

**STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT
DIVISION OF OCCUPATIONAL LICENSING
REAL ESTATE COMMISSION**

MINUTES OF MEETING

JUNE 10 and 11, 2004

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Real Estate Commission was held June 10 and 11, 2004, at the Westmark Hotel in the Rampart Room, Fairbanks, Alaska.

Thursday, June 10, 2004

Call to Order/Roll Call

Chairperson Barbara Ramsey called the meeting to order at 9:32 a.m.

Members Present:

Barbara Ramsey, Associate Broker, 3rd Judicial District
Glenn Clary, Public Member
Larry J. Bauer, Broker, 1st Judicial District
Rita Stuckart, Associate Broker, Broker at Large
Susan Rainey, Associate Broker, 4th Judicial District, (via teleconference)
Bradley Fluetsch, Public Member
David B. Somers, Broker at Large

Staff Present:

Nancy Harris, Licensing Examiner
Sharon Walsh, Executive Administrator

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Guests Present (at various times):

Margo Mandel, Investigator
David Brower, Assistant Attorney General
David Stebing, Hearing Officer
Gene DuVal, Broker

Approval of Agenda

Agenda was brought forward for approval. Ms. Stuckart asked that a letter from Linda Cardoza be included as an amendment to the agenda.

On a motion by Fluetsch, seconded by Ramsey, and passed unanimously, it was

RESOLVED to accept the agenda with amendment .

Approval of Minutes

On a motion by Rainey, seconded by Fluetsch, and passed unanimously, it was

RESOLVED to approve the March 4, 2004 meeting minutes with minor changes.

Persons to be Heard (Tab 2)

Prior to accepting public comments, the Chair noted for the record that persons sign in before speaking and that the Board will not listen to any discussion of matters under litigation.

Gene DuVal, Broker with ReMax in Fairbanks, introduced himself. Mr. DuVal commented on Agenda Item 9(b) specifically about out-of-state brokers advertising properties within the State of Alaska over the Internet. Mr. DuVal filed a complaint with an investigator from the Division of Occupational Licensing and within days the advertisement was removed from the web site.

Information discovered by Mr. DuVal on transgressors is passed on to the real estate investigator for further action. Mr. Fluetsch asked Mr. DuVal whether it would be worthwhile to hire a person to surf real estate web sites for transgressors. Mr. DuVal recommended that an investigator spend a few hours a month looking at the web sites for transgressions. The Chair asked Mr. DuVal if listings were on the local MLS and Realtor.com. Mr. DuVal indicated that they were only on
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realtor.com. Mr. DuVal recommended that the investigator follow up with other state. Mr. Clary asked Mr. DuVal if he contacted the individual advertising the property and he had and also stated that he was a realtor in Fairbanks and asked if he was licensed in the State of Alaska. The individual stated he was not and subsequently hung up on Mr. DuVal. Mr. Somers asked Mr. DuVal if the person was a referral agent, Mr. DuVal indicated that this person was a selling broker. Mr. Fluetsch asked if Mr. DuVal was satisfied with the investigators handling of this complaint. Mr. DuVal said it disappeared and that Ms. Mandel (investigator) is busy. Mr. Somers commented that Agenda Item 9(b) was a concern about violations that take place in Alaska and that the licensee goes elsewhere. Chair commented that she thought it was the warning letters to the brokers 9(b). Mr. Somers indicated that the intent of 9(b) was discussed at the last meeting. Other comments by Mr. DuVal included Agenda Item 8(b) brokers requirement to have documentation on hand that the originator of a referral have a current out-of-state license. Pursuing regulations that would enforce brokers to have a current license in their state would curtail the referral companies from abusing real estate agents in the State of Alaska. Mr. Somers asked Mr. DuVal how many agents out there that send a referral fee out – do you check to see if the person receiving the check is licensed? Mr. DuVal claims there are very few.

Nancy Harris read the letter submitted by Linda FRIDAY Cardoza for the public record. Ms. Cardoza stated that she would like to make public that the lending practices of Lending Tree and its web partner lendingtree.com's advertisements appear to approach predatory lending practices. She is concerned that they may not be in compliance with Alaska law and would, therefore, like an investigation into this matter. She would like to see that lenders adhere to a level of professional scrutiny similar to REALTORS that will better serve the public. Mr. Bauer asked if the REC has the authority to oversee mortgage lenders. Ms. Harris stated they are not regulated at this time in Alaska. Mr. Fluetsch suggested that the REC write a letter to other state agencies such as Banking and Securities, Treasury, etc., to let them know REC is questioning lenders practices. Mr. Somers stated that it is a publicized practice that lending tree.com's policy is to go after a majority of commissions being paid out by using their affiliates to get referral fees on all commissions by finding those people first who come for their loans and then selling lists to real estate agents. This dovetails into what Mr. DuVal stated earlier and these people need to be licensed to comply with Alaska law. Or the other option is to change Alaska law to allow for this practice or enforce the law. Mr. Bauer asked Mr. Somers how national organizations deal with states that require mortgage brokers to be licensed? Mr. Somers didn't know the answer to that question. Mr. Clary asked for clarification on the term "predatory". Chair Ramsey addressed this. Mr. Clary then asked what is lending tree doing? Mr. DuVal still sitting in the gallery addressed this issue. Mr. Fluetsch commented that someone in Anchorage is offering interest only for 10 years allowing someone to get in for a very cheap price and then a balloon payment after the tenth year. Mr. Bauer commented that

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not all costs are disclosed and subsequently add hidden costs to the loan. An estimated closing statement isn't filled out. Other than writing a letter there is nothing that can be done at this time. Mr. Somers agreed with Mr. Bauer's last statement and commented that Mr. Fluetsch's interpretation of interest only isn't predatory lending as long as it's fully disclosed and that there are markets where the values are constantly going up but it gives someone a chance to get into a home. This is especially true for people with a credit score that are B paper. The State of Alaska requires if you are a state chartered entity, you have to disclose all fees up front. Mr. Clary asked if there was any education available to the public. Ms. Stuckart indicated that you have to be careful about fair trade and that they're not breaking the law in their state and that you have to make sure you're not prohibiting fair trade by saying we are concerned about people using outside lenders and the internet. Chairperson Ramsey commented that there have been a number of articles written trying to educate the public.

On a motion made by Fluetsch, seconded by Somers and passed unanimously, it was

RESOLVED to have REC send a letter to Alaska Housing Finance Corp and the Attorney General with a copy of Linda Cardoza's letter asking them to look into the matter.

Break: 10:13 a.m.

Reconvene: 10:15 a.m.

Findings and Proposed Decisions, Tab 3

Mr. Stebing joined the meeting via teleconference. Deliberations for the following Surety Fund cases included Bonham (S-23-003), Glenwood (S-23-006), West 38th (S23-007), Elmwood (S-23-008) and San Roberto (S-23-009). Porto (S-23-004) was also mentioned by Mr. Stebing, however, this deliberation took place at the previous board meeting in March 2004 and a decision had been reached then.

On a motion by Ramsey, seconded by Somers and passed unanimously, it was

RESOLVED to enter into executive session AS 44.62.310(c)(2), for the purposes of deliberation of Surety Fund cases listed above.

Staff was requested by Mr. Stebing to stay in the room and the public was excused. Members in deliberation with Mr. Stebing were: Clary, Stuckart, Fluetsch, Somers, Bauer, Ramsey and Rainey. Staff included Walsh and Harris.

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Out of Executive Session: 11:58 a.m.

On a motion by Rainey, seconded by Somers and passed unanimously, it was

RESOLVED to come out of executive session.

On a motion by Fluetsch, seconded by Somers and passed unanimously, it was

RESOLVED to table Surety Fund claims presented by Mr. Stebing.

S-23-003, S-23-006 through 009.

Investigator Report/Meeting (Tab 9)

Margo Mandel, Investigator, joined the meeting via teleconference. Ms. Mandel presented her statistical report with the number of cases opened and those closed to date. Ms. Mandel also presented the Commission with a litigation report. Attached to the report is an Agreement to Surrender of Real Estate License signed by Nancy L. Held on May 5, 2004. This is a result of Ms. Held being found guilty of three felony counts of HUD fraud.

On a motion by Rainey, seconded by Somers and passed unanimously, it was

RESOLVED to approve the Agreement to Surrender of Real Estate License by Ms. Held case numbers 3004-00-009, 3002-02-002 and 3002-02-003.

A Memorandum of Agreement was also presented by Ms. Mandel; this was an agreement signed by Licensee #S14565, James L. Prabucki. This is a formal reprimand and a fine for falsifying his licensure applications. Discussion centered on the Commission's ability to accept a Memorandum of Agreement (MOA) with a reprimand and a fine. Mr. Somers commented that staff has proper knowledge of and ability to make a recommendation on a MOA and would not put the Board in a position where they can't make a recommendation.

On a motion by Rainey, seconded by Somers and passed unanimously, it was

RESOLVED to approve the memorandum of agreement and

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fine with Mr. Prabucki, Case#3004-04-002.

**On a motion by Somers, seconded by Stuckart and passed
unanimously, it was**

**RESOLVED to accept a memorandum of agreement as a fine
and a reprimand per AS 08. 01.075(3)(4) and (8).**

Ms. Mandel also indicated that she received a letter from licensee Bonnie Mehner's attorney. The attorney was asking if Ms. Mehner's proposed curriculum satisfied the required four hours of continuing education two hours in conflict of interest and 2 hours in dual agency. The Board made no action and, therefore, gave tacit approval.

Lunch Break: 12:39 p.m.

Reconvene: 1:45 p.m.

Meeting with Assistant Attorney General (Tab 4)

Mr. Brower joined the meeting from Juneau via teleconference. Item 4(a), Current implementation of AS 08.88.263 License By Endorsement. When .263 refers back to 08.88.171 it brings the issue up that you have to have salesperson experience, but it doesn't require sale of real estate. Mr. Bauer commented that he met with the Assistant Attorney General David Brower and Barb Gabier to draft a statute recommendation for new language in the license by endorsement to resolve issue of salesperson experience. Ms. Harris commented that those people who are applying for license by endorsement often have difficulty showing history of prelicensing certificate so they will show proof of 20 hours of continuing education and this change of the statute will allow applicants to show active experience. The requirements now are, 3 hours of Alaska law, education at least 20 hours, or show proof of prelicensing certificate. Ms. Ramsey recapped the proposed statute change:

Draft for associate broker and broker language would stay the same and Salesperson license language would change to eliminate (a) and then everything else is the same. Salesperson license number (1) would stay the same, (2) would be only 2(b) proof of successful completion of education requirements and then 3, 4 and 5 and the last item 19 years of age.

Mr. Somers asked as to how to proceed with implementing this proposed change to the statute. Mr. Brower suggested that Ms. Gabier address the process. Ms. Gabier stated that this proposal be included in the Annual Report which will be submitted to the Governor in August. Within the department it will then work its way up the chain as a request. There is no guarantee that this will be one of the pieces of

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legislation that will be introduced by the Administration. The Administration can give feedback as to whether it's supported by the Administration and the Commission is then free to go find a legislator. Ms. Gabier said that its appropriate that the Commission go through this process first to get feedback from the Administration and the Annual Report would be notice of what the Commission is interested in doing.

A motion was made by Mr. Somers and seconded by Mr. Bauer to accept the draft statute recommendation for license by endorsement AS 08.88.263

Motion passed unanimously.

Ms. Ramsey asked Mr. Brower, if we were to pay out in a Surety Fund Claim and then find out that another 3rd party has responsibility is it possible that the Surety Fund can get reimbursed from that third party? Mr. Brower gave a short answer of no because there needs to be a claim against that licensee because of due process. If not a licensee the Commission doesn't have the authority to go after that person. Mr. Somers asked to rephrase the question, if a claim was paid out of the Surety Fund . And at a later date another licensee was found to be guilty in that same case would we be able to shift some of the burden of the blame to them? Mr. Brower said no, because the public files the claims in the Surety Fund. He also indicated that the Commission isn't precluded from having an accusation brought against a licensee.

Motion to move into Executive Session by Mr. Fluetsch seconded by Mr. Bauer, in accordance with AS 44.62.310(c)2 for purpose of reviewing cases.

Motion passed unanimously.

Executive Session: 3:04 p.m.

Out of Executive Session: 3:49 p.m.

Discussion of pay out of Surety Fund claims per limitations in AS 08.88.475. Mr. Brower discussed with members postponing paying claims when there are others pending. If the Commission becomes aware of others pending per AS 08.88.465 (e) the Commission can postpone consideration until after that proceeding. The Commission can ask staff, after a decision has been adopted on a claim, if there is another claim. Staff won't tell how many, and the Commission will then need to instruct staff what to do with the claim just adopted, if a pay out then how much or make another recommendation.

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At the meeting in March the record for Porto shows that the Board adopted a recommendation that Mr. Porto is entitled to payment and it doesn't state when or how much. Staff withheld paying Mr. Porto knowing that there were other claims against the respondent.

A motion was made by Mr. Clary and seconded by Mr. Somers to postpone paying Mr. Porto and other potential claimants of AS 08.88.475.

Discussion included Mr. Fluetsch speaking against the motion because the case was decided at the March meeting and not carried out by staff. Mr. Bauer and Mr. Clary both agreed that it wasn't fair to claimants to wait until all cases had been heard especially when there are large amounts of money and they have been waiting for a long period of time for a decision.

Motion to table previous motion by Mr. Fluetsch seconded by Mr. Somers; unanimously approved.

Motion made to go into Executive Session by Mr. Fluetsch seconded by Mr. Somers to review Hearing Officer's decisions.

Move to Executive Session: 5:00 p.m.

Out of Executive Session: 5:28 p.m.

Amendment of motion above by Mr. Clary and seconded by Mr. Somers to direct staff to pay only 50% of Mr. Porto's recommended award because of possible AS 08.88.475 issue. A final payout to be determined at another time.

RESOLVED to direct staff to submit request warrant for payment within 5 working days and only 50 % of Porto's recommended award because of possibility of 475 issue with final payment at later date not to exceed original award.

Motion passed unanimously.

Motion made by Fluetsch and seconded by Somers to untable findings of proposed decisions of Hearing Officer S-23-003; S-23-006, S-23-007; S-23-008 and S-23-009.

No objection noted.

Motion to made by Somers and seconded by Bauer to open up Surety
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Fund proposed decisions S-23-003 and S-23-006 through S-23-009 and adopt the recommendation of the Hearing Officer and direct staff to request payment of only 50% of the recommended award with no interest calculation at this time because of the possibility of AS 08.88.475 with final payment if any to be determined at a later date not to exceed the original award.

Discussion centered on who had control of the funds when licensee left the company of Pacific North Properties. Also, clarification on when to go into executive session to discuss and what can be discussed in open session that may impact future decisions. No decisions can be made in executive session. It would not be appropriate to open up discussion if future dealings are necessary.

Motion to table previous motion by Fluetsch and seconded by Somers.

Motion passed unanimously.

Motion to go into executive session by Somers seconded by Fluetsch.

Out of Executive Session: 5:28 p.m.

Motion to untable previous motion made by Somers seconded by Fluetsch.

Motion passed unanimously.

Liens & Judgements:

Liens and judgements were discussed by Mr. Brower before leaving the teleconference. Mr. Brower stated that if you have one claim against one licensee and you paid it out and he or she isn't paying it back, you can get a judgement through the Department of Law, based on the administrative decision from the Hearing Officer. The Commission can then have the Dept. of Law record that judgement and execute on that judgement against the licensees assets if they aren't entering into an agreement to pay back the Surety Fund.

Motion made by Mr. Fluetsch seconded by Ms. Stuckart to request staff to audit real estate trust account of Ken Downs and D & L, Inc dba Pacific North Properties and any other real estate trust of Ken Downs. Starting in January 2001 with property management funds received from S-23-003 through S-23-009.

Motion passed unanimously.

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Mr. Bauer asked if a person can have a broker's license as the designated broker of a company and be an associate broker of another office? Location for both broker and associate broker is the same. Commission members discussed and didn't think this was possible per AS 08.88.171.

Annual Report (Tab 5)

Draft was provided to Commission members to review. Statute change was recommended for AS 08.88.263 and asked that it be inserted into the report. Discussion of report and minor typo corrections were suggested. Change Goals and Objectives & Legislative Objectives show goal in 2004 and show it was achieved. Send Commission members through email corrected Annual Report before submitting to Department as final.

Examiners Report (Tab 6)

Nancy presented licensing statistics and specific issues relating to licensees: Frank Hobbs-applied for license upgrade as Associate Broker with a previous "yes" question that still needed to be approved by the Commission for this upgrade.

Motion made by Somers and seconded by Stuckart to accept the application upgrade for Mr. Hobbs from salesperson to Associate Broker.

Motion passed unanimously.

Mr. Nathan Jackson is an applicant with a "yes" question. Commission was asked to review file and make a determination if he could obtain his salesperson license. Mr. Jackson has not completed his probation period.

Motion made by Bauer seconded by Somers to deny application of Mr. Jackson for salesperson licensure.

Motion passed unanimously.

Motion made by Ramsey and seconded by Somers to accept and approve Licensing Examiners report.

Motion passed unanimously.

Break: 6:16 p.m.

Back on Record: 6:20 p.m.
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Barb Gabier provided information that the start time was listed only for the first day at 8:30am and a time was not specified for the second day of the meeting. Therefore, Commission did have the discretion to pick a start time for the second day of the meeting.

Motion made by Stuckart and seconded by Stuckart to accept the salesperson application education from the state of Colorado of Kristy Neely pending her reactivation as a licensee in Colorado.

Motion passed unanimously.

Motion made by Ramsey and seconded by Somers to adjourn meeting until tomorrow, at 8:30 a.m.

Motion passed unanimously.

Friday, June 11, 2004

Meeting reconvened: 8:45 a.m.

Roll Call

All present except for Rainey. She arrived later in the meeting.

Mr. Clary asked that the record reflect the Commission recognizes the contributions of former President Ronald Reagan, who is lying in state today.

Left off yesterday at Tab 6(d):

Ms. Harris presented the licensing issue of Mr. John Hook. She noted a pending claim in Florida and salesperson experience that reflects a break in experience. Started salesperson experience in Sept 1985 through 1993. Broker license in FL in April of 1999. She noted that this is where the break in service occurred. He needs to have 24 months of consecutive service according to our regulations.

Motion made by Bauer seconded by Somers to deny Mr. Hook his request of licensure by endorsement as a Broker. For lack of continuous salesperson experience which is 24 out of 36 months.

Motion passed unanimously.

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Gina Pelaia, an applicant for salesperson, has a "yes" question.

Motion made by Clary seconded by Bauer to accept Ms. Pelaia application for salesperson with the condition that she complete the remaining items required by staff.

Motion passed unanimously.

Ms. Harris asked the Commission if they would consider allowing a translator in the real estate exam.

**Motion was made by Clary and seconded by Bauer.
Motion was withdrawn.**

Motion made by Bauer seconded by Fluetsch for allowing assistance of a dictionary for anyone that has English as a second language to be used during the exam with no interior notes in the dictionary.

Discussion focused on being able to interpret real estate terms.

Motion failed by a vote of six. Mr. Bauer was the sole member to vote in favor of the motion.

Executive Administrator's Report (Tab 7)

Broker Manual draft was reviewed and members offered changes to be made. Changes were given to staff for revisions to the manual. HB 29 issues will be added to the manual. Staff indicated that this manual would be brought back with updates. It was asked that changes be in italics. Staff was asked to check if there are any new Enforcement Procedures since 1998, also if there are any new updates to the Fair Housing Act since 1988.

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Financial Reports

Ms. Walsh asked if members had questions on the Surety Fund or Real Estate reports. Contact information regarding how surety funds are invested is Phil Bennett with the State of Alaska. Surety Fund Case Report that was asked for in March was reviewed by members. Mr. Clary asked that another column be added to the spreadsheet to include the type of allegation. Mr. Somers asked that the statement "anything in excess of the \$500,000 in the Surety Fund go into the General Fund" be checked and clarified. He believes that the Department can't do this and that the REC would need to adjust the surety fund fees assessed each licensee to prevent this from happening.

Motion made by Fluetsch seconded by Ramsey to accept and approve the report from the Executive Administrator.

Motion passed unanimously.

Dave Somers directs Sharon Walsh to seek clarification regarding excess funds in Surety Fund, specifically, where the funds go when they exceed the upper limit.

On a motion duly made by Bradley Fluetsch, seconded by Barbara Ramsey and carried unanimously, it was

RESOLVED to accept the Executive administrator's report.

The Board recessed for break at 10:10 a.m.

The Board reconvened from break at 10:18 a.m.

Agenda Item 11 – Education Committee Report

Peggy Ann McConnochie, Chair of the Education Committee, joined the Board via teleconference and presented the Education Committee report.

On a motion duly made by Dave Somers, seconded by Larry Bauer and carried unanimously, it was

RESOLVED to approve new member, Angie Newby of Homer, to Education Committee.

Ms. McConnochie requested regulation changes concerning instructor approval and course approval.

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The Education Committee requests that the Board consider allowing instructors to receive CE credits for each course that they write and each course they teach the first time they teach it in each reporting period.

The Education Committee requests changes to course topics and titles:

#1 – Title from Agency Relationships to Licensee Relationships

#9 – “Fair Housing and Equal Opportunity Laws” – add verbiage “Diversity Training”.

#8 – Currently “Health Safety and Equal Opportunity Laws” – add “ADA Compliance”

#23 – Addition of Real Estate Math

#37 – Add new section – “Real Estate Technology and Computer Applications for Real Estate”

The Board queried Ms. McConnichie concerning specific details to and definitions of the changes made to the course topics and titles.

The Board discussed the merits of requiring CE instructors to test program participants as a way of ensuring that they have gained some measure of knowledge from the courses. The Board raised concerns as to how testing will effect the length of the programs, the types of programs required to test and the effects that testing will have on the instructors.

The Education Committee requests that the Board allow development of a Train the Trainer in response to House Bill 29. Program will be geared to instructors, licensees (at all levels) and brokers. Course will be one full day course in Anchorage and Fairbanks. Additional courses will be taught on the Kenai Peninsula and Southeast. The Education Committee with put the courses together for free.

On a motion duly made by Susan Rainey, seconded by Dave Somers and carried unanimously, it was

RESOLVED to accept the Education Committee report.

On a motion duly made by Susan Rainey, seconded by Dave Somers and carried unanimously, it was

RESOLVED to draft and research regulation change allowing instructors to receive CE credits for each course that they

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write and each course they teach the first time they teach it in each licensing period.

Board discussed Education Committee's recommendations for changes to various course topics and titles. Board members expressed concerns over additions of #23 Real Estate Mathematics and #37 Real Estate Technology and Computer Applications for Real Estate.

On a motion duly made by David Somers, seconded by Bradley Fluetsch and carried unanimously, it was

RESOLVED to accept modifications to approved CE topics as identified by the Education Committee with the exception of #37 (Real Estate Technology and Computer Applications for Real Estate).

On a motion duly made by Bradley Fleusch, seconded by Barbara Ramsey to amend modifications to approved CE topics as identified by the Education Committee to exclude #23 Real Estate Mathematics, it was

RESOLVED to deny Bradley Fluetsch's amendment to motion accepting modifications to approved CE topics as identified by the Education Committee to exclude #23 Real Estate Mathematics.

Roll Call

Those voting to deny the motion were:

Glen Cleary
Susan Rainey
Larry Somers
Rita Stuckart

Those voting to accept the motion were:

Dave Bower
Bradley Fluetsch
Barbara Ramsey

On a motion duly made by David Somers, seconded by Bradley Fluetsch and carried unanimously, it was

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RESOLVED to accept all 36 items as amended to the modifications made by the Education Committee.

The Commission recessed for break 11:35 a.m.

The Commission reconvened from break 11:44 a.m.

On a motion duly made by Bradley Fluetsch, seconded by Barbara Ramsey, to require testing for all continuing education coursework.

Discussion by Commission.

Motion to rescind.

On a motion duly made by Dave Somers, seconded by Bradley Fluetsch that the Commission refer back to the Education Committee the concern of a portion of some of the Commission members that testing should not take place for some of the continuing education programs, so that the Real Estate Commission could revisit it.

Discussion by Commission.

Clarification as to timeline for implementation of testing requirement and direction given to the Education Committee. What is the Commission mandating with the above motion?

The Commission discussed how a testing requirement would effect the current structure of classes i.e. changes to the teaching time, additional time for the instructor to grade the tests and forward certificates of completion to attendees.

AMENDMENT TO MOTION by Larry Bower, to include further discussion on how to implement the testing requirement is requested and more discussion encouraged by the Commission, with four supporting and two opposed,

RESOLVED to refer back to the Education Committee the concern of a portion of some of the Commission members that testing should take place for some of the continuing education programs. Further discussion on how to implement the testing requirement is requested and more discussion encouraged by the Commission.

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Commission discussed correction to Property Disclosure Form (Revision of the Web Site Address for the Sex Offender Registry).

Accuracy of web site link does not exist. Discussion as to a more direct measure to reach the web site and the best way for the public has the best possible way to access the specific information.

On a motion duly made by Dave Somers, seconded by Susan Rainey, to change AS 34.70 with revision on page 6 and 9 to remove the reference to “Hot Topic” and inject “Department of Public Safety” in its place and that the revision not be issued until a full review has been made of any inclusions to HB 29, it was

Discussion by Commission.

Fluetsch suggested amending changes to MOTION and striking verbiage from form. Suggestions by Commission member Cleary to link to page through REC web site. Ramsey asked for clarification of motion to include page 8 of form.

RESOLVED to change AS 34.70 with revision on page 6, 8 and 9 to remove the reference to “Hot Topic” and inject “Department of Public Safety” in its place and that the revision not be issued until a full review has been made of any inclusions to HB 29.

Board discussed Broker’s requirement to have documentation on hand that the originators of a referral have a current out of state license.

Possible methods that may be used to acquire documentation.

Definitions of finders fees and commissions.

On a motion duly made by Larry Bower, seconded by Dave Somers, with one member opposed, to change the regulations to state that with any commission paid to a broker out of state, the office must have a copy of the broker’s real estate license along with a letter requesting that the commission be paid on file, it was

RESOLVED to change the regulations to state that with any commission paid to a broker out of state, the office must have a copy of the broker’s real estate license along with a letter requesting that the commission be paid on file.

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Sharon Walsh discussed with the Commission the potential for meeting book to be on CD-ROM rather than in paper format.

Commission queried Sharon Walsh as to how the CD-ROM is created and if it user friendly and what set-up would be involved.

Commission hears comment from public attendee.

Commission discusses and comments on March 2003 AAG Opinion.

Commission recessed for lunch at 12:38 p.m.

Commission reconvenes from lunch at 1:15 p.m.

Agenda Item 12 – Legislation

HOUSE BILL 29

Dave Somers presents information regarding House Bill 29. Discussion concerning the new requirements associated with the description of new documentation that will need to be created.

Commission discussed the need to establish the policies and written guidelines (draft regulations) to develop the proper forms that will be needed to address the issues of House Bill 29.

Commission member requested that notification made to members statewide regarding the effects of House Bill 29, and discussed best possible methods of notification.

Commission directs Sharon Walsh to prepare newsletter to notify licensees concerning HB 29 and post information on the Real Estate Commission web site.

Staff requests that a Commission member be designated to work with staff to draft documents for public notice so Commission could review public comments at September meeting.

Larry Bower volunteers to work with staff to draft proposed regulation.

Rita Stuckart and Educational Committee will work on the pamphlet and other required forms.

**HOUSE BILL 418
SW/dgl/496sw
090204a**

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Dave Somers presents information to the Commission regarding House Bill 418. Commission discusses new requirements and changes.

Agenda Item 13 – ARELLO

Barbara Ramsey Reports to the Commission details from the April 2004 ARELLO Conference. She was impressed with the amount of information and classes that were available to attendees.

Chair would like to see Commission staff make regular updates to the ARELLO web site and use the ARELLO resources that are available.

Chair recommends to entire Commission that Alaska participates more frequently in future ARELLO conferences and utilize more ARELLO resources.

On a motion duly made by Bradley Fluestch, seconded by David Somers, and carried unanimously, it was

RESOLVED to accept ARELLO Conference Report from Chair Barbara Ramsey.

On a motion duly made by Bradley Fluestch, seconded by Susan Rainey, and carried unanimously, it was

RESOLVED to send 1 staff member and 1 Commission member to the ARELLO Annual Conference in Pittsburgh, Pennsylvania on October 2 – 5, 2004. Travel dates should be October 1 – October 6, 2004 so that they can attend the entire conference.

Additionally, a copy of Barbara Ramsey's ARELLO report is sent to Director Richard Urion demonstrating the importance of ARELLO conferences.

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Agenda Item 14 – Confirmation of September 2004 Meeting Date

September 14 – 15, 2004 in Anchorage, Alaska.

Agenda Item 15 – Collection of Forms/Reports

Travel Authorizations were completed and turned into staff.

Agenda Item 16 – Closing Comments

On a motion duly made by Barbara Ramsey, seconded by Dave Somers and carried unanimously, it was

RESOLVED to adjourn the Real Estate Commission meeting.

The meeting adjourned at 2:45 p.m.

Respectfully submitted:

Sharon Walsh, Executive Administrator

Approved:

Barbara Ramsey, Chair
Real Estate Commission

Date: _____