner-yes, Ms. McConnochie-yes.  
329

330 **Motion passed.**  
331  
332

333 **Agenda Item 5 – Committee Reports**

334 **Property Management Committee, best practices for consideration – 5(a)**

335 Ms. Nelson spoke to the Commission regarding the Property Management Committee and  
336 the great job they are doing to improve property management in the state. She introduced  
337 Ms. Cassandra Taggart, the Committee Chair, to present the Property Management  
338 Committee report to the Commission.  
339

340 Ms. Taggart presented the Commission with best practices for training for those working in  
341 property management, and would like it to be posted to the REC website for their  
342 consideration.  
343

344 She said the Property Management Committee is currently working on best practices for  
345 the handling of trust accounts and security deposits. That is currently in a draft form and  
346 will be presented to the Commission for consideration in the future. The next item that is  
347 on the Property Management Committee agenda is the statutes and regulations. Ms.  
348 Taggart said she will add to the Committee's agenda the vote from yesterday's meeting as  
349 part of the strategic plan. She said the March Committee meeting was canceled, there will  
350 be no meeting in April, and they will be back on track in May.

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

352  
353 **RESOLVED to adopt the Property Management best practices for**  
354 **additional training to be published on the REC website.**

355  
356 Roll call vote: Ms. Nelson-yes, Ms. Markwood-yes, Mr. Pruhs-yes, Ms. Matthews-yes, Mr.  
357 Sumner-yes, Ms. McConnochie-yes.

358  
359 **Motion passed.**

360  
361 Ms. McConnochie thanked Ms. Nelson and Ms. Taggart for all their work on the Property  
362 Management Committee.

363  
364 Education Committee, Guidelines for content within each new DCE course – 5(b)  
365 Commission members reviewed the guidelines for the 2020-2022 DCE topics provided by  
366 the Education Committee.

367  
368 **On a motion duly made by Ms. Nelson, seconded by Mr. Pruhs, it was,**

369  
370 **RESOLVED to approve the 2020-2022 DCE guideline**  
371 **recommendations.**

372  
373 Roll call vote: Ms. Nelson-yes, Ms. Markwood-yes, Mr. Pruhs-yes, Ms. Matthews-yes, Mr.  
374 Sumner-yes, Ms. McConnochie-yes.

375  
376 **Motion passed.**

377  
378 Ms. McConnochie thanked the Education Committee for all their hard work on the DCE  
379 guidelines. It is very much appreciated.

380  
381  
382 **Agenda Item 6 – Old Business**

383 Ms. McConnochie said the fine matrix will be moved to the June meeting for the  
384 Commission's discussion and review.

385  
386 Ms. Consalo asked that Commission members not use the fine matrix as a reference  
387 when they are reviewing cases, but to use case precedence provided to them by the  
388 investigator. The fine matrix needs to be revised, reviewed, and adopted by the  
389 Commission before it can be used when reviewing cases.

390  
391 **AREC Property Transfer Disclosure Form – 6(a)**

392 Mr. Pruhs addressed the AREC Property Transfer Disclosure form. He said not much has  
393 been completed on this, but he has several people from different industries that will be  
394 working with him on this form. He has not been able to get everyone together this winter;  
395 however, he said they will be getting together in June and hopes to have something more  
396 at the June meeting.

397  
398 Ms. McConnochie stated if he could have something available for the Commission at the  
399 June meeting, it would be appreciated.

400  
401  
402 **Agenda Item 7 – New Business**

403 **Regulation Revision, Instructor approvals 12 AAC 64.440(f) – 7(a)**

404 Ms. Harris presented the proposed regulation for revision regarding the expiration date of  
405 instructor certifications. Instructor renewals expire April 1<sup>st</sup>; however, in the regulation it  
406 states they expire March 31<sup>st</sup>, so this change would be to correct that. Ms. Harris also  
407 stated the notarized regulation is ready to go up for public comment, but stated if there

408 were other regulations needing changed, it could be done as one project. Ms. Markwood  
409 recommended the Commission do one regulation project with both changes if they are  
410 ready. Ms. McConnochie mentioned there would be additional upcoming regulation  
411 changes; however, putting these two out right now might be a good idea.  
412

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

414  
415 **RESOLVED to approve this regulation change for 12 AAC 64.440(f), as**  
416 **written and to put them forward as one project.**  
417

418 Roll call vote: Ms. Nelson-yes, Ms. Markwood-yes, Mr. Pruhs-yes, Ms. Matthews-yes, Mr.  
419 Sumner-yes, Ms. McConnochie-yes.  
420

421 **Motion passed**  
422

423 Discussion on meeting format for future in-person meetings – 7(b)

424 Ms. McConnochie stated that this issue was on the agenda for discussion when she  
425 thought that the Commission would be meeting in person to receive the members  
426 comments. She said the only discussion here was to ask the will of the Commission on  
427 their preference for the format of in-person meetings. The travel would be the same for the  
428 out of town members with an overnight stay. Her only concern was the amount of  
429 Commission business and getting that done in a one-day meeting. Her question to the  
430 Commission would be: do they have a preference on the format of the in-person meetings,  
431 two-day split or one day? The Commission was mixed as far as their preference but  
432 seemed to be at the will of the Commission. Ms. McConnochie suggested they revisit this  
433 issue in the fall, closer to their next in-person meeting and determine what is in the best  
434 interest of the Commission at that time.  
435

436

437

437 **Agenda Item 3 – Public Comments – Continued**

438 Ms. McConnochie stated it was 10:45 am and asked if there were any public comments.  
439

440

440 Ms. McConnochie hearing no one for public comments closed the public comment period.  
441

442

442 Owner Builder Exemptions form – 7(c)

443 Ms. Consalo spoke to the Commission regarding the Owner Builder Exemption form. This  
444 issue came up at the last AK State Home Building Association (ASHBA) meeting and  
445 there was concern from the ASHBA regarding real estate licensees representing  
446 owner/builders and not having a copy of the current Exemption from Regulation of  
447 Construction Contractors form when they are representing someone who is an  
448 owner/builder. If the owners/builders have completed this form, does the real estate  
449 licensee have one on file? The licensees would essentially be setting themselves up for  
450 possible liability because they could be representing somebody illegally if those folks don't  
451 qualify for that exemption. The form was recently revised and will be tracked by Mr. Joe  
452 Bonnell, Licensing Supervisor for the Construction Contractors Board. She said they want  
453 to let real estate licensees know if they are ever in the position where they are  
454 representing an owner/builder, they need to either check with Mr. Bonnell if an exemption  
455 form was submitted or print out an exemption form and have the owner/builder complete  
456 the form, submit it to the Department, and place a copy in the transaction file. Ms. Consalo  
457 said this is more of an informational thing for licensees to be aware of.  
458

458

459 Mr. Sumner asked the Chair for a ruling if he had a conflict of interest on this issue. He is a  
460 licensed contractor and his brother is the president of the Mat-Su Home Builders  
461 Association.

462  
463 Ms. McConnochie said there was no conflict of interest once he stated his possible conflict  
464 of interest and it was stated for the public.

465  
466 Mr. Sumner stated he thought what we were doing was a good idea.

467  
468 The Commission members asked that the Owner/Builder Exception form be placed on  
469 REC website and to include it on the next List Serv.

470  
471 Regulation Update – 7(d)

472 Ms. McConnochie stated that at the next meeting the Commission will look at probable  
473 regulations that need to be changed and make those changes. She said this will be  
474 ongoing line item on all future agendas for every meeting.

475  
476 Ms. McConnochie stated that there were two concerns she heard from the PearsonVue  
477 presentation and from the public comment of Ms. Coan due to the situation with COVID-  
478 19. The first was the closure of real estate examinations affecting those individuals that  
479 have an education certificate that could expire before testing resumes. The second was  
480 Ms. Coan's concern regarding allowing DocuSign or an electronic signature in place of a  
481 wet signature on licenses being turned in for transfers and terminations.

482  
483 **On a motion duly made by Mr. Pruhs, seconded by Ms. Markwood, it was,**

484  
485 **RESOLVED that due to the advent of the COVID-19 virus, candidates**  
486 **who have received a completion certificate for licensing education,**  
487 **the Commission extends the timeline for taking and passing the**  
488 **PearsonVue exam to 60 days after PearsonVue has reinstated**  
489 **testing.**

490  
491 Roll call vote: Ms. Nelson-yes, Ms. Markwood-yes, Mr. Pruhs-yes, Ms. Matthews-yes, Mr.  
492 Sumner-yes, Ms. McConnochie-yes.

493  
494 **Motion passed.**

495  
496 **On a motion duly made by Mr. Pruhs, seconded by Ms. Nelson it was,**

497  
498 **RESOLVED that due to the advent of the COVID-19 virus, the**  
499 **Commission will allow DocuSign or other electronic means for a**  
500 **signature, instead of a wet signature, on license transfers and**  
501 **terminations.**

502  
503 Mr. Pruhs made an amendment to the motion, seconded by Ms. Markwood, it was  
504 unanimously

505  
506 **RESOLVED that the motion is effective immediately and subject to**  
507 **approval of Division Director that we allow the use DocuSign or other**  
508 **electronic means for transfers and terminations of licenses.**

509  
510 Roll call vote for original motion: Ms. Nelson-yes, Ms. Markwood-yes, Mr. Pruhs-yes, Ms.  
511 Matthews-yes, Mr. Sumner-yes, Ms. McConnochie-yes.

512 **Motion passed.**

513

514 Ms. McConnochie asked staff to keep Commission members posted on emergency  
515 regulations and if there was any push back from the Department on implementing the first  
516 motion that allows candidates to go past the 18-month requirement of their pre-licensing  
517 education certificate, if necessary.

518

519

520 **Agenda Item 10 – Executive Administrator’s Report**

521 **Licensing and Education Report – 10(a)**

522 Ms. Harris presented the licensing statistics for the March 25, 2020. 62 new licenses were  
523 issued between 9/21/2019 through 12/31/2019. She said there were 2231 active licensees  
524 with an expiration date of 01/31/2022, 3 inactive licensees, 7 lapsed licenses due to non-  
525 compliance of PLE, 6 licenses returned at the date of this report, 3 license upgrades from  
526 salesperson to associate broker, 2 upgrades from salesperson to broker and 0 licensed by  
527 endorsement (holds an active license in another state). Ms. Harris stated that the renewal  
528 statistics as of today, 2370 licenses renewed, 362 had not renewed.

529

530 Ms. Harris spoke about the renewal and the new online process. She said this year  
531 licensees had go through their MyAlaska account to link their existing license and then  
532 renew their license. She said for most licensees the online renewal went smoothly;  
533 however, some licensees were having problems getting into the MyAlaska site. Several  
534 licensees applied for an initial license instead of renewing their license and had to be given  
535 a refund and still renew their license. Ms. Harris also stated there were still many licensees  
536 who renewed by hard copy.

537

538

539 **Agenda Item 9 – Investigative Report**

540 **Statistical Report – 9(a)**

541 The new REC Investigator, Autumn Roark, gave the Commission a brief introduction on  
542 her background before working for the REC.

543

544 Ms. Roark presented the investigation statistics for the reporting period of 11/19/19  
545 through 03/09/20 to include cases, complaints, and intake matters. The Division opened  
546 32 matters, and closed 25 matters since the last report. A total of 30 matters remain  
547 ongoing, under active investigation, or pending litigation.

548

549 **Probation Report – 9(b)**

550 Mr. Gill presented the probation report to the Commission. He said the date of this report  
551 is March 4, 2020. He said and there has not been a lot of changes with his report. Since  
552 his last report, 2 licensees have been released from probation, both were voluntary  
553 surrenders. There are currently 4 licensees on probation, with 3 out of the 4 in compliance.  
554 Mr. Gill said that the one licensee who is not in compliance is Stacy Hague. The last time  
555 he spoke with Ms. Hague, she said she would not be renewing her license unless EXP  
556 Realty takes her back. He said if that does not happen, then further action may be  
557 warranted.

558

559 **Licensing and Education Report – 10(a)**

560 Ms. Harris presented the education report for March 25, 2020. She reported that as of  
561 March 9, 2020, there were currently 11 pre-licensing courses, 4 broker upgrade courses,  
562 266 elective courses, 22 designated courses, and 70 post-licensing courses approved.  
563 There are currently 149 approved permanent instructors. Ms. Harris stated we are in  
564 instructor renewal period, and she is working on those.

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Break at 11:14 a.m.  
Reconvened at 11:25 a.m.

**Agenda Item 8 – Division Update**

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

Sharon Walsh, Deputy Director of the Division of Corporations, Business and Professional License presented the Division Update.

She presented the 1<sup>st</sup> and 2<sup>nd</sup> quarter of FY 2020. Ms. Walsh stated that currently the revenue was: \$198,486. For expenditures totals, there was non-investigative expenditures of \$63,651; investigative expenditures of \$44,663; direct expenditures of \$108,314; indirect expenditures of \$94,264 (this includes internal administration, department, and statewide costs); and the total expenditures of \$202,578. There was a total surplus of \$778,063. She said she does not know how much revenue has captured the renewal, but the bulk of it will be coming in on the next quarters report.

**Recovery Fund Balance Report – 10(b)**

Ms. Walsh presented the Recovery Fund Balance report to the Commission. She said, looking at the Statement of Net Positions, the total liabilities and fund balance for the FY ending 6/30/2019 was \$277,675. That does not represent any renewal fees coming into that fund.

The Commission members had some concerns with the Recovery Fund. Some of their concerns were that the Project Assistant position was being paid out of the Recovery Fund and if that could be changed; and how to recoup funds from individuals that are no longer licensed but had a recovery fund against them. How do they replenish the recovery fund? There were discussions on the history of the Recovery Fund; the statutory authority for the Project Assistant position to be paid from the Recovery Fund; how difficult it would be to have that position changed to be paid from the REC general fund; looking into changing the Recovery Fund claim limits to a tiered system based on the type of license; and having the Department of Law provide an opinion on recouping Recovery Fund money from approved claims on individuals who are no longer licensed.

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

**RESOLVED that Department of Law to look at what can be done to collect from people who are no longer licensed.**

Roll call vote for original motion: Ms. Nelson-yes, Ms. Markwood-yes, Mr. Pruhs-yes, Ms. Matthews-yes, Mr. Sumner-yes, Ms. McConnochie-yes.

**Motion passed.**

**Agenda Item 11 – Commission Members Comments**

Ms. Nelson commented on the great work that was done at this meeting and said she likes this ZOOM format and how it has been working. She wished everyone safe and good health.

Mr. Pruhs also said it was a good meeting. He said he has some work to do, and he will hopefully see everyone in June.

618 Mr. Sumner said it was a good meeting and will see everyone in June.  
619

620 Ms. Matthews said she echoed the comments of the other Commission members. She  
621 said it was great to actually video conference in. She said with each meeting she  
622 appreciates more of real estate and what you do as a public member. She complimented  
623 Ms. McConnochie on doing a great job on facilitating the strategic plan and the meeting  
624 today. She thought it was nice, efficient, and well done.  
625

626 Ms. Markwood concurred with the other Commission members. She said the meeting went  
627 well. ZOOM has worked well. Having two days of meetings with so much to accomplish,  
628 the members should pat themselves on the back; thank you so much for putting through  
629 the strategic plan. These are trying times for all of us, especially our industry. She  
630 commended everyone for being able to be at this meeting and getting all the work done  
631 today. She especially thanked the staff for being in the office and coordinating this meeting  
632 during these trying times. She agreed with the other Commission members that the format  
633 today and yesterday worked well, and she thinks the Commission members are still  
634 getting used to each other and their roles as Commissioners. She said she feels good  
635 about the work that is being done and is proud to work with everyone and thanked them  
636 for their hard work.  
637

638 Ms. McConnochie said she has been in contact with Mr. Goldman, and he apologized for  
639 not being here. She said she wished him a speedy recovery and looks forward to seeing  
640 him at the June meeting. She also wanted to thank and welcome Ms. Roark. She said that  
641 Ms. Consalo had spoken highly of her and looks forward to having her on board. She  
642 thanked Ms. Harris for being the stalwart and for keeping us on track. She welcomed Ms.  
643 Consalo, and said she knows there is a steep learning curve but we are all here to help  
644 her out. She said she would also like to thank each of the Commission members for all  
645 their hard work they put into yesterday. She said she sent the final version of the strategic  
646 plan to Ms. Harris and asked that she place it into OnBoard for everyone to look at. She  
647 thanked Ms. Nelson for her help with the wordsmith of one of the topics, that was very  
648 helpful and much appreciated. She said she is glad the strategic plan is completed  
649 because this is what the Commission will look at every meeting and work on. Since the  
650 Commission is working well together, she said they will get these topics accomplished for  
651 every single and would-be licensee and what we are doing will affect the consumer. She  
652 said she really appreciated all the hard work. She said be healthy, safe, and she looks  
653 forward to seeing everyone at the June meeting.  
654

655

656 **Agenda Item 12 – Adjournment**

657

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

659

660 **RESOLVED to adjourn.**

661

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

663

664 Meeting adjourned at 12:17 p.m.

665

666 The next meeting will be held June 17, 2020 in Anchorage.

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Prepared and submitted by:  
Real Estate Commission Staff

Approved:

PeggyAnn E.  
McConnochie

Digitally signed by PeggyAnn E.  
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PeggyAnn McConnochie  
REC Chairperson  
Alaska Real Estate Commission