

Sarah Palin, Governor  
William C. Noll, Commissioner  
Rick Urion, Director

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## Message From the Executive Administrator

Sharon J. Walsh  
Executive Administrator



The Real Estate Commission has two types of education requirements: Continuing Education (CE) and Post Licensing Education (PLE).

Continuing Education (CE) is a statutory mandate that requires all real estate licensees, regardless of whether they have an "active" license or an "inactive" license, to complete 20 hours of continuing education. The Commission specifies each renewal period 8 of those credit hours as Designated Continuing Education (DCE).

The remaining 12 credits are from the pool of Elective Continuing Education (ECE). The 20 hours of CE must be completed before you can renew your license. The renewal deadline isn't until January 31, 2008 –so pace yourself accordingly.

The Division of Corporations, Business and Professional Licensing conducts a random audit of your continuing education each renewal period and the fines have increased to a maximum of \$2,500.00 per violation and \$50.00 for each credit hour of CE that you are short.

Post-Licensing Education (PLE) For those of you who have been issued a license after January 1, 2006, there is an additional education requirement. If you are a new Salesperson or if you upgraded your license from a Salesperson to an Associate Broker/ Broker after January 1, 2006 then, you must complete 20 hours of PLE for either your Salesperson or Associate Broker/Broker license. This is a time sensitive requirement, in that you must complete 20 PLE hours within 12 months from the date of your initial issuance of your license.

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## Commission Location

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ak.us/occ/prec.htm

## OUR MISSION

The mission of the Alaska Real Estate Commission is to protect the public interest by licensing practitioners and enforcing the established standards, to promote professional excellence in the real estate industry, and to support and encourage licensees.



## COMMISSION MEMBERS

Barbara Ramsey  
Associate Broker  
3rd Judicial District

Roger A. Stone  
Broker  
1st Judicial District

Gene DuVal, Chair  
Broker  
4th Judicial District

David Somers, Vice Chair  
Broker At Large

Rita Wilson, Education Liaison  
Broker at Large

Bradley J. Fluetsch, CFA  
Public Member

Tim Worthen  
Public Member

## Message From Commission Member

Barbara Ramsey



### Letter to Brokers

The third quarter Real Estate Commission (REC) meeting was held September 20th and 21st at the Best Western Lake Lucille Inn in Wasilla, Alaska.

Due to the number of decisions made at the meeting that, we thought the best way to get the information out to all licensees was through the brokers through the following brief recap:

### Continuing Education Audit

Numerous memorandums of agreements were brought before the commission as a result of the continuing education audit conducted just after the 2006 license renewal. These licensees received varying fines of up to \$2,500 with additional fines of \$50 for every credit hour they were missing. Most also received letters of reprimands that will be placed in their license files.

### New regulations effective August 31, 2006 – (a complete copy is available upon request).

- 12 AAC 64.095 – Real estate activities of unlicensed persons – outlines some, but not all, of the activities your unlicensed assistant can perform.
- 12 AAC 64.240 – Broker commission – amended to clarify what documentation was needed prior to paying a referral fee.
- 12 AAC 64.325 (c) – Finding and Conclusions – amended to change the \$10,000 surety fund claim to \$15,000 to conform to the change in statutes.
- 12 AAC 64.500 - Continuing Education – amended. Minor changes to acceptable topics that qualify for continuing education credits.

### Licensees managing investment property without going through their brokers.

- Property management violations have generated a number of surety fund claims and complaints. It has come to the REC's attention that there maybe many more unreported violations. The REC wanted to make certain that all brokers were aware of the following:
- The same rules apply to licensee's who manage their own investment properties as those who manage client's properties – everything must go through the broker. For specific statutes and regulations see the following:
  - AS 08.88.071 (a)(3)(A)(H);
  - AS 08.88.161;
  - AS 08.88.331
  - AS 08.88.341
  - AS 08.88.351 (a)(1)(3)
  - 12 AAC 64.220 (b)(c)(d)
  - 12 AAC 64.550
  - 12 AAC 64.560

### Compliance with the Consumer Pamphlet.

- The intent is to encourage compliance as mandated by state law through the following:
  - Visit office and randomly review broker's and licensee's files
  - Reviewed files will consist of closed, pending, listings and active buyer files -(where applicable)
  - To also check compliance of 08.88.685 – policy available to public

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## COMMISSION STAFF

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is published by the  
Alaska Real Estate Commission  
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## Disciplinary Actions

### Sang Kang

Case #3004-05-017: On December 1, 2005, Real Estate Salesperson Sang H. Kang pled guilty to one felony count of aiding and abetting another in the Unlawful Use of an Access Device (credit card) in United States District Court for the District of Alaska (case number A05-075-01CR). According to the Plea Agreement, Sang Kang opened a Visa credit card account in the name of an acquaintance without that individual's knowledge and/or authorization. Sang Kang listed himself as an authorized user of the credit card. Over a period of ten months, Sang Kang and his wife used the credit card to charge purchases in excess of \$14,000.

Upon learning of Kang's guilty plea in the criminal case from an article in the Anchorage Daily News, Kang's employing broker immediately contacted the Real Estate Commission, terminated Kang's employment and turned his license in to the Commission.

On December 20, 2005, Kang signed a voluntary license surrender, which was approved by the Real Estate Commission.

### Sandra Nunes

Case #3004-05-016: Sandra Nunes has entered into a Memorandum of Agreement with the Division following an investigation involving allegations that she falsified a gift letter to a financial institution and assisted a client to commit loan fraud during the course of a real estate transaction.

During the summer of 2005, Ms. Nunes represented a client in a home purchase. When the client applied for a home loan, they listed a motor vehicle as an asset and reported that the loan balance for the auto had been paid in full. A gift letter was produced when the loan officer questioned the origination of the funds used to pay off the debt. The gift letter stated that another individual (a previous client of Ms. Nunes) had paid off the loan balance. The home loan was approved and the real estate transaction closed.

The loan file in question was selected for a random audit. During the audit process, the individual listed on the gift letter was contacted to verify the representations stated in the gift letter. That individual indicated that the information contained in the gift letter was false, as they had not purchased the vehicle or given the person a monetary gift.

Following the audit, Ms. Nunes' broker contacted the Real Estate Commission and reported that Nunes had confessed to him that she and one of her clients had committed loan fraud during the course of a real estate transaction. The broker reported that Nunes had told him that she had paid off the automobile loan balance so that her client would qualify for the home loan. Once the real estate transaction was completed, Nunes and her client "undid" the vehicle purchase and the client resumed possession of the car as well as the loan payments for the vehicle.

Under the terms of the Agreement, Ms. Nunes received the following licensing sanctions: a one year license suspension, a \$5,000 fine with \$2,500 suspended, 21 credits of additional education imposed, a formal reprimand, an audit of all past transactions conducted in 2005, and a 2-year license probation once she returns to practice.

### Dean A. O'Malley

Case #3004-04-003: REC adopted Memorandum of Agreement (MOA) at the 4/26/06 REC meeting. Case involved an allegation of failure to disclose a structural defect in a residential sewer line. MOA required O'Malley pay a \$1,000 fine and complete an education course regarding disclosure.

### Robin E. Ward

Case #3000-04-001: REC adopted Ward's "Agreement Not to Renew or Reactivate License" at the 6/12/06 meeting. Case involved allegations of dal agency violations; failure to disclose in writing the amount of compensation paid to another licensee in the transaction; and failure to disclose to her clients on two separate occasions that they had the opportunity to withdraw their purchase offer without penalty.

*- Continued on Page 4*

*(Disciplinary Actions- Continued from Page 3)*

Wesley M. Nakamoto

Case #3004-06-006 & #3004-06-015: REC adopted Nakamoto's voluntary surrender at the 9/20/06 meeting. Cases involved licensee working outside of his broker's supervision by engaging in a "silent wrap" transaction without his broker's knowledge or review and collecting rents and deposits on properties owned by the licensee without conducting that activity through his broker or a licensed property manager.

Janice K. Rednall

Case #3004-04-015: REC adopted Memorandum of Agreement (MOA) at the 10/12/06 REC meeting. Case involved one transaction where the licensee accepted payment of commission directly from her client without first submitting the payment to her broker and another transaction where the licensee allocated a portion of her commission to the buyer's closing costs. MOA required Rednall pay a \$500 fine, complete an education course, and was placed on license probation for six months.

Erwin N. Moser

Case #3000-03-003: On October 3, 2006, the Alaska Superior Court upheld the REC's adoption of the hearing officer's proposed decision in this case (decision was adopted by the REC at their 6/13/05 meeting). This case involved Moser's failure to disclose on a renewal application that he was named as a defendant in a lawsuit. Following an administrative hearing and an appeal to the Superior Court, Moser was ordered to serve a 60-day suspension, pay a \$2,000 fine, complete a 2-hr ethics course, and was placed on license probation for one year.

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*Message from Commission Member Barbara Ramsey - Continued from Page 2*

The Top Ten Complaints

- The REC asked the investigator to compile a list of the most common complaints they receive. A complete copy of the report is available upon request.
  1. Misrepresentation
  2. Mishandling Trust Accounts
  3. Disputed Earnest Money Deposits
  4. Disputes over Contract Acceptance
  5. Loan Fraud
  6. Conflict of Interest
  7. Discrimination
  8. Records Violations
  9. Lack of Communication
  10. Code of Ethics and Standards of Practice Violations

Predatory Lending and Loan Fraud

The REC will work closely with other agencies regarding the concerns over licensees participating, either wittingly or unwittingly, in predatory lending or loan fraud. Education will be a major component to alerting licensees of these pitfalls. REC hopes to have an AHFC course approved for continuing education soon.

## Meet Commissioner David Somers



Dave arrived in Alaska in 1980 and received his real estate license in 1984. He upgraded to his associate broker license a few years later and opened Somers and Associates Realtors in 1991. Dave is

still active in listing and selling residential and commercial properties in the greater Fairbanks area as well as managing his own real estate investment portfolio. He has served on a number of local non-profit boards and currently serves on the Board of Directors of both the National Association of Realtors and the Alaska Association of Realtors. Dave is a two time recipient of Fairbanks Realtor of the Year and has also been named Realtor of the Year for the statewide Alaska Association of Realtors. Dave has also served as the local and state association president.

Dave formerly worked as a professional chef and dabbled in antique dealing. For the last ten plus years he has been involved in IMCA, Sprint and stock car racing. His wife thinks he has retired from racing, but Dave says the jury is still out on that issue. When they can find time, Dave and his wife Judy like to spend time at their cabin or traveling to someplace warm.

Dave was named to the Alaska Real Estate Commission on May 2003.

## Planning Ahead

The Commission recommends that if you are a broker of a small office or an independent broker you may want to consider appointing a personal representative to close out your office in case you become incapacitated.

If you do decide to appoint a personal representative please notify the Commission in writing so that a copy can be placed in your office file.

Planning ahead provides peace of mind in ensuring that your office affairs are handled appropriately.



### Did You Know?

Did you recently place your real estate license in a referral office? If so, the Commission still considers you an active licensee.

Your license is not in an inactive status unless you have completed the necessary forms and paid the appropriate fees. Contact the Commission for more details.

### AREC ListServ

Have you signed up for the AREC list serv yet? It's a great way to stay informed with Commission news. Subscribe to the Alaska Real Estate Commission electronic mailing list and receive: meeting minutes agendas, notice of proposed regulations, and quarterly newsletters.



### Upcoming Meetings

Mark your calendars for the next Real Estate Commission meetings:

March, 2007  
Juneau

June, 2007  
Fairbanks

### *In Memorium*

*The Commission would like to express condolences to those close to these members of the Alaska real estate family who have recently passed away.*

*Carol Jensen, Wasilla  
John Vincens, Anchorage  
Ken Wardell, Homer*

*To live in hearts we leave behind  
Is not to die.  
~Thomas Campbell, "Hallowed Ground"*

If you would like to have information posted in the AREC Newsletter concerning dates and times of upcoming courses, please send an email to: [nancy\\_harris@commerce.state.ak.us](mailto:nancy_harris@commerce.state.ak.us)



(Message from Executive Administrator - Continued from Page 1)

Once you complete the 20 hours you need to submit the form, "Affidavit of Post Licensing Education" and provide a copy of your certificate(s) showing 20 hours of PLE and submit a \$30.00 fee for processing. The Commission office will then issue you a new license without the restrictive language.

PLE courses are offered around the State. If you are a member of Realtors call your local board to locate the closest one and the dates it will be offered. There are a few course sponsors who offer the PLE course via correspondence course. Call or email us at the Commission if you are looking for this type of delivery method or if you have any questions or concerns.

It is your responsibility, as a real estate professional to review your education certificate to make sure the information on it is accurate. Course sponsors may get information mixed up. If you are taking a course for PLE and the certificate issued to you has ECE or DCE then you need to have the instructor provide you with a corrected certificate. This is a good time to take inventory, before the start of the new year and verify where you are at for continuing education credits.

Don't forget our next meeting is December 14, 2006 in Anchorage at the State of Alaska Atwood Building Suite 1860. The meeting starts at 9:00am and we welcome and encourage all licensees to stop in and provide the Commission with comments or concerns.

Happy Holidays!  
All the best to you in 2007.

### Alaska Real Estate Statistics

05/18/06 - 09/11/06

#### New Issues

New Salespersons: 124  
Broker Upgrades: 12  
License by Endorsement: 7

#### Active Licensees to Date

Salespersons: 1624  
Associate Broker: 410  
Broker: 480

## New Regulations

*(Changes italicized and underlined)*

### REGULATIONS EFFECTIVE AUGUST 31, 2006

#### 12 AAC 64.063. MINIMUM EDUCATION REQUIREMENTS FOR LICENSURE.

- (a) All real estate education courses used to qualify for initial licensure must
- (1) meet the requirements of 12 AAC 64.400 - 12 AAC 64.470 *and this section; and*
  - (2) have been completed within the 18 months immediately preceding the date of application, *except that the real estate education courses used to qualify for initial licensure by endorsement must have been completed within the 24 months immediately preceding the date of application.*
- (b) To meet the real estate education requirements for licensure under AS 08.88.171(a) or (b), an applicant for a broker or associate broker license must document completion of the following contact hours of education in the following topics:
- (1) disclosures - four contact hours;
  - (2) broker supervision requirements and record keeping - four contact hours;
  - (3) *trust accounting procedures - five contact hours; and*
  - (4) *organizing and managing a real estate office - two contact hours;*
  - (5) repealed 2/12/99. -

The Alaska Real Estate Commission will be closed to commemorate the following holidays:

December 25, 2006  
(Christmas Day)

January 1, 2007  
(New Year's Day)

January 15, 2007  
(Martin Luther King, Jr's Day)

February 19, 2007  
(President's Day)

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12 AAC 64.063. MINIMUM EDUCATION REQUIREMENTS FOR LICENSURE- Continued

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

- (1) licensee relationships, disclosure, and conflict of interest - three contact hours;
- (2) forms of ownership - two contact hours;
- (3) property law, public and private rights and limitations - two contact hours;
- (4) forms of conveyances and recording of documents - two contact hours;
- (5) contracts and transaction documents - four contact hours;
- (6) financing instruments and accounting principles - three contact hours;
- (7) Alaska real estate license law and Alaska landlord tenant law - three contact hours; and
- (8) federal fair housing and RESPA laws - one contact hour.

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

- (1) course title and commission course approval number, if applicable;
- (2) course sponsor;
- (3) number of contact hours; and
- (4) instructor of the course.

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

(f) A licensee is responsible for maintaining adequate and detailed records, including course certificates or transcripts, showing completion of education courses claimed, and shall make the records available to the commission upon request. Records must be retained for three years after the date a course was taken.

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

- (1) one contact hour equals a minimum of 50 minutes of instruction;
- (2) one academic semester credit hour equals 15 contact hours;
- (3) one academic quarter credit hour equals 10 contact hours.

Authority: AS 08.88.081 AS 08.88.091 AS 08.88.171

12 AAC 64.095. REAL ESTATE ACTIVITIES OF UNLICENSED PERSONS.

(a) A real estate licensee may not employ an unlicensed person to perform activities for which a real estate license is required under AS 08.88 and this chapter. A real estate licensee may not employ an unlicensed person to perform any of the activities in AS 08.88.161, including one or more of the following:

- (1) hosting an open house, kiosk, or home show booth;
- (2) showing a property;
- (3) explaining or interpreting a
  - (A) contract of purchase and sale; or
  - (B) listing contract or property management contract, or any other form of service agreement.

(b) A real estate licensee may employ an unlicensed person to perform administrative, bookkeeping, clerical, and maintenance tasks related to real estate for which a real estate license is not required under AS 08.88 and this chapter, including

- (1) to answer the phone, take messages, and forward calls to the licensee;
- (2) to schedule appointments for the licensee; activities allowed under this paragraph do not include telephonic solicitation, or soliciting business on behalf of the licensee;
- (3) to obtain public information from a courthouse, municipality, or other source of public information;
- (4) to place or remove signs on property;
- (5) to input data for listings and changes to a multiple listing service as approved by the licensee;
- (6) to have keys made for property listed by the licensee;
- (7) to unlock a property so that it may be viewed or shown by a licensee, remain during the viewing or showing, and relock the property;

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12 AAC 64.095. REAL ESTATE ACTIVITIES OF UNLICENSED PERSONS.

- (8) to draft advertising copy, promotional materials, and correspondence for approval by the licensee;
- (9) to place advertising;
- (10) to act as a courier;
- (11) to fill in contract forms with business and factual information as directed by the licensee;
- (12) to witness signatures;
- (13) to assemble file documents;
- (14) to follow up on a transaction after a contract has been signed by arranging access to property for an appraiser, contractor, inspector, or other service provider as needed;
- (15) to record and deposit trust funds, including transaction deposits, security deposits, and rents;
- (16) to compute commission checks;
- (17) to monitor licenses and personnel files;
- (18) to perform office filing;
- (19) to order items needed for routine repair;
- (20) to perform or supervise maintenance, repair, or building trades work, and answer questions about that work; and
- (21) to provide security services.

Authority: AS 08.88.071 AS 08.88.161 AS 08.88.900  
AS 08.88.081

12 AAC 64.240. BROKER'S COMMISSION.

- (a) Each withdrawal of a broker's commission from a trust account must be separate and identified as to the specific transaction.
- (b) A broker shall withdraw his or her commission from a trust account within 15 days after the date that the transaction has been closed or otherwise settled.
- (c) A broker shall disburse from a trust account the fee earned for providing property management services. The disbursement must be made on a regular monthly basis after the collection of monthly receipts and disbursement of expenses for that management contract are completed.
- (d) A broker licensed under AS 08.88 may pay a commission to a person who does not hold a license under AS 08.88, but is licensed to perform real estate activities in another licensing jurisdiction, for assistance to the broker licensed under AS 08.88 in the performance of an act for which a license is required under AS 08.88. The broker licensed under AS 08.88 must obtain, and retain for a period of three years,
  - (1) a request from the person licensed to perform real estate activities in another licensing jurisdiction for payment of the commission; and
  - (2) a copy of an active, current real estate license for the person requesting the commission from the jurisdiction where the person is licensed to perform real estate transactions.

Authority: AS 08.88.071 AS 08.88.331 AS 08.88.401  
AS 08.88.081 AS 08.88.351

12 AAC 64.325. FINDINGS AND CONCLUSIONS.

- (a) After consideration of a claim, the commission will make written findings and conclusions in accordance with the provisions of AS 08.88.470.
- (b) The commission will furnish a copy of its findings and conclusions to the
  - (1) claimant;
  - (2) claimant's legal representative, if applicable;
  - (3) involved parties;
  - (4) involved parties' legal representatives, if applicable;
  - (5) real estate broker under 12 AAC 64.310(c); and
  - (6) real estate broker supervising an involved licensee at the time the commission makes its written findings and conclusions, if applicable.

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12 AAC 64.325. FINDINGS AND CONCLUSIONS.

(c) If interest is ordered to be paid on a claim of less than \$15,000, the interest will be calculated from the date of loss until the date of payment of the claim. However, total payment from the fund will not exceed \$15,000 per transaction, whether principal or a combination of principal and interest.

(d) When the commission awards payment of a claim from the real estate surety fund, the following information will be added to the license file of each licensee named in the findings and conclusions as responsible for the loss:

- (1) a copy of the findings and conclusions and the order adopted by the commission; and
- (2) proof of payment from the real estate surety fund to the claimant.

(e) When, as a result of the commission's findings and conclusions, the commission suspends a licensee's license, the commission will require proof of reimbursement of the surety fund by the licensee or an agreement between the licensee and the commission on the terms and conditions for reimbursing the surety fund under AS 08.88.071(b) before reinstating the license. The proof of reimbursement or agreement for reimbursement will be added to the licensee's license file.

Authority: AS 08.88.071 AS 08.88.081 AS 08.88.470

12 AAC 64.500. CONTINUING EDUCATION REQUIREMENTS.

(a) For the purposes of AS 08.88.091(d), the commission will accept only those continuing education courses that meet the real estate education standards of 12 AAC 64.400 - 12 AAC 64.470, including courses in the following subject areas:

- (1) licensee relationships;
- (2) closing transactions;
- (3) common interest ownership and resale certificates required under AS 34.08.590;
- (4) communications, negotiations, and real estate counseling skills;
- (5) repealed 6/28/97;
- (6) contracts;
- (7) energy conservation;
- (8) health, safety, and environmental issues, and compliance with 42 U.S.C. 12101 - 12213 (Americans with Disabilities Act of 1990);
- (9) fair housing and equal opportunity laws;
- (10) financing real estate;
- (11) foreclosure, judgments, and bankruptcy;
- (12) international real estate transactions;
- (13) land use, planning, zoning, and building codes;
- (14) legal descriptions;
- (15) listing responsibilities;
- (16) marketing property;
- (17) new construction;
- (18) prohibited conduct;
- (19) property disclosure and inspections;
- (20) residential property management;
- (21) property valuation;
- (22) real estate brokerage management;
- (23) real estate investment analysis;
- (24) real estate property law;
- (25) real estate license law;
- (26) securities;
- (27) title insurance and lien law;
- (28) trust account management;
- (29) trusts, estates, and probate;
- (30) ethical decision-making in real estate transactions;
- (31) community association management;
- (32) community association documents;
- (33) risk management;
- (34) Alaska landlord tenant law;

-Continued on Page 10

12 AAC 64.500. CONTINUING EDUCATION REQUIREMENTS - Continued.

- (35) customer client service;
- (36) commercial property management;
- (37) tax law and exchanges;
- (38) broker disclosure responsibility;
- (39) broker supervision;
- (40) broker trust account responsibility; and
- (41) organizing and managing real estate offices.

REGULATIONS EFFECTIVE NOVEMBER 18, 2006

12 AAC 64.118. CONSUMER PAMPHLET.

Before a real estate licensee provides specific assistance to a person, or when entering into a contract with the person to provide specific assistance, the real estate licensee shall provide the person with a copy of the commission's Alaska Real Estate Commission Consumer Pamphlet, dated June 2006, and adopted by reference.

Authority: AS 08.88.071 AS 08.88.171 AS 08.88.685  
AS 08.88.081

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

12 AAC 64.119. WAIVER OF RIGHT TO BE REPRESENTED.

A written consent that a neutral licensee obtains under AS 08.88.610 must be provided on the commission's form entitled Alaska Real Estate Commission Waiver of Right to Be Represented, dated June 2006, and adopted by reference.

Authority: AS 08.88.071 AS 08.88.171 AS 08.88.610  
AS 08.88.081

Editor's note: Copies of the Alaska Real Estate Commission Waiver of Right to Be Represented, adopted by reference in 12 AAC 64.119, may be obtained from the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing, Real Estate Commission, 550 W. 7th Avenue, Suite 1500, Anchorage, AK 99501-3567; phone: (907) 269-8162.

12 AAC 64.130. GROUNDS FOR REVOCATION OR SUSPENSION.

The following acts, in addition to those specified elsewhere in this chapter, are grounds for revocation or suspension of a license:

- (1) acting or failing to act as specified in AS 08.88.071(a)(3);
- (2) representing more than one party in a real estate transaction;
- (3) failing to account for, remit, or surrender any money, documents, or other property of value coming into the possession or control of the licensee in the course of a real estate transaction or unreasonably delaying the accounting for or disbursement of money, documents, or other property held by or which is the responsibility of the broker for parties in a real estate transaction;
- (4) failing to disclose information as required in 12 AAC 64.940;
  - (A) the listing contract;
  - (B) the receipt and agreement to purchase;
  - (C) the settlement statement;
- (5) being found guilty of forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or other similar offenses committed while licensed under this chapter; for the purpose of this paragraph, "being found guilty" means a guilty verdict by a judge or jury or pleading nolo contendere or guilty to any of these acts or having a hearing officer find that the licensee participated in these at a hearing held in accordance with AS 44.62 (Administrative Procedure Act);

12 AAC 64.130. GROUNDS FOR REVOCATION OR SUSPENSION - Continued.

- (6) advertising a property for sale, lease, or rent without first obtaining the written authority of the owner or the owner's authorized agent to sell, lease, or rent the property;
- (7) paying referral fees, sharing commissions, or otherwise compensating a person who is prohibited from receiving compensation under AS 08.88.401(b);
- (8) advertising to buy, sell, rent, lease or exchange any real estate without including in the advertisement the broker's business name registered with the department; this paragraph applies to all real estate advertised to the public including that owned by the licensee;
- (9) failing to disclose to all parties in a real estate transaction the fact that the licensee is licensed or failing to disclose the name of the broker or company under whom the licensee is licensed;
- (10) employing or using a third-party purchaser, purchasing through corporations, partnerships, or other entities or working through friends, relatives, or business associates in a way that profits the licensee with the effect, in whole or in part, of concealing the profit and the name of the interested licensee;
- (11) acting in violation of the provisions of AS 08.88;
- (12) accepting as earnest money anything other than cash unless the offered non-cash substitute is communicated to the owner before accepting the offer to purchase, and the acceptance of the non-cash substitute is identified as a non-cash substitute on the earnest money receipt;
- (13) failing to submit to the seller or the seller's agent all written bona fide offers received before the seller accepts another offer in writing and the broker has knowledge of the acceptance;
- (14) failing to disclose to a prospective buyer a known material defect regarding the condition of, or a known legal defect pertaining to, the offered real estate or interest in real estate;
- (15) engaging in or committing any act which is grounds for denying a license;
- (16) for a broker, permitting another person to use the broker's license, whether for compensation or not, enable someone other than the broker to establish or carry on a business for which a real estate license is required;
- (17) for a broker, allowing a salesperson to operate a real estate business without retaining control as the employing broker for the business;
- (18) establishing or carrying on a real estate business without a broker's supervision as required by 12 AAC 64.125;
- (19) being found guilty of violating local, state, or federal fair housing laws.

Authority: AS 08.88.071 AS 08.88.081 AS 08.88.401

12 AAC 64.500. CONTINUING EDUCATION REQUIREMENTS.

- (j) *An applicant for renewal who, at the time the license is due to lapse, has been licensed*
  - (1) *more than 90 days must complete 20 contact hours of continuing education consisting of the eight designated contact hours in topics identified by the commission under (b)(1) of this section;*
  - (2) *90 days or less is not required to meet continuing education requirements.*

12 AAC 64.930. PROPERTY DISCLOSURE FORM.

- (a) The form titled Residential Real Property Transfer Disclosure Statement, dated June 2006, is adopted by reference.

This form, prepared by the Real Estate Commission, presents the information required by AS 34.70 that a transferor of an interest in residential real property must disclose to a prospective transferee of the property before the transferee makes a written offer. Use of this form also complies with AS 34.70.050 regarding notice to the transferee to conduct investigations regarding convicted sex offenders residing in the neighborhood and whether there is an agricultural facility or operation in the vicinity.

- (b) For the purposes of this section, "residential real property" has the meaning given to the term in AS 34.70.200.

Authority: AS 08.88.071 AS 08.88.081 AS 34.70.050

**Changes to the Disclosure Form include:** Reducing the form from 9 to 7 pages, allowing for the Exemption and the Waiver forms to stand alone, these are formally pages 8 and 9. **The new form MUST be used effective November 18, 2006 on all listings.**