

***Annual Report
Fiscal Year 2008***

REAL ESTATE COMMISSION

July 2008



**DIVISION OF CORPORATIONS BUSINESS AND
PROFESSIONAL LICENSING**

August 14, 2008

Mr. Mark Davis, Director
Division of Corporations, Business and Professional Licensing
550 W. 7th Ave Ste 1950
Anchorage, AK 99501

Dear Mr. Davis,

Enclosed is the Annual Report of the Real Estate Commission for FY2008 to meet statutory requirements under AS 08.01.

This report contains information regarding the Commission's activities for the fiscal year as well as issues relevant to the regulations of the profession and the Commission goals for the future.

If you have questions regarding this report, feel free to contact me or the Executive Administrator, Sharon Walsh. We appreciate the privilege of serving Alaskans in our role as volunteer members of the Real Estate Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Gene DuVal". The signature is fluid and cursive, with a small dot at the end.

Gene DuVal
Chairperson, FY 2008
Alaska Real Estate Commission

REAL ESTATE COMMISSION

**Identification Of Commission
(As of June 2008)**

Name Mailing Address E-mail Address	Judicial District / Phone		Fax	Term Expires
	Work	Home		
Brad Cole ReMax of Wasilla Kristan Cole Team Branch 5131 E. Mayflower Lane Wasilla, AK 99654 E-mail: brad@bradfordcole.com	Associate Broker / 3 rd Judicial District 373-3575		376-6515	March 1, 2011
F. Lee Sherman 4361 South Santana Dr. Wasilla, AK 99654 E-mail: floyd.sherman@alaska.gov	Public Member 761-5625			March 1, 2011
David Somers Somers & Associates 711 Gaffney Road, Suite 100 Fairbanks, AK 99701-4662 E-mail: dsomers@alaska.net	Broker at Large 456-7653		456-7650	March 1, 2011
Gene DuVal, Chairperson ReMax Associates of Fairbanks PO Box 73404 Fairbanks, AK 99707 E-mail: duval@gci.net	Associate Broker / 4 th Judicial District 452-4363		452-1499	March 1, 2009
Roger Stone Alliance Realty Property Management LLC PO Box 5891 2204 Tongass Avenue Ketchikan, AK 99901 E-mail: trpm63@hotmail.com	Broker / 1 st Judicial 225-4108		225-0353	March 1, 2009
Christina Swires ReMax Properties, Inc. 4042 Kingston Dr. Anchorage, AK 99504 E-mail: cswires@remax.net	Associate Broker/ Broker at Large 276-2761		276-4429	March 1, 2012
Tim Worthen Premier Alaska Tours, Inc. 1900 Premier Ct. Anchorage, AK 99502-1113 Email: timworthen@msn.com	Public Member 279-0001		227-8562	March 1, 2011

Name Mailing Address E-mail Address	Judicial District / Phone		Fax	Term Expires
	Work	Home		

STAFF

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Executive Administrator

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269-1066

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Licensing Examiner

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Michele Wall-Rood
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 99501-3567
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Investigator

269-8186

269-8195

REAL ESTATE COMMISSION
NARRATIVE STATEMENT

The Alaska Real Estate Commission's Mission Statement:

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.

Real Estate Statute adding Post Licensing Education Requirements

HB413 was signed by Governor Palin in June 2008. This legislation extends the Alaska Real Estate Commission (AREC) for another 8 years. The new sunset date of the AREC is 2016.

HB357 was also signed by Governor Palin in June 2008. This legislation mandates that all licensees carry Errors & Omission insurance beginning March 1, 2010. The bill also allows for changing the Surety Fund to a Recovery Fund with the same effective date as E & O insurance.

Real Estate Regulations

The Commission worked on a variety of new and existing regulations.

New regulations:

Community Association Management 12 AAC 64.580: this regulation defines the terms and conditions of licensees managing a community association.

Online Course offerings 12 AAC 64.435: this regulation allows for the delivery of online continuing education courses.

Home Offices 12 AAC 64.128: this regulation defines the conduct of real estate business from a home office.

Revised regulations:

Minimum Education Requirements for Licensure 12 AAC 64.063

Minimum Requirements for Maintaining an Office 12 AAC 64.115

Office 12 AAC 64.110

Application for Course Certification 12 AAC 64.420

Continuing Education Requirements 12 AAC 64.500

Instructor Renewal 12 AAC 64.440 (c) (d) (f1, f2, f3)

Definitions 12 AAC 64.990

Employment and Transfer 12 AAC 64.075(b)

Property Management of Real Estate 12 AAC 64.570

Review of License Application 12 AAC 64.059

Education Requirements After Initial License 12 AAC 64.064

Residential Real Property Disclosure Transfer Statement 12 AAC 64.930

Examination 12 AAC 64.010(d)

Disclosure of Compensation 12 AAC 64.940

**REAL ESTATE COMMISSION
NARRATIVE STATEMENT, continued**

Surety Fund Report

There were 16 surety fund claims filed within the year. The last six are consolidated and were recently filed before the end of the fiscal year.

The total payout of all claims for the 2008 fiscal year was \$17,500.00

13 of the Surety Fund claims filed allege fraud and misrepresentation; 10 allege deceit and 1 alleges conversion of trust funds.

3 claims were withdrawn; 1 was dismissed; 2 were denied by the Real Estate Commission; 2 are pending for a decision by the Commission at the next meeting and 8 have yet to be heard by the Office of Administrative Hearings.

Continuing Education

The Real Estate Commission renewed education courses and instructors in FY08 . We offer 168 elective continuing education courses; 26 designated continuing education courses. There are currently 55 instructors. 6 Prelicensing, 7 Broker Training and 37 Post-Licensing courses. New licensees are required to complete 30 hours of post-licensing education within 12-months of receiving their initial license. All licensees are required to complete 20 hours of continuing education which are comprised of 12 elective and 8 designated continuing education credits. We continue to provide a larger amount of online courses to accommodate our geographically distinct licensee population.

**REAL ESTATE COMMISSION
NARRATIVE STATEMENT, continued**

Executive Administrator Comments

The Alaska Real Estate Commission remains committed to communications with industry members and consumers. We are in the process of building additional information for our web site that provides consumer information that specifically addresses the issues of buyers and sellers. AREC staff has continued to work with industry on legislative and continuing education issues. Staff has continued to participate in numerous meetings with industry associations, real estate boards, brokerage companies and audit courses to keep in contact with licensees. This type of outreach has been beneficial in maintaining regulatory and industry cooperation.

We encourage members of the public, industry and other agencies to utilize the resources we provide on our web site to ensure accurate and consistent information within our jurisdiction of the Commission.

The Real Estate Commission is successful because of the 7 members that volunteer their time to the cause of promoting the integrity of practicing real estate. We are grateful for their willingness to serve and protect the consumers in Alaska.

Sharon J. Walsh
Executive Administrator
Alaska Real Estate Commission

FISCAL YEAR 2008 STATISTICAL OVERVIEW

Program: REAL ESTATE COMMISSION

AS 08.88
12 AAC 64

Name of Individual Completing Report: Beata Smith, Licensing Examiner Date: 7/2/2008

CATEGORY	NEW - ISSUED DURING FY 2008	TOTAL AS OF 6/30/08	NOTES
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A. Current Active Licenses, Permits, Endorsements, Courtesy Licenses, Apprentice/Student Permits, etc.
(List type and if issued by examination or credential, as applicable)

1. Salesperson (exam)	190	1465	
2. Salesperson (endorsement)	15	---	
3. Associate Broker (exam)	26	421	
4. Associate Broker (endorsement)	1	---	
5. Broker (exam)	1		
6. Broker (endorsement)	9	471	
7. Associate Broker - pract ltd to Community Assoc Mgmt	0	2	
8. Broker - pract ltd to Community Assoc Mgmt	0	3	
9. Temporary - CSED/Temp		2	
TOTAL	249	2364	

B. Current Inactive Licenses
(Only Medical, Dental, CPA, and Real Estate)

1. Salesperson		27	
2. Associate Broker		7	
3. Broker		1	
4. All type of licenses (S, A, B)			
TOTAL	---	35	

CATEGORY	NEW – ISSUED DURING FY 2008	TOTAL AS OF 06/30/08	NOTES
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C. Retired Licenses

1. All license types (lost contact w/ broker)	N/A	N/A	
TOTAL		0	

D. Disciplined or Conditioned
(Suspended, Revoked, Surrendered, Probation, Limited, Continuing Education Enforcement, etc.)

1. Suspended		0	
2. Active Probation		2	
TOTAL		2	

E. Other action taken during fiscal year for which a fee was required
(License verifications processed, roster requests, name changes, etc.)

TYPE OF ACTION	NUMBER PROCESSED
1. License Verifications (History)	20
2. Certified Copies of Files	5
3. Name Changes	5
4. Roster Requests	4
5. Exam Reviews	N/A
6. Applications Received	3583
7. Transfers	550
8. Landlord – Tenant Booklets sold	62
9. Post-Licensing Education Completed: Reinstated:	233 20

F. Examination Dates

(List each examination administration separately. Subdivide if more than one exam is given in administration.)

The computerized exam is administered by contracting testing service, Pearson Vue. **Statistics are listed on a separate spreadsheet. See Supplemental Information.**

G. Board Meetings and Teleconferences

DATE	LOCATION <i>(indicate if teleconference)</i>
July 12, 2007	Statewide-Teleconference
September 12 & 13, 2007	Girdwood-Quarterly meeting
November 14, 2007	Statewide Teleconference
December 13 & 14, 2007	Anchorage-Quarterly meeting
February 1, 2008	Statewide Teleconference
February 19, 2008	Statewide Teleconference
March 13 & 14, 2008	Juneau-Quarterly meeting
April 17, 2008	Statewide Teleconference
June 19 & 20, 2008	Fairbanks-Quarterly meeting

REAL ESTATE COMMISSION

SURETY FUND CLAIM AND LICENSE VIOLATION STATISTICS

Surety Fund

Opened in FY 08	16
Finalized/completed FY 08	2
Withdrawn prior to hearing FY 08	3
Denied Claims FY 08	2
Current Open Fund Cases (awaiting hearing, report of findings, adjudication or held in abeyance)	10
Total Claims Paid in FY 2008	\$17,500.00

License Investigations

Opened	33
Closed	28
Accusations filed	1
License Surrenders	1
Memorandum of Agreement	3

**REAL ESTATE COMMISSION
STATISTICAL EDUCATION REPORT**

<u>Course Type</u>	<u>Approved</u>
Prelicensing	6
Broker Training	7
Elective Continuing Education (ECE)	168
Designated Continuing Education (DCE)	26
Post Licensing Education	37

Instructors Approved	Initial Approval	Recertification	Total
Permanent	7	46	53
Temporary	0	2	2
	Total Approved:		55

REAL ESTATE COMMISSION
GOALS AND OBJECTIVES FOR FY 2009

1. Review regulations with focus on technology shift
2. Update the website on a continuing basis with applications and forms for licensees.
3. Update the web site to include more consumer information for the buyer and seller.
4. Reassess the policies on: Broker Supervision and Home Office Supervision
5. Continue having staff meet with licensees to listen to regional and local real estate concerns for input at the Commission level.
6. Draft regulations for the mandatory errors and omissions law.

REAL ESTATE COMMISSION
BUDGET RECOMMENDATIONS

The REC met four times during the 2008 fiscal year. We expect that in FY09, it is anticipated that the Commission will meet once per quarter. Of these meetings, it is expected that one will be held in Anchorage, Wasilla, Fairbanks, and the other in Juneau, unless another site is designated. Based on the historical record of the meetings being held in these locations, we can estimate this activity in our budget recommendations. In addition to REC meetings, it is recommended that at least one Commission member and a staff person attend the national and regional conference for the Association of Real Estate License Law Officials (ARELLO).

Travel Requests – FY 2009:

Number of Commission meetings required by statute: 1
Number of Commission meetings requested: 4

Locations:

Fall	Wasilla
Winter	Anchorage
Spring	Juneau
Summer	Fairbanks

Administrator to Mid -Year Conference April 2009	Asheville, NC
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Administrator & Member to ARELLO Conference October 2009	Miami, FL
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**Real Estate Commission
FY 2008
Annual Report**

**Supplemental
Statistical Information:**

- **Exam Pass-Fail Rate**
- **Surety Fund Claims Filed**
- **Complaints with Investigation Unit**

**Real Estate Commission
Pearson Vue Statistics
Pass/Fail Rates FY 2008**

Salesperson-new	Passd	Failed	Total	% Passing
Jul-07	12	11	23	52%
Aug-07	7	5	12	58%
Sep-07	9	8	17	53%
Oct-07	9	7	16	56%
Nov-07	10	6	16	63%
Dec-07	16	14	30	53%
Jan-08	32	23	55	58%
Feb-08	4	2	6	67%
Mar-08	3	0	3	100%
Apr-08	8	6	14	57%
May-08	14	11	25	56%
Jun-08	1	3	4	25%
Sub-total	125	96	221	57%
Salesperson - repeat				
Jul-07	11	14	25	44%
Aug-07	6	15	21	29%
Sep-07	10	4	14	71%
Oct-07	3	6	9	33%
Nov-07	6	3	9	67%
Dec-07	4	12	16	25%
Jan-08	17	34	46	37%
Feb-08	2	7	9	22%
Mar-08	3	6	9	33%
Apr-08	6	6	12	50%
May-08	6	9	15	40%
Jun-08	6	9	15	40%
Sub-total	80	125	200	40%
Total for Year	205	221	421	49%
Broker - new				
Jul-07	1	0	1	100%
Aug-07	1	2	3	33%
Sep-07	2	0	2	100%
Oct-07	6	2	8	75%
Nov-07	1	5	6	17%
Dec-07	2	6	8	25%
Jan-08	4	3	7	57%
Feb-08	2	2	4	50%
Mar-08	2	2	4	50%
Apr-08	3	1	4	75%
May-08	3	3	6	50%
Jun-08	0	2	2	0%
Sub-total	27	28	55	49%

**Real Estate Commission
Pearson Vue Statistics
Pass/Fail Rates FY 2008**

Broker - repeat

Jul-07				<u>0%</u>
Aug-07	2	1	3	<u>67%</u>
Sep-07	3	2	5	<u>60%</u>
Oct-07	1	1	2	<u>50%</u>
Nov-07	0	4	4	<u>0%</u>
Dec-07	5	8	13	<u>38%</u>
Jan-08	4	6	10	<u>40%</u>
Feb-08	3	1	4	<u>75%</u>
Mar-08	0	3	3	<u>0%</u>
Apr-08	0	1	1	<u>0%</u>
May-08	0	1	1	<u>0%</u>
Jun-08	1	2	3	<u>33%</u>
Sub-total	<u>19</u>	<u>30</u>	<u>49</u>	<u>39%</u>
Total for Year	46	58	104	44%

2008 Case No.	Claim Amount	Recv'd in REC ofc	Fwd to OAH	Action	Pd Out in FY	Comment- Pymnt/int/date	Amt. Paid Out of SF	Allegation	Final Decision	Total Amt of Potential Liability
S-28-001	3,420.00	7/6/2007	N/A	Withdrawn claim before going to OAH 7/31/2007	FY08	Refund filing fee \$250.00 Warrant #2735820 10/22/2007	250.00	F	Withdrawn by claimant 7/31/2007	250.00
S-28-002	15,000.00	8/6/2007	8/22/2007	Adopt Proposed Decision 3/13/2008	0	Assigned to Judge Stanley	0	M	Denied by REC 3.13.2008	-
S-28-003	4,000.00	8/29/2007	9/20/2007	Adopt Proposed Decision 6/19/2008	0	Assigned to Judge Kennedy	0	F,M,D	Denied by REC 6.20.2008	-
S-28-004	14,656.00	9/6/2007	9/27/2007	Withdrawn claim @ OAH 11/02/2007	FY08	Refund filing fee \$250.00 Warrant #22805054 12.31.2007	250.00	F, M	Withdrawn by claimant 11/02/2007	250.00
S-28-005	14,466.00	9/6/2007	9/28/2007	Withdrawn claim @ OAH 11/02/2007	FY08	Refund filing fee \$250.00 Warrant #22805054 12.31.2007	250.00	F, M	Withdrawn by claimant 11/02/2007	250.00
S-28-006	24,000.00	1/17/2008	2/15/2008	Order of Dismissal 3/26/2008	0	Notice of Assignment ALJ Hemenway-JNO	0	D, CTF	Dismissed at Preconf. Hearing	-
S-28-007	20,000.00	4/14/2008	5/12/2008	REC to decide @ 9/15/08 mtg Notice Reopening Prog. Decision 7/25/2008	0	Notice of Assignment ALJ Stanley 5/15/08		F,M,D	To Be Determined at next REC mtg	15,000.00
S-28-008	440,000.00	4/29/2008	6/4/2008	REC to decide @ 9/15/08 mtg Notice Reopening Prog. Decision 7/25/2008	0	Notice of Assignment ALJ Kennedy		F,M	To Be Determined at next REC mtg.	15,000.00
S-28-009	15,000.00	6/6/2008	6/30/2008	Hearing Oct. 1, 2008 at 9:00am	0	ALJ Stanley		F,M		15,000.00
S-28-010	38,000.00	6/26/2008	7/9/2008	Hearing Sept 5, 2008 at 9:00am	0	ALJ Kennedy		D		15,000.00
S-28-011	13,006.67	6/24/2008	7/28/2008	Consolidated 11-16 claims	0	ALJ Hemenway		F,M,D		13,007.00
S-28-012	9,006.67	6/24/2008	7/28/2008	Consolidated 11-16 claims	0	ALJ Hemenway		F,M,D		9,007.00

REC
Surety Fund Claim Statistics
FY 2008

S-28-013	9,006.67	6/24/2008	7/28/2008	Consolidated 11-16 claims	0	ALJ Hemenway		F.M.D	9,007.00
S-28-014	9,506.67	6/24/2008	7/28/2008	Consolidated 11-16 claims	0	ALJ Hemenway		F.M.D	9,507.00
S-28-015	9,006.67	6/24/2008	7/28/2008	Consolidated 11-16 claims	0	ALJ Hemenway		F.M.D	9,007.00
S-28-016	9,006.67	6/24/2008	7/28/2008	Consolidated 11-16 claims	0	ALJ Hemenway		F.M.D	9,007.00
Note: The Allegation column code is: F=Fraud; D=Deceit; M=Misrepresentation; CTF=Conversion of Trust Fund									

REC
Surety Fund Claim Statistics
FY 2008

Investigative Unit Statistics
for REC FY08

BOARD	PROFESSION	COMPLAINT	ADVISMENT LETTER	CASE AGE	COMPLIANCE	LICENSE ACTION	NO ACTION - UNFOUNDED	NO ACTION - INSUF. EVIDENCE	NO ACTION - NO VIOLATION	OTHER: SEE ABSTRACT	Grand Total
REC	REAL ESTATE ASSOCIATE BROKER	CRIM ACTION -NO CONVICT.				1					1
		FRAUD/MISREPRESEN- TATION					1		1		2
	REAL ESTATE BROKER	BREACH OF FIDUCIARY DUTY					1				1
		FRAUD/MISREPRESEN- TATION	1	1					2		4
		LIC. APPLICATION PROBLEM								1	1
		SUPERVISION					1				1
		TRUST ACCOUNT				1					1
		VIOLATING-PROF. ETHICS			1		2				3
	REAL ESTATE SALES APPLICANT	LIC. APPLICATION PROBLEM							2	1	3
	REAL ESTATE SALESMAN	FRAUD/MISREPRESEN- TATION	2			1	1			1	5
		REAL ESTATE - OTHER							1		1
		TRUST ACCOUNT				1					1
		UNLICENSED PRACTICE/ACTIVITY	1								1
	REAL ESTATE SALESMAN - UNLICENSED	UNLICENSED PRACTICE/ACTIVITY					1		2		3

**Investigative Unit Statistics
for REC FY08**

BOARD	PROFESSION	BREACH OF FIDUCIARY DUTY	CRIM ACTION NO CONVICT.	FRAUD/MISREPRESENTATION	LIC. APPLICATION PROBLEM	PRACTICE BEYOND SCOPE	REAL ESTATE - OTHER	SUPERVISION	TRUST ACCO UNIT	UNLICENSED PRACTICE/ACTIVITY	VIOLATION OF LICENSING REGULATION	Grand Total
REC	REAL ESTATE ASSOCIATE BROKER		1	1								2
	REAL ESTATE BROKER	2		5	1			3			1	13
	REAL ESTATE SALES APPLICANT				3							3
	REAL ESTATE SALESMAN		2	5		3	1		1	1	1	14
	REAL ESTATE SALESMAN - UNLICENSED									1		1

Investigative Unit Statistics
for REC FY08

CLOSURE	REC
ADVISEMENT LETTER	4
APPLICATION WITHDRAWN	
CASE AGE	1
COMPLIANCE	1
INCOMPLETE COMPLAINT	
LACK OF INVEST RESOURCES	
LICENSE ACTION	4
NO ACTION - UNFOUNDED	7
NO ACTION LACK OF JURIS.	
NO ACTION MINOR OFFENSE	
NO ACTION-INSUF. EVIDENCE	
NO ACTION-NO VIOLATION	8
OTHER (SEE ABSTRACT)	3
REFERRED TO OTHER AGENCY	
Grand Total	28

COMPLAINT-Type Board	REC
ACTION IN ANOTHER-STATE	
BREACH OF FIDUCIARY DUTY	2
CONTINUING EDUCATION	
CRIM ACTION -NO CONVICT.	3
CRIMINAL ACTION-CONVICT.	
FALSIFIED APPLICATION	
FRAUD/MISREPRESENTATION	11
INCOMPETENCE	
LIC. APPLICATION PROBLEM	4
NEGLIGENCE	
OTHER	
PRACTICE BEYOND SCOPE	3
PROBATION VIOLATION	
REAL ESTATE - OTHER	1
SUPERVISION	3
TRUST ACCOUNT	1
UNLICENSED PRACTICE/ACTIVITY	2
VIOLATING-PROF. ETHICS	2
VIOLATION OF AGREEMENT	
VIOLATION OF BOARD ORDER	
VIOLATION OF LICENSING REGULATION	1
Grand Total	33