

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

**REAL ESTATE COMMISSION
MEETING MINUTES**

September 9, 2010

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 September 9, 2010, at the State of Alaska Atwood Building Conference Room 1270, 550 W. 7th Avenue, Anchorage, Alaska.

Thursday, September 9, 2010

Call To Order, Agenda Item 1

Chairman Brad Cole called the meeting to order at 9:00 a.m.

Roll Call, Agenda 1(a)

Members present:

Brad Cole, Associate Broker, 3rd Judicial District, Chairman
David B. Somers, Broker, Broker at Large, Vice Chairman
Gene DuVal, Associate Broker, 4th Judicial District,
Chris Swires, Associate Broker, Broker at Large
Nancy Davis, Broker, 1st Judicial District
Marianne Burke, Public Member

Staff Present:

Sharon Walsh, Executive Administrator
Michele Wall-Rood, REC Investigator
Nancy Harris, Project Assistant

Guests Present:

Peggy Ann McConnochie, Broker & AK Assoc. of Realtors Liaison
Waltraud Barron, Broker Barron Investments
Robert Maney, Salesperson, Grubstake Realty
Deborah Deboer, Education Instructor, Prudential Jack White Vista Real Estate
Jerry Royse, Broker, Royse & Associates
Chuck Spinelli, Owner, Spinelli Home Builders

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Signe Andersen, Assistant Attorney General Dept. of Law
Linda Hall, Director, Division of Insurance Dept of Commerce

Approval of Agenda, Agenda Item 1(b)

The Chairman moved agenda item 5(c), Proposed Regulations, to be addressed after item 7(d), OAH Decision on L. Young. The Commission members reviewed the order of the revised agenda.

On a motion duly made by Swires, seconded by Somers, it was

RESOLVED to approve the agenda as revised.

All in favor; Motion passed.

REC Thank You Letter, Agenda Item 1(c)

Recognition of time on the Commission; Barbara Dickson resigned her Public Member seat effective June 1, 2010.

Approval of Minutes, Agenda Item 2

December 2009, Agenda Item 2(a)

The Commission members reviewed the December 10 & 11, 2009 meeting minutes for approval. Mr. DuVal reviewed page 5 and asked that the word "all" be inserted before the word *team*. On page 14, there is a grammar issue "until the Broker has distributed" delete "ed". On page 16, the spelling is incorrect, change to "resolved".

On a motion duly made by Somers, seconded by Swires, it was

RESOLVED to accept the December 10 & 11, 2009 meeting minutes

All in favor; Motion passed.

Ms. Burke abstained from the vote because she was not yet on the Commission.

March 2010, Agenda Item 2(b)

The Commission members reviewed the March 17 & 18, 2010 meeting minutes for approval. On page 13, Mr. DuVal commented about the best practices of appraisals; not a material item for disclosure. A motion was made but the Commission failed to take a vote on the proposed language for including as a best practice. The Commission was then asked to reconsider the motion or remove it. Mr. DuVal asked for the Commission to reconsider

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and put it back on the record. On page 17, Mr. DuVal also pointed out words that were missing from the regulation discussed at the March meeting. Missing language after the word received "*is transferred to another real estate brokerage*". Ms. Harris indicated the language could be changed in the proposed language before the members vote on it today.

There was no further discussion.

On a motion duly made by Davis, seconded by DuVal, it was

RESOLVED to accept the March 17 & 18, 2010 meeting minutes.

All in favor; Motion passed.

On a motion duly made by DuVal, seconded by Swires, it was

**RESOLVED to accept the best practices motion as stated below:
It is the position of the Real Estate Commission that appraisals are not a material item for disclosure. It's a subjective opinion of value for disclosure by the seller or licensee.**

The Commission members discussed the meeting minutes as presented. On page 16, Mr. Somers indicated it was thoroughly debated at the March meeting and that is probably why it sat there without a vote. Mr. DuVal indicated that it was discussed for input on the Property Disclosure but not included.

**Vote count: In favor: DuVal, Burke & Swires.
Opposed: Davis and Somers.**

Mr. DuVal brought up another issue from the March 2010 meeting minutes regarding the trust account proposed regulation language. Ms. Walsh referred him to agenda item 5(c) of the current September meeting, 12 AAC 64.111(2). The transcripts did not include all the language but it is now in tab 5(c).

June 2010, Agenda Item 2(c)

The Commission members reviewed the June 17-18, 2010 meeting minutes for approval.

On a motion duly made by DuVal, seconded by Swires, it was

RESOLVED to accept the June 17-18, 2010 meeting minutes.

The Commission members discussed the meeting minutes as presented. Ms. Davis

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abstained from voting because she was absent for that meeting. Ms. Burke said that on page 9, there needed to be a correction: "state law cannot be trumped by any *add the word: "local"*" means because, state law is trumped by federal. Mr. DuVal asked Mr. Somers for clarification of the meeting minutes on page 4, did he mean "managing people" or "damaging people". Mr. Somers acknowledged that "managing people" was correct.

All in favor; Motion passed.

July 2010, Agenda Item 2(d)

The Commission members reviewed the July 20, 2010 teleconference meeting minutes for approval.

On a motion duly made by Davis, seconded by Burke, it was

RESOLVED to accept the July 20, 2010 teleconference meeting minutes.

All in favor; Motion passed.

Public Comment, Agenda Item 3

Train the Trainer, Agenda Item 3(a)

A Train the Trainer course was recommended by Peggy Ann McConnochie for the Commission to consider providing to Alaska Instructors and those interested in teaching continuing education. It was recommended that the Commission look at having this course take place this spring. It was also recommended that the Commission look at an instructor that is REAA certified and provide a skill set of instructor skills for the morning session. The second half of the course would be concentrating on how to write a course. It was suggested by Ms. McConnochie to look for a DREI designation on the RFP when contracting for an instructor.

Chairman Cole asked two questions: When do you think we should do this course? Ms. McConnochie stated that March is a typical time of the year.

Chairman Cole also asked: Based on the number of people that need to be recertified or trained -how many people are we looking at? Ms. McConnochie stated that it would be around 100.

On a motion duly made by Davis seconded by DuVal, it was

RESOLVED to get a Request For Proposal started by the Division to contract for a Train the Trainer course by an outside instructor with a target date of spring 2011.

All in favor; Motion passed.

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Non-Licensed Builders using MLS, Agenda Item 3(b)

Mr. Spinelli discussed the issue where unlicensed builders are using the MLS in the Mat-Su valley where there is a problem with owner-builders that aren't licensed contractors. Mr. Spinelli would like for the Commission to consider requiring licensees to disclose the contractor's license number; residential endorsement number in all their advertising and disclose owner-builder information when representing an owner-builder. Also, he would like to propose, a new topic for continuing education for licensees under new construction practices and what codes are required would cover contractor law & regulation requirement, energy codes; finally propose a change to the first time exemption for sale. He said it needs to be disclosed if inspections were done and seems like this change could be done easily in regulations. Ms. Davis is concerned about making licensees experts in contractor's law. Mr. Spinelli told Ms. Davis that a two hour class would cover basic ICBO code and help the licensee become familiar with contractor law. Chairman Cole told the Commission that NAR has a certified new home construction designation. Mr. DuVal suggested that the Commission look at a regulation project for the exemption for a first time home sale. Mr. Spinelli asked that licensees simply need to disclose the information on the listing that this is the same owner-builder.

Letter from EMC Realty, Agenda Item 3(c):

On the phone through teleconference were a number of brokers from the Greater Fairbanks Board of Realtors. Their concern was when a Broker is the only licensee and wants to go on vacation -can they have another Broker oversee their transaction files? The Commission is asked to look into this situation. The Brokers are looking for clarity on this issue and how to handle it. Mr. DuVal asked about drafting counter-offers and addendums.

Eileen Cummings, Broker of EMC in Fairbanks, said these are two different issues and need to be dealt with. Mr. DuVal said this is a hole in the process. Mr. Somers said he sees issues in two areas: a way for a broker to step in-in a single broker category and the other issue is a broker watching another broker's office, all in a single broker office category, what activities take place? What is taking place is they are not turning over their office and yet in many cases they are still operating their office from a distance. Is that crossing the line? Is it allowed or should it be disallowed?

Chairman Cole thanked all Fairbanks participants. He then stated that the Commission will address this topic at 3:00 today. Mr. DuVal said the Commission will need to work on a new regulation for broker substitution.

Break: 10:25 a.m.

Reconvened: 10:40 a.m.

Education Report, Agenda Item 4

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Education Statistics, Agenda Item 4(a)

The education report was presented by Ms. Harris. She asked for two more items to be added to her report; 4(c), a addition to the Fine Matrix and 4(d), to cover a question by Broker Philip Alderfer, of Alderfer Group in Homer.

Ms Harris began by presenting the Commission with education statistics. She reported that there has recently been more classes offering to licensees. Pre-Licensing and Broker Upgrade courses are staying the same. There are 15 more classes for ECE and with 277 courses currently approved. She said there are currently 69 approved permanent instructors and 44 sponsors. The continuing education audit is complete with 3 licensees in non compliance and 2 licensees that did not respond at all.

Professional Fitness Questions on REC Applications, Agenda Item 4(b)

The ALJ requested that the Personal Fitness questions be corrected on our renewal forms. Specifically, question #2. Investigator Michele Wall-Rood recommended that the Application for Licensure be consistent with the questions on the renewal form as well as the Change of Status Application. Mr. DuVal asked what changed? Ms. Harris reported that the existing question #2 asked: Have you ever had a real estate license revoked, denied, suspended, surrendered, placed on probation, or been subject of any restriction censure, reprimand or other disciplinary action in any jurisdiction? The new question would ask all of the above and after "other disciplinary" it would add: "or license action".

More specific questions were asked on the Change of Status application. Grammatical changes were made as suggested by the ALJ. Due to a few licensees not understanding one of the fitness questions on the renewal form, personal fitness question #6 was added on all forms –initial application, change of status, and renewal to insure consistency. Question #6 asked: Have you had a lawsuit filed against you alleging deceit, fraud, misrepresentation or conversion of funds?

On a motion duly made by Somers seconded by DuVal, it was

RESOLVED to adopt the changes in our packet today.

All in favor; Motion passed.

Fine Matrix, Agenda Item 4(c)

A category was added to the Fine Matrix form. Failure to use Broker's trust account. It was pointed out that you can have your own trust account as long as your Broker has access to it. It is referenced in the Fine Matrix as 12 AAC 64.570. Add the words: See Exceptions 12 AAC 64.570.

Question from Philip Alderfer, Agenda Item 4(d)

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The last issue brought to the Commission for consideration is a question from Philip Aldefer, Broker in Homer. He asked for clarification on a best business practice, in plain English, an explanation of what the changes in property management regulations mean? Ms. Davis asked if he had a specific question. Ms. Harris indicated he did not. Chairman Cole asked to go back and ask him if he had a specific question for the Commission to address.

Executive Administrators Report, Agenda Item 5
Recovery Fund Balance Report, Agenda Item 5(a)

Revenue & Expenditure Report, Agenda Item 5(b)

Review of the Revenue and Expenditure report is taken up for the Commission's consideration. Mr. DuVal asked why Personnel Services has jumped-doubled in amount. Ms. Burke asked if Accounting Services would be willing to inform us when and give us an explanation if there is a variation like for example 25% just as simple as putting it in a footnote. Can Cathy Mason tell us why the Personnel cost has jumped when our income has come down –indirect and direct according to Mr. DuVal. Ms. Walsh asked members if we want to talk to Cathy Mason today? Chairman Cole suggests that we send her an email to get answers to these questions. Then have her give us a report on these items. Ms. Burke asked if Ms. Walsh can obtain “read-only” authority for access to our REC journal entries in the state accounting system. Also any new expense this year that exceeds a certain dollar amount –using discretion-to keep us informed. With the Recovery Fund costs, we need to make sure they are coded correctly and items charged to the Recovery Fund are legitimate charges.

Proposed Regulations, Agenda item 5(c)

The Commission members postponed the changes to 12 AAC 64.130(8), 12 AAC 64.980, 12 AAC 64.111(2) until a later time.

Licensing Report, Agenda Item 6

Licensing Statistics, Agenda Item 6(a)

Ms. Walsh presented the Licensing Report to the Commission. Ms. Harris discussed Inactive licensees as part of the statistic report because those licensees are still able to re-activate within the 2 year time so that is why staff shows that number on the statistics report.

Regulation Tracker, Tab 6(b)

Mr. DuVal asked about E & O insurance regulations –Ms. Walsh clarified for the Commission that the regulation tracker is only tracking REC regulations so it wouldn't show the Departments E & O regulation project. Mr. DuVal asked about 12 AAC 64.130 from the June 2010 meeting. Discussion started at the June meeting what you have before you is a proposed regulation to review today regarding 12 AAC 64.130.

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Investigator's Report, Agenda Item 7

Statistical Report, Agenda Item 7(a)

Statistical Report was presented to the Commission by Investigator Wall-Rood. May 27 through August 19, 2010. 123 open cases. In FY10 145 opened cases; 45 closed cases; for FY11 opened 8 cases and closed 7 cases. Also have another 25 complaints which are not cases. Chairman Cole asked about the 5 trust account issues –Investigator Mandel picked up in May 2010 did you make that decision? Investigator Wall-Rood told the Commission that decision was made at a much higher level. Ms. Burke asked if there has ever been any attempt to prioritize investigations so that the most severe cases are being dealt with first. Public safety cases are priority also unlicensed practice. Is it a formal thing –is it written up? asked Ms. Burke. Investigator Wall-Rood told the Commission it isn't formal and not written up. Ms. Burke then asked why wouldn't you share it with us in executive session? Investigator Wall-Rood said in the past it's standard practice not to share information about investigations. Quinten Warren will address that with you today. Investigator Wall-Rood says she has to be careful because it's got to be kept confidential. Everything that comes in is opened as a complaint; not everything rises to the level of an investigation. Ms. Burke asked her about the 7 day requirement whereby Investigator Wall-Rood had stated to the Commission at a previous meeting that she had a federal requirement to open cases within 7 days. Investigator Wall-Rood told the Commission that this was incorrect and that it applied to Real Estate Appraisers. She went on to say that Division policy for opening a complaint is 7 days but it's not federal law that applies to real estate licensees. Chairman Cole asked if the Chief Investigator is aware of the large volume of landlord-tenant calls each month? Investigator Wall-Rood indicated that he is aware.

New Applicants, Agenda Item 7(c)

On a motion duly made by DuVal, seconded by Swires, it was

RESOLVED to go into Executive Session to discuss new applications with Investigator per AS 44.62.310 (c) (2)

All in favor; Motion passed.

The Commission went into Executive Session 11:20 a.m.to discuss new applications. Staff and guests left the room.

On a motion duly made by Davis, seconded by Swires, it was

RESOLVED to come out of Executive Session

All in favor; Motion passed.

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The Commission came out of Executive Session at 12:10 p.m.

New Applicant John Downs, Agenda Item 7(c)

Mr. Somers as to the matter of John Downs as this Commission was not given or provided evidence to deny the allegations for fraud and to the seriousness of the allegations we are denying the license of Mr. Downs for public safety reasons.

On a motion duly made by Somers seconded by Davis, it was

RESOLVED to deny the license of John Downs.

All in favor; Motion passed.

New Applicant Richard Nist, Agenda Item 7(c)

On a motion duly made by DuVal seconded by Davis, it was

RESOLVED to approve the license of Richard Nist.

All in favor; Motion passed.

New Applicant Tabitha Scott, Agenda Item 7(c)

On a motion duly made by Swires seconded by Davis, it was

RESOLVED to deny the license of Tabitha Scott.

Ms. Swires stated for the record the position of the Commission: The Commission is denying Tabitha Scott because of submitting a falsified application as per 08.88.401 Prohibited Conduct.

All in favor; Motion passed.

New Applicant Christopher Burdett, Agenda Item 7(c)

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On a motion duly made by DuVal seconded by Somers, it was

RESOLVED to approve the license of Christopher Burdett.

All in favor; Motion passed.

Lunch Break: 12:12 pm
Reconvened: 1:10 pm

Introduction of Chief Investigator Quinten Warren Investigator's Report, Agenda Item 7(a)
Investigator Wall Rood introduced Quinten Warren, Chief Investigator of the Division for Corporations, Business, and Professional Licensing. He has been in the position for approximately two months.

On a motion duly made by Swires, seconded by Davis, it was

RESOLVED to go into Executive Session to discuss Investigations per AS 44.62.310 (c) (2)

All in favor; Motion passed.

The Commission went into Executive session at 1:14 p.m.
Staff and guests left the room.

On a motion duly made by, Swires seconded by, Davis it was

RESOLVED to come out of Executive Session

All in favor; Motion passed.

The Commission came out of Executive session at 2:55 p.m.

Proposed Regulations, Agenda item 5(c)
12 AAC 64.130(8), Regulation regarding grounds for revocation and suspension

The Commission reviewed the proposed regulation 12 AAC 64.130(8).
Mr. DuVal suggests that the Commission table this regulation. Mr. Somers indicated that it makes sense to table this. Mr. DuVal said since there are issues in federal court in Nebraska and in Superior court here it makes sense to table. The other consideration for tabling the regulation was to see if Ms. Walsh could gather information from other

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jurisdictions at the ARELLO conference that is next week.

On a motion duly made by DuVal, seconded by Davis, it was

RESOLVED to table proposed regulation 12 AAC 64.130 (8)

All in favor; Motion passed.

12 AAC 64.111(2), Closing An Office

The Commission reviewed proposed regulation 12 AAC 64.111(2). The proposed language needs to read as follows: *A broker shall maintain a trust account until the broker has distributed all the money, due to be received to the proper person or entity or until the transaction, for which money is due to be received, is transferred to another brokerage.*

On a motion duly made by DuVal, seconded by Somers, it was

RESOLVED to adopt proposed regulation 12 AAC 64.111 (2)

All in favor; Motion passed.

12 AAC 64.990, Definitions

Commission reviewed the proposed regulation 12 AAC 64.990 and decided to table the definition of "what is a listing". Mr. Somers asked that when the Commission reviews it in the future to remember to include the language after "property owners", add "or their designees".

On a motion duly made by DuVal, seconded by Davis, it was

RESOLVED to table proposed regulation 12 AAC 64.990

All in favor; Motion passed.

Old Business, Agenda item 8

Investigative Policy & Procedures, Agenda Item 8(a)

Chairman Cole asked Ms. Burke if there was anything further that needed to be covered on Investigative policy & procedures. Ms. Burke said she thought it was addressed in Executive session with Investigator. She provided a handout to the members and stated it was still confidential and should remain part of the executive session discussion.

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New Business, Agenda Item 9

Substitute Broker Issue, Agenda Item 9(a)

The Commission discussed regulation 12 AAC 64.077 and the Broker Notification form. Chairman Cole asked members if the Commission needed to table this issue. Mr. DuVal suggested the Commission begin to tackle this issue. Mr. DuVal stated that he doesn't think 12 AAC 64.077 provides for authority for Brokers that don't have an Associate Broker in place to fall under this. Typically the brokerages with Associate Brokers complete the Broker Notification form and then inform the Commission office of the change. Mr. Somers expresses his concern that the REC has always taken the position that they need to know who is operating; where and when and not blur the lines too much. We can fall into a trap. There has to be limitations where and when. Ms. Davis indicates that it seems that if you are a one person office you could ask another licensee to show a property on your behalf, you are not turning over the duties of your office.

Mr. DuVal states that we have to deal with it because they may or may not be doing things that are legal by dealing with addendums; counter-offers; listing extensions. Chairman Cole said it's still possible to make arrangements to negotiate contracts when you are away- using your equipment or add people in your business so that it's not an issue. Mr. Somers said it's possible to make contractual agreements between brokers. Ms. Davis said that Southeast MLS doesn't allow co-brokering. Ms. Swires said you can still do it but MLS doesn't participate it would be like a referral. Mr. Somers said the client needs to be aware and properly disclose what the arrangements are. Ms. Davis said we want to avoid having a regulation out there that will get real mucky. Mr. DuVal asks Ms. Walsh to see if anyone in ARELLO has this issue and how they deal with it.

On a motion duly made by DuVal, seconded by Davis, it was

RESOLVED to table proposed regulation 12 AAC 64.077

All in favor; Motion passed.

Meet with Linda Hall, Div. of Ins. Director and Signe Andersen, Dept. of Law, Asst. AG, Re: Errors & Omission Insurance (Department's), Agenda Item 10

Signe Andersen with the Dept of Law on behalf of the Department of Commerce and Linda Hall, Director of the Division of Insurance. Ms. Andersen and Ms. Hall address with the Commission members the Department of Commerce's regulation on Errors & Omission insurance required for real estate licensees. Ms. Andersen indicated that there are substantive changes to the regulations specifically, deductible amounts and the maximum premium. Changes to some of the terminology for clarity and consistency were needed. A revised regulation was in order. A deductible amount I thought after looking at what other states have done with policies out there we needed to make a change and to be more consistent with what is out there and not have a deductible for defense and investigation costs. The other concern still remains with the maximum premium amount and do we have

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to set a fixed dollar amount? Ms. Andersen indicated we are tied to that because of the statutory language. Although she said we could come up with a formula that would result in a maximum premium but we just don't know how that could be done. You could theoretically come up with a formula but it may be difficult at the outset. Ms. Hall said she spoke to her Actuary about this. The Actuary found the way the premium is calculated is done on two different methods. The first is the number of bodies (licensees) the other was based on gross income with a minimum of income and a rate and she found a range between 8.105 and 9.19 so really \$8.00 and 9.00 dollars per thousand of income. What the Actuary found was that most of the minimum premiums were \$500. The number ranged from \$500 to \$750. Which is more of a comparable comparison for a group program. Ms. Hall said one of the substantive changes in the regulations was the amount set at \$300. We debated the \$500 figure but decided on \$300. Ms. Hall indicated that she's not sure that number (\$300) is realistic given what her Actuary found. Liberty National Union and Continental Casualty are the two national underwriters. Mr. DuVal asked what if the maximum is substantially more? Ms. Andersen responds to Mr. DuVal that the problem is that there is testimony in the legislative history saying you could get this for \$250 and comments in the regulations, "Here's what other states have". Group premiums are less we don't know the size of the group and we don't know what the market will bear and if there are only two insurers that write then you don't want to make it too high.

Ms. Burke said there is no way to know what kind of exposure you are taking on. Generally in group policy insurance you are not going to be as detailed in underwriting criteria as you would be for individual practice. Ms. Andersen said the statute requires that the maximum amount of premium to be charged in a master E & O policy needs to be set in regulation. You could have a bare bones master policy and not have extended reporting periods. Prior acts coverage generally is included in the base premium. Doesn't mean you have to set it at the maximum it could be less but you have to set a maximum in regulation. Ms. Hall said you don't want to set the premium too low then it defeats the purpose of having the E & O program and if you set it too high then you have a lot of unhappy people. Ms. Hall stated that the only way you are going to find out is to let it go out for bid and if you can't find something at that range then the program doesn't go into effect and you start over. Ms. Hall then stated she doesn't know any other way. Ms. Andersen stated that the E & O will not cover intentional acts or fraud, you are only covering negligence. In the Surety fund intentional acts and fraud was covered. Ms. Andersen said she is not sure of the logic of that when she was reading the legislative history.

Mr. Somers asked where do stand with this now?

Ms. Andersen stated that the Commission could provide feedback/comment on the regulation. It is recommended that the Commission agree on your comments as a body and submit it to the Division for part of public comments. And this body has a regulation project that needs to go out at the same time. Mr. Somers asked about equivalent coverage currently using a \$5,000 deductible would that be considered equivalent coverage? Mr. DuVal asked about minimums for liability you have 200 and 1 million-what is the logic? Ms. Hall said a Broker is employing multiple agents in the firm who were involved in the act so you are trying to make sure you have a higher limit when you are trying to cover

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multiple people under that umbrella. Mr. Somers said it looks like we are leaving it to the insurance company to see if it's equivalent coverage and complies. Mr. DuVal said you could see the problem with this on page 5, section 02.540 line 4, insurance must meet the minimum coverage standards - this sentence creates a problem if we have a higher policy with a higher deductible. Mr. Somers asked if you can indicate current industry standards or just put the limit at \$5,000 or \$10,000.

Ms. Andersen said if you, the Commission want to provide comment on these regulations then you as a body will need to do so.

Ms. Hall said go through the process, the regulations should reflect what you want and if it doesn't work the worse you could do is go back and work on the statute to make it be something more workable or do a change to the regulation to make it more realistic. I am not totally negative but I don't want there to be expectations. Mr. Somers said the Alaska Association of Realtors is concerned with the lower deductible and would see this as people (Realtors) more willing to take a chance. Ms. Andersen stated that the deductibles range between \$1,000.00 and 2,000.00 found by the Actuary used in other states. Mr. Somers stated that there needs to be some limit on these types of group policies.

Example of Fine for Late Renewal, Agenda Item 8(b)

An example from Idaho regarding late renewal fee of \$100 was reviewed by Commission members. Ms. Walsh said it may help reduce "late" renewals on the first of February. AL has a late renewal fee as well of \$250. Ms. Burke suggested to inform the licensees with a letter that their license is lapsed. Ms. Harris indicated that this letter is in place and that is what takes place now. There is no charge now for those untimely renewals. Ms. Swires said so the issue is should we have a late fee? Mr. Cole said yes.

On a motion duly made by DuVal, seconded by Burke, it was

RESOLVED to consider for future business a reinstatement fee of \$250.

All in favor; Motion passed.

FY11 Goals and Objectives, Agenda Item 9(b)

The Commission members discussed their goals and objectives for FY 2011. The Commission members inquired about what the process was to offer a Train the Trainer Workshop next year. Ms. Walsh explained that part of the process would be to see if the money is available in the Recovery Fund for a Train the Trainer session. Ms. Walsh indicated that the previous Train the Trainer expenses have come out of the Surety Fund. Ms. Walsh asked if there were additional goals and objectives besides the ones listed. The Commission members reviewed and said they looked good.

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Future Meetings and Travel Considerations, Agenda Item 9(e)

Ms. Walsh said that travel and meeting considerations needed to be cut back by 10% per the Division. The Commission members suggested eliminating a meeting day and only having one day meetings. Chairman Cole suggested that all of the Commission meetings be conducted in Anchorage so they eliminate travel costs for the staff and 3 Commission members. He also suggested by holding a one day meeting we will reduce costs. Ms. Walsh said she will set dates and email them to the members. All meetings will then be in Anchorage.

Schedule of future Meeting Dates, Agenda Item 9(c)

The Commission discussed this item with agenda item 9(e).

Election of Officers, Agenda Item 9(d)

Chair

Mr. DuVal nominated Mr. Cole as Chairman.

On a motion duly made by DuVal, seconded by Burke, it was

RESOLVED that Brad Cole continue as Chairperson of the Commission.

All in favor; Motion passed.

Vice Chair

Ms. Swires nominated Mr. Somers as Vice Chair.

On a motion duly made by Swires, seconded by DuVal, it was

RESOLVED that Dave Somers continue as Vice Chairperson of the Commission.

All in favor; Motion passed.

Education Liaison

Education Liaison is the other elected position, Mr. DuVal nominated Nancy Davis for this position.

On a motion duly made by DuVal, seconded by Somers, it was

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RESOLVED that Nancy Davis be appointed as Education Liaison of the Commission.

All in favor; Motion passed.

On a motion duly made by Burke, seconded by Swires , it was

RESOLVED to adjourn the meeting.

All in favor. Motion passed.

Meeting adjourned at 5:00 p.m.

The Commission adjourned until December 1 & 2, 2010 in Anchorage.

Prepared and submitted by Sharon Walsh

Approved:



Bradford Cole, Chairman
Alaska Real Estate Commission

Date: 12/2/10