

**ALASKA LEGISLATURE COMMITTEE FILES 1997-1998 8672**

**9634 SENATE LABOR & COMMERCE**

1 [MAKE A CLOSING STATEMENT SHOWING DISBURSEMENTS AND]  
2 accounting for all money or other property collected or held in the course of each  
3 transaction;

4 (3) keep a separate trust account in a bank [,] into which the broker  
5 shall deposit all earnest money deposits, [AND] purchase money, security deposits,  
6 contingency funds, collected rental money, rental receipts, or other money  
7 collected in trust until it is appropriate [PROPER] for the broker to distribute the  
8 money to the proper persons;

9 (4) if authorized by the board of directors of a community  
10 association to collect, control, or disburse association funds, keep a separate  
11 account in a financial institution for the funds;

12 (5) make available to the commission, on request, account records and  
13 all other documents [RELATING TO TRANSACTIONS UNDER (3) OF THIS  
14 SECTION] that the commission may require in order to conduct an investigation or  
15 to [A COMPLETE] audit an account required under this section;

16 (6) if records are delivered to a partnership, corporation, or  
17 business entity other than another licensed broker upon termination of  
18 employment, ensure by contract the maintenance and availability of those records  
19 for a minimum of three years in accordance with this section [OF TRUST  
20 ACCOUNTS].

21 \* Sec. 27. AS 08.88.351 is amended by adding new subsections to read:

22 (b) A real estate licensee

23 (1) shall keep, for a minimum of three years, a complete record of all  
24 real estate transactions in which the licensee was a principal;

25 (2) who maintains records concerning management or sale of the  
26 licensee's own properties or the licensee's client properties separate from the broker's  
27 file, shall retain those records for a minimum of three years;

28 (3) shall make available to the commission, on request, records and  
29 other documents that the commission may require to conduct an investigation;

30 (4) shall promptly deposit community association funds or proceeds  
31 from periodic community association assessments into either a community association

1 reserve account or a community association operating account; if, at any time, the  
2 community association operating account contains more money than is estimated to be  
3 needed for budgeted expenditures for the subsequent three months, the licensee shall  
4 transfer the excess funds to the community association reserve account as soon as  
5 practicable;

6 (5) may not commingle funds of a community association with funds  
7 of another community association or with the licensee's funds.

8 (c) For the purposes of this section, the three-year requirement for records  
9 maintenance begins at the initiation of a transaction and continues, as applicable, until  
10 three years after the date

11 (1) a listing agreement ends;

12 (2) a sales transaction closes or otherwise ends;

13 (3) a management contract ends; or

14 (4) another contractual or fiduciary obligation ends.

15 \* Sec. 28. AS 08.88.381 is amended to read:

16 Sec. 08.88.381. Signs. A [LICENSED] real estate broker shall maintain a sign  
17 at each of the [REAL ESTATE] broker's registered real estate offices [,] [rominently  
18 showing the name of the real estate [BROKER'S] business as registered with the  
19 commission. The required size, content, and location of signs under this section  
20 may be determined by the commission by regulation. The regulations must allow  
21 signs in offices located on premises with more restrictive sign requirements than  
22 would otherwise be applicable under the commission's regulations to be  
23 considered to be in compliance with the regulations if the signs meet the  
24 requirements of the premises and the licensee submits a copy of the sign  
25 requirements of the premises to the commission.

26 \* Sec. 29. AS 08.88.391 is amended to read:

27 Sec. 08.88.391. Conflict of interest. A [LICENSED] real estate licensee  
28 [BROKER, ASSOCIATE REAL ESTATE BROKER, OR REAL ESTATE  
29 SALESMAN] who has a conflict of interest related to [PERSONAL FINANCIAL  
30 INTEREST IN] a real estate transaction shall disclose that conflict of interest at the  
31 time of initial substantive contact with the principals or agents of the principals

1 and confirm the conflict of interest in writing to the principals or agents of the  
2 principals [EVERY PERSON] involved in the transaction as soon as possible after  
3 the initial substantive contact.

4 \* Sec. 30. AS 08.88.391 is amended by adding new subsections to read:

5 (b) The failure of a licensee to disclose a conflict of interest as required under  
6 this section does not give rise to a cause of action by a private person. However, the  
7 commission may, under AS 08.88.071, impose a disciplinary sanction for violation of  
8 this section, and a claim may be filed by a private person under AS 08.88.460 if the  
9 violation constituted fraud, misrepresentation, or deceit and the person suffered a loss  
10 as a result of the violation.

11 (c) In this section, "conflict of interest" is when a licensee

12 (1) has a present ownership or leasehold interest in the property that  
13 is the subject of a transaction;

14 (2) is whole or part owner of a business interest in the property being  
15 marketed or considered for purchase or lease;

16 (3) represents a relative, as defined in AS 08.88.900(19), or a person  
17 with whom the licensee has a financial relationship if the relative or person has a  
18 present financial interest in the property being marketed or considered for purchase or  
19 lease;

20 (4) receives compensation from someone other than a party to the  
21 contract or another party having a financial interest in the transaction; or

22 (5) receives compensation for community association management  
23 while simultaneously engaged as a property manager for a unit within the community  
24 association.

25 \* Sec. 31. AS 08.88.396 is amended to read:

26 **Sec. 08.88.396. Disclosure of agency to prospective buyers and sellers.** (a)  
27 A person licensed [HOLDING A LICENSE] under this chapter shall, when acting as  
28 an agent for a prospective seller of real estate,

29 (1) disclose in writing the licensee's [PERSON'S] agency relationship  
30 with the seller to each prospective buyer at the time that the licensee [PERSON]  
31 begins to provide specific assistance to locate or acquire real estate for the buyer, and

1 obtain from each prospective buyer a signed acknowledgement that the buyer is aware  
2 of the agency relationship between the licensee [PERSON LICENSED UNDER THIS  
3 CHAPTER] and the seller; and

4 (2) include in the purchase agreement a statement of the agency  
5 relationship between the licensee [PERSON LICENSED UNDER THIS CHAPTER]  
6 and the seller.

7 (b) A person licensed [HOLDING A LICENSE] under this chapter shall, when  
8 acting as an agent for a prospective buyer of real estate,

9 (1) disclose the licensee's [PERSON'S] relationship with the buyer to  
10 a prospective seller of real estate, or to the seller's agent, at the time of the initial  
11 contact between the licensee [PERSON LICENSED UNDER THIS CHAPTER] and  
12 the prospective seller or the seller's agent, and confirm the relationship in writing as  
13 soon as possible after the initial contact;

14 (2) include in the purchase agreement a statement of the agency  
15 relationship between the licensee [PERSON LICENSED UNDER THIS CHAPTER]  
16 and the buyer;

17 (3) if the prospective seller has an unexpired exclusive listing contract  
18 for a property, present all offers [AN OFFER] to purchase that property through [TO]  
19 the seller's agent; and

20 (4) disclose in writing to all parties to a transaction when the licensee's  
21 [PERSON'S] compensation as agent for the buyer is to be paid by anyone other than  
22 the buyer being represented by the licensee [PERSON].

23 (c) A person licensed under this chapter may [NOT] act as an agent for both  
24 a prospective seller and a prospective buyer of real estate only after [UNLESS] the  
25 licensee [PERSON] informs both the seller and the buyer of the dual agency and  
26 obtains written consent to the dual [JOINT] agency from both principals.

27 (d) When a change occurs during a transaction that makes a prior written  
28 disclosure required by this section incomplete, misleading, or inaccurate, the licensee  
29 [PERSON LICENSED UNDER THIS CHAPTER] shall make a revised disclosure, in  
30 writing, to all parties to the transaction as soon as possible. The revised disclosure  
31 must include the date of the revision and shall be acknowledged in writing by all the

1 parties.

2 \* **Sec. 32.** AS 08.88 is amended by adding a new section to read:

3 **Sec. 08.88.398. Licensed assistants.** A licensed real estate salesperson or  
4 licensed associate real estate broker may act as a licensed assistant to a real estate  
5 licensee other than the broker who employs the salesperson or associate broker if

6 (1) the employment arrangement between the licensed assistant and the  
7 other licensee is in writing and conforms to the applicable state and federal regulations  
8 regarding employment;

9 (2) the employment of the licensed assistant is approved in writing by  
10 the broker of the licensee who employs the assistant;

11 (3) the licensee who employs the assistant agrees to be responsible for  
12 paying the licensed assistant's wages and appropriate taxes and completing the  
13 appropriate state and federal tax forms;

14 (4) the broker of the licensee who employs the assistant agrees to be  
15 liable for the actions of the licensed assistant.

16 \* **Sec. 33.** AS 08.88.401 is amended to read:

17 **Sec. 08.88.401. Prohibited conduct.** (a) A person licensed under this chapter  
18 may not falsely represent to

19 (1) have been awarded a degree or other designation;

20 (2) [OR TO] be a member or an affiliate of a professional organization;

21 or

22 (3) he a member of a franchise or other business association.

23 (b) A person

24 (1) who is not a real estate broker licensed in this state may not accept  
25 a fee or a commission for performance of an act for which a license is required by this  
26 chapter except that a real estate broker validly licensed in another state may accept a  
27 fee or commission or a portion of a fee or commission for assisting a real estate broker  
28 licensed in this state in the performance of an act for which a license is required by  
29 this chapter;

30 (2) who is an associate broker or a real estate salesperson  
31 [SALESMAN] licensed in this state may [NOT] accept a fee or commission for

1 performance of an act for which a license is required by this chapter only from  
2 [UNLESS ACCEPTANCE IS AUTHORIZED BY] the licensee's employing broker,  
3 except that the wages of a person who is engaged as a licensed assistant under  
4 AS 08.88.398 may be accepted by the person from the assistant's employer [WHO  
5 EMPLOYS THE SALESMAN].

6 (c) A person licensed under this chapter may not knowingly make, authorize,  
7 direct, or aid in the publication of a false statement or misrepresentation concerning  
8 land or a subdivision or other real estate offered for sale, [OR] lease, or rent or  
9 concerning an association being managed.

10 (d) A person who violates [A PROVISION OF] this section, AS 08.88.161,  
11 or 08.88.396 is guilty of a class A misdemeanor.

12 \* Sec. 34. AS 08.88.401 is amended by adding new subsections to read:

13 (e) A person licensed under this chapter may not knowingly pay any part of  
14 a fee, commission, or other compensation received by the licensee in buying, selling,  
15 exchanging, leasing, auctioning, or renting real estate to

16 (1) a person who is not licensed under this chapter, except as provided  
17 in (f) of this section;

18 (2) another licensee, except through the licensee's responsible broker;  
19 or

20 (3) another licensee knowing that the other licensee intends to pay all  
21 or a portion of that which is received to a person who is not licensed under this  
22 chapter.

23 (f) The prohibition of (c)(1) of this section does not prohibit

24 (1) payments by a licensee to a person licensed to perform real estate  
25 activities in another jurisdiction if the other person has assisted the licensee in the  
26 performance of an act for which a license is required by this chapter; or

27 (2) payments from a real estate licensee to a principal as part of the  
28 resolution of a dispute regarding the terms of a transaction or regarding the property  
29 transferred.

30 (g) A person may not

31 (1) use or attempt to use a license issued under this chapter that was

1 issued to another person;

2 (2) give false or forged evidence to the commission or to a  
3 representative of the commission in an attempt to obtain a license;

4 (3) impersonate an applicant under this chapter;

5 (4) knowingly use or attempt to use an expired, suspended, revoked,  
6 or nonexistent license; or

7 (5) falsely claim to be licensed and authorized to practice under this  
8 chapter.

9 \* Sec. 35. AS 08.88.450 is amended to read:

10 **Sec. 08.88.450. Real estate surety fund.** The real estate surety fund is  
11 established in the general fund to carry out the purposes of AS 08.88.450 - 08.88.500.  
12 The fund is composed of payments made by [LICENSED] real estate licensees  
13 [BROKERS AND SALESMEN] under AS 08.88.455 and filing fees retained under  
14 [IN ACCORDANCE WITH] AS 08.88.460. The fund may not exceed \$500,000 and  
15 amounts in the fund in excess of \$250,000 may be appropriated for real estate  
16 educational purposes as provided in AS 08.88.091.

17 \* Sec. 36. AS 08.88.455 is amended to read:

18 **Sec. 08.88.455. Payments by real estate licensees [BROKERS AND**  
19 **SALESMEN].** (a) A [LICENSED] real estate licensee, [BROKER, ASSOCIATE  
20 BROKER, OR SALESMAN] when applying for [OBTAINING] or renewing a real  
21 estate license, in lieu of obtaining a corporate surety bond, shall pay to the commission  
22 in addition to the license fee, a surety fund fee not to exceed \$125. After the fund  
23 reaches \$250,000, the commission shall by regulation adjust the surety fund fees so  
24 that, taking into account anticipated expenditures for claims against the fund and real  
25 estate educational purposes, the fund is maintained at a level not less than \$250,000.

26 (b) All fees collected under this section shall be paid at least once a month by  
27 the department [COMMISSION] into the general fund. These payments shall be  
28 credited to the real estate surety fund.

29 \* Sec. 37. AS 08.88.460 is amended to read:

30 **Sec. 08.88.460. Claim for payment.** (a) Subject to (e) of this section, a [A]  
31 person seeking reimbursement for a loss suffered in a real estate transaction as a result

1 of fraud, misrepresentation, deceit, or the conversion of trust funds or the conversion  
2 of community association accounts under the control of a community association  
3 manager on the part of a licensee [REAL ESTATE BROKER, ASSOCIATE REAL  
4 ESTATE BROKER, OR REAL ESTATE SALESMAN] licensed under this chapter  
5 shall make a claim to the commission for reimbursement on a form furnished by the  
6 commission. In order to be eligible for reimbursement by the commission, the  
7 claim form must be filed within two years after the occurrence of the fraud,  
8 misrepresentation, deceit, or conversion of trust funds or the conversion of  
9 community association accounts under the control of a community association  
10 manager claimed as the basis for the reimbursement. The form shall be executed  
11 under penalty of unsworn falsification [,] and must include the following:

12 (1) the name and address of each [THE] real estate licensee e involved  
13 [BROKER, ASSOCIATE REAL ESTATE BROKER, OR REAL ESTATE  
14 SALESMAN];

15 (2) the amount of the alleged loss;

16 (3) the date or period of time during which the alleged loss occurred;

17 (4) the date upon which the alleged loss was discovered;

18 (5) the name and address of the claimant; and

19 (6) a general statement of facts relative to the claim.

20 (b) A copy of a claim filed with the commission under (a) of this section shall  
21 be sent to each [THE] real estate licensee [BROKER, ASSOCIATE REAL ESTATE  
22 BROKER, OR REAL ESTATE SALESMAN] alleged to have committed the  
23 misconduct resulting in losses, to the principal [AS WELL AS A] real estate broker  
24 employing a licensee [AN ASSOCIATE REAL ESTATE BROKER OR REAL  
25 ESTATE SALESMAN] alleged to have committed the conduct resulting in losses, and  
26 to any other real estate licensee involved in the transaction at least 20 days before  
27 any hearing held on the claim by the commission.

28 (c) Within seven days after receipt of notice of a claim under (b) of this  
29 section, each [THE] real estate licensee [BROKER, ASSOCIATE REAL ESTATE  
30 BROKER, OR REAL ESTATE SALESMAN] against whom the claim is made may  
31 elect to defend the claim as a small claims action in district court under District Court

1 Civil Rules 8 - 22 [,] if the claim does not exceed the small claims jurisdictional limit.  
2 An election to defend a claim in district court under the small claims rules may not  
3 be revoked by the real estate licensee [BROKER, ASSOCIATE BROKER, OR  
4 SALESMAN] without the consent of the claimant. Upon receipt of a valid written  
5 election under this subsection, the commission shall dismiss the claim filed with the  
6 commission and notify the claimant that the claim must be brought as a small claims  
7 action in the appropriate state court.

8 (d) A claimant under this section shall pay a filing fee of \$250 to the  
9 commission at the time the claim is filed. The filing fee shall be refunded [ONLY]  
10 if

11 (1) the commission makes an award to the claimant from the real estate  
12 surety fund;

13 (2) the claim is dismissed under (c) of this section; or

14 (3) the claim is withdrawn by the claimant before the commission holds  
15 a hearing on the claim.

16 \* Sec. 38. AS 08.88.460 is amended by adding a new subsection to read:

17 (e) If the claim is for a loss incurred as a result of acts or omissions occurring  
18 in the course of the licensee's practice of community association management, only the  
19 owners' association for which the real estate licensee practices community association  
20 management may file a claim under this section.

21 \* Sec. 39. AS 08.88.465(b) is amended to read:

22 (b) A certified or authenticated copy of a record, including a transcript of  
23 testimony, of a hearing held under AS 08.88.071(a)(3) in which fraud,  
24 misrepresentation, deceit, or conversion of trust funds or the conversion of  
25 community association accounts under the control of a community association  
26 manager on the part of a [LICENSED BROKER, ASSOCIATE BROKER, OR] real  
27 estate licensee [SALESMAN] is established [,] may constitute sufficient evidence to  
28 support a finding that a claim should be paid.

29 \* Sec. 40. AS 08.88.465(c) is amended to read:

30 (c) Before the commission finds that payment should be made from the real  
31 estate surety fund, each [THE] real estate licensee against whom the claim is made

1 [BROKER, ASSOCIATE BROKER, OR REAL ESTATE SALESMAN] shall be  
2 afforded an opportunity to file with the commission, within 10 days after receipt of  
3 notification of the claim under AS 08.88.460(b), either a written statement in  
4 opposition to the claim or an application for the presentation of additional evidence.

5 \* Sec. 41. AS 08.88.465(d) is amended to read:

6 (d) The claimant bears the burden of proof of establishing that the claimant  
7 suffered losses in a real estate transaction as a result of fraud, misrepresentation,  
8 deceit, or the conversion of trust funds or the conversion of community association  
9 accounts under the control of a community association manager on the part of a  
10 real estate licensee [BROKER, ASSOCIATE REAL ESTATE BROKER, OR REAL  
11 ESTATE SALESMAN] and the extent of those losses. All facts shall be established  
12 by a preponderance of the evidence.

13 \* Sec. 42. AS 08.88.470 is amended to read:

14 **Sec. 08.88.470. Findings and payment.** At the conclusion of the  
15 commission's consideration of a claim made under AS 08.88.460, it shall make written  
16 findings and conclusions on the evidence. If the commission finds that the claimant  
17 has suffered a loss in a real estate transaction as a result of fraud, misrepresentation,  
18 deceit, or the conversion of trust funds or the conversion of community association  
19 accounts under the control of a community association manager on the part of a  
20 real estate licensee [BROKER, ASSOCIATE BROKER, OR SALESMAN], the  
21 commission may award a claimant reimbursement from [OUT OF] the real estate  
22 surety fund for the claimant's loss up to \$10,000. Not [HOWEVER, NOT] more than  
23 \$10,000 may be paid for each transaction regardless of the number of persons injured  
24 or the number of parcels of real estate involved in the transaction.

25 \* Sec. 43. AS 08.88.472(a) is amended to read:

26 (a) The [WHEN AN AWARD IS MADE FROM THE REAL ESTATE  
27 SURETY FUND UNDER AS 08.88.470, THE] commission may charge to the real  
28 estate surety fund the costs of a hearing on a claim for reimbursement held under  
29 AS 08.88.465. The commission shall deposit into the real estate surety fund  
30 amounts [AS 08.88.071 OR 08.88.465. AMOUNTS SUBSEQUENTLY] recovered  
31 [BY THE COMMISSION] for these costs from the licensee under AS 08.88.071(b) or

1 from other parties under AS 08.88.490 [SHALL BE DEPOSITED TO THE REAL  
2 ESTATE SURETY FUND].

3 \* **Sec. 44.** AS 08.88.474 is amended to read:

4 **Sec. 08.88.474. Payment of small claims judgment.** If a claim originally  
5 filed with the commission is dismissed and is heard as a small claims action under  
6 AS 08.88.460(c) and the claimant prevails in the small claims action against a [THE]  
7 real estate licensee [BROKER, ASSOCIATE REAL ESTATE BROKER, OR  
8 SALESMAN], the commission shall make an award from the fund of any outstanding  
9 portion of the small claims judgment on receipt of a copy of the final judgment and  
10 an affidavit from the claimant stating that more than 30 days have elapsed since the  
11 judgment became final and that the judgment has not yet been satisfied by the  
12 licensee determined responsible [BROKER, ASSOCIATE BROKER, OR  
13 SALESMAN HAS NOT SATISFIED THE JUDGMENT DURING THAT TIME].  
14 After payment of a small claims judgment, the commission is subrogated to the  
15 claimant's rights in the judgment under AS 08.88.490.

16 \* **Sec. 45.** AS 08.88.475 is amended to read:

17 **Sec. 08.88.475. Maximum liability.** (a) The maximum liability of the real  
18 estate surety fund may not exceed \$50,000 for any one real estate licensee [BROKER  
19 OR SALESMAN].

20 (b) If the \$50,000 liability of the fund as provided in (a) of this section is  
21 insufficient to pay in full the valid claims of all persons who have filed claims against  
22 an individual licensee [ONE BROKER OR SALESMAN], the \$50,000 shall be  
23 distributed among the claimants in the ratio that their individual claims bear to the  
24 aggregate of valid claims, or in another manner that the commission considers  
25 equitable. Distribution shall be among the persons entitled to share in the recovery [,]  
26 without regard to the order [OF PRIORITY] in which their claims were filed.

27 \* **Sec. 46.** AS 08.88.490 is amended to read:

28 **Sec. 08.88.490. Right to subrogation.** When the commission has paid to a  
29 claimant from the real estate surety fund the sum awarded by the commission, the  
30 commission shall be subrogated to all of the rights of the claimant to the amount paid,  
31 and the claimant shall assign all right, title, and interest in that portion of the claim to

1 the commission. Money collected [AMOUNTS SUBSEQUENTLY REALIZED] by  
2 the commission on the claim shall be deposited to the real estate surety fund.

3 \* Sec. 47. AS 08.88.900 is amended to read:

4 **Sec. 08.88.900. Exceptions. (a) Except as provided in (b) of this section,**  
5 **this** [THIS] chapter does not apply to

6 (1) a person who is not licensed under this chapter who manages or  
7 makes a real estate transaction with respect to real estate the person owns or is seeking  
8 to own so long as the compensation the person receives does not include any  
9 portion of the commission or other compensation paid to a real estate licensee in  
10 the transaction [ON THE PERSON'S OWN BEHALF, UNLESS THE  
11 TRANSACTION INVOLVES LAND DEFINED IN AS 34.55.044(7) THAT IS NOT  
12 IN ALASKA];

13 (2) an attorney in fact under a power of attorney authorizing the  
14 consummation of a specific real estate transaction; an attorney in fact may not act as  
15 such under this paragraph for more than two transactions in a calendar year;

16 (3) a lawyer performing duties as a lawyer;

17 (4) a public official in the conduct of official duties;

18 (5) a person acting as receiver, trustee, administrator, executor, or  
19 guardian;

20 (6) a person acting under court order;

21 (7) a person acting under the authority of a will or trust instrument;

22 (8) a person dealing in mineral rights transactions;

23 (9) an [A DOMESTIC OR FOREIGN CORPORATION, A GENERAL  
24 OR LIMITED PARTNERSHIP, OR A PARTNER OR REGULAR] employee of a  
25 domestic or foreign corporation, [OR A] general or limited partnership, or limited  
26 liability company when performing an act described in AS 08.88.161 incidental to  
27 [IN] the regular course of business when the act relates [, OR AS AN INCIDENT]  
28 to [,] the management, sale, or other disposition of real estate owned by the domestic  
29 or foreign corporation, general or limited partnership or limited liability company;  
30 the exemption under [PROVIDED IN] this paragraph does not apply to a person  
31 employed by a domestic or foreign corporation, partnership, limited partnership,

1 or limited liability company who performs an act described in AS 08.88.161 [,  
2 UNLESS ALLOWED FOR UNLICENSED PERSONS UNDER AS 08.88.165,] either

3 (A) as a vocation; or

4 (B) for compensation if the amount of the compensation is  
5 dependent upon or directly related to the value of the real estate with respect  
6 to which the act is performed;

7 (10) a person performing duties as a resident manager;

8 (11) a bookkeeper or accountant performing bookkeeping or  
9 accounting functions;

10 (12) a secretary or receptionist in a real estate office accepting rent  
11 or association fees and providing a written receipt for the rent or fees when a  
12 tenant or community association member delivers the rent or fees to the real  
13 estate office;

14 (13) tradesmen or vendors of services performing maintenance and  
15 repair functions;

16 (14) an employee of a real estate firm or of a property owner  
17 delivering or accepting a real estate contract or application, or a related  
18 amendment, to or from another person;

19 (15) an individual assisting in the performance of real estate  
20 activities only by carrying out administrative, clerical, or maintenance tasks;

21 (16) the management of a total of four or fewer residential units by  
22 a natural person for other persons;

23 (17) community association management for property organized  
24 under AS 34.07 or AS 34.08 by a resident owner of a unit in the property if the  
25 owner is a member of a self-managed community association for the property;

26 (18) community association management by a developer of property  
27 organized under AS 34.07 or AS 34.08 during the period that the developer  
28 retains control of at least 51 percent of the property;

29 (19) an attorney in fact who, for a relative, acts under a power of  
30 attorney that authorizes the consummation of a specific real estate transaction;  
31 in this paragraph, "relative" means a spouse or a great grandparent,

1 grandparent, parent, uncle, aunt, sibling, child, nephew, niece, grandchild, or  
2 great grandchild by the whole or half blood or by marriage but does not include  
3 a relative who is only related through a step relationship, such as a stepbrother  
4 or the child of a stepbrother, except that "relative" includes a stepchild;

5 (20) a mobile home dealer licensed under AS 08.67 performing  
6 within the scope of the dealer's license; or

7 (21) the management by a natural person of property for another  
8 person without a fee other than the reimbursement of expenses [OF RENTED  
9 REAL ESTATE IF THE RESIDENT MANAGER'S DUTIES ARE LIMITED TO  
10 THE NEGOTIATION OF LEASES AND RENTAL AGREEMENTS AND THE  
11 COLLECTION OF RENT FOR THE USE OF THE REAL ESTATE AND IF THE  
12 RESIDENT MANAGER IS

13 (A) EMPLOYED BY THE OWNER OF THE REAL ESTATE;

14 OR

15 (B) EMPLOYED BY, OR ENGAGED UNDER CONTRACT  
16 WITH, A LICENSED REAL ESTATE BROKER].

17 \* Sec. 48. AS 08.88.900 is amended by adding a new subsection to read:

18 (b) Notwithstanding that, under this section, a person is exempt from this  
19 chapter, AS 08.88.401(e)(1) prohibits a licensee from knowingly paying to that person  
20 any part of a fee, commission, or other compensation received by the licensee in  
21 buying, selling, exchanging, leasing, auctioning, or renting real estate.

22 \* Sec. 49. AS 08.88 is amended by adding a new section to read:

23 **Sec. 08.88.910. Application to independent contractors.** The provisions of  
24 this chapter that apply to employment relationships and employees also apply to  
25 contracting relationships and independent contractors.

26 \* Sec. 50. AS 08.88.990(1) is amended to read:

27 (1) "commission" means the Real Estate Commission except where the  
28 context indicates that "commission" refers to a fee paid for personal services;

29 \* Sec. 51. AS 08.88.990(3) is amended to read:

30 (3) "real estate" means an interest or estate in land, corporeal or  
31 incorporeal, except that it does not include a unit in a hotel, motel, boarding house,

1 rooming house, or other transient lodging facility, or a unit in a warehouse, mini-  
2 storage facility, or other facility the function of which is limited to warehousing  
3 purposes;

4 \* Sec. 52. AS 08.88.990(4) is amended to read:

5 (4) "resident manager" means a person who resides on rented or leased  
6 real property or on contiguous property owned by the same owner, [AND] manages  
7 the property [IT] for the benefit of another person, and is either employed by the  
8 owner of the real estate or employed by, or under contract with, a real estate  
9 licensee.

10 \* Sec. 53. AS 08.88.990 is amended by adding new paragraphs to read:

11 (5) "community association management" means an activity undertaken  
12 for an owners' association with regard to property organized under either AS 34.07 or  
13 AS 34.08 under an agreement in exchange for a fee, commission, or other valuable  
14 consideration, including the following activities: preparing budgets and other financial  
15 documents, collecting, controlling, or disbursing funds, obtaining insurance for the  
16 association, contracting for maintenance and repair to association property, and  
17 supervising the day-to-day operations of the association under the direction of the  
18 association's board of directors;

19 (6) "community association operating account" means an account in a  
20 financial institution maintained in the name of a specific community association that  
21 contains money used for day-to-day operation and not for other uses;

22 (7) "community association reserve account" means an account in a  
23 financial institution maintained in the name of a specific community association that  
24 contains money reserved for the expected replacement cost of improvements within the  
25 community association or for other future uses;

26 (8) "knowingly" has the meaning given in AS 11.81.900(a);

27 (9) "property management" is an activity undertaken for another with  
28 regard to real property under an agreement in exchange for a fee, commission, or other  
29 valuable consideration, including the following activities: marketing, leasing,  
30 contracting for physical, administrative, or financial maintenance, performance of  
31 overall management of real property, and the supervision of these actions;

1 (10) "real estate licensee" is a person who holds a license under this  
2 chapter; the term includes a broker unless the context clearly excludes brokers;

3 (11) "real estate transaction"

4 (A) in sales, means the transfer or attempted transfer of an  
5 interest in a unit of real property, an act conducted as a result of or in pursuit  
6 of a contract to transfer an interest in a unit of real property, or an act  
7 conducted in an attempt to obtain a contract to market real property;

8 (B) in property management, means the lease or rental of a unit  
9 of real property, including collection of rent from a tenant of a unit of rented  
10 or leased real property, an attempt to rent or lease a unit of real property, an  
11 attempt to collect rent from a tenant of rented or leased real property, or an act  
12 conducted as a result of or in pursuit of a contract to manage a unit of leased  
13 or rented real property;

14 (C) in community association management, means the collection  
15 or attempted collection of dues from a unit owner or an activity conducted as  
16 a result of or in pursuit of a contract with a community association to manage  
17 the affairs of a community association.

18 \* Sec. 54. AS 34.70.050 is amended to read:

19 Sec. 34.70.050. **Form of disclosure statement.** The Real Estate Commission  
20 established under AS 08.88.011 shall establish the form of the disclosure statement  
21 required by AS 34.70.010. The disclosure statement must include a provision that  
22 notifies transferees

23 (1) that they are responsible for determining whether a person who  
24 has been convicted of a sex offense resides in the vicinity of the property that is  
25 the subject of the transferee's potential real estate transaction; and

26 (2) where information about the location of convicted sex offenders  
27 can be obtained.

28 \* Sec. 55. AS 08.88.111 is repealed.

29 \* Sec. 56. TRANSITIONAL PROVISION. Notwithstanding AS 08.88.161(5) and (6),  
30 added by sec. 8 of this Act, a person may practice, or negotiate a contract to practice,  
31 community association management and may collect fees for community association

1 management without a license issued under AS 08.88 until January 1, 1999.

2 \* Sec. 57. REGULATIONS. Notwithstanding sec. 59 of this Act, the Real Estate  
3 Commission may proceed to adopt regulations necessary to implement AS 08.88.091(f) and  
4 (g), added by this Act. The regulations take effect under AS 44.62 (Administrative Procedure  
5 Act), but not before January 31, 1999.

6 \* Sec. 58. REVISOR'S INSTRUCTION. Wherever in the Alaska Statutes and the Alaska  
7 Administrative Code the term "salesman" is used in a context related to real estate salesmen  
8 licensed under AS 08.88, it shall be read as "salesperson" when to do so would be consistent  
9 with changes made by this Act. Under AS 01.05.031, the revisor of statutes shall implement  
10 this section in the statutes, and, under AS 44.62.125, the regulations attorney shall implement  
11 this section in the administrative code.

12 \* Sec. 59. AS 08.88.091(f) and (g), added by sec. 7 of this Act, take effect January 31,  
13 1999.

14 \* Sec. 60. Except as provided in sec. 59 of this Act, this Act takes effect immediately  
15 under AS 01.10.070(c).



# Alaska State Legislature


## SENATE

Official Business

State Capitol  
Juneau, AK 99801-1182

### MEMO

TO: Terri Lauterbach, Legal Counsel  
via fax: X 2029 2 pages

FROM: Annette Kreitzer, Aide to   
Senate Labor & Commerce Committee  
PH: X 3844

DATE: April 14, 1998

RE: Amendment and SCS for HB 33 (L&C) (FOR 4/16/98)

-----  
Using CSHB 33(FIN) am as the base document, please prepare a Senate L&C Committee Substitute work draft incorporating the following:

- 1) Page 3, line 12 *blacks knowingly + intentional*  
Is "wilfully" the proper standard? Why not knowingly? What is the definition of wilfully violating? *with change in text*
- 2) Page 3, lines 20-23 and Page 17, lines 1-6:  
Page 17 includes the phrase "or the broker's authorized representative" (lines 5-6); shouldn't page 3, line 23 include that same phrase?
- 3) Page 5, lines 22-23:  
following "must" DELETE [HAVE BEEN] insert be  
following "before the course" DELETE [WAS] insert is
- 4) Beginning at Page 8, line 30:  
Throughout the bill this phrase "foreign or domestic" corporation appears. Senator Leman prefers this to read "domestic or foreign" to be consistent with other statutes.
- 5) Page 12, line 13:  
DELETE [CONCERNING] insert regarding
- 6) Page 12, line 19:  
Page 13, line 4:  
Page 19, line 27:  
Page 34, line 5:  
DELETE [RELATING] insert related
- 7) Page 15, line 11:  
following "24 months or"  
DELETE [FOR MORE THAN 24 MONTHS] insert longer

8) Throughout the bill, the terms "immediately" and "promptly" are used. Is there a difference? Is there intended to be a different understanding of what they mean?

9) Page 19, line 18:  
following "by the commission"  
DELETE [UNDER REGULATIONS] insert by regulation

10) Senator Leman wants a provision that states that in the contract between the broker and principal must state that the real estate commission is negotiable. It seems that this would fall under AS 08.88.396. *341 sec. 25*

41) In the Transitional Provision (Sec. 56): There may currently be contracts signed between brokers (in behalf of "affinity groups") and consumers. Senator Leman wants to allow a six-month period from the bill's effective date for those contracts to expire or be fulfilled. *= subst. current contracts not affected; 5 Anhold Sec. 15*

**The following should be drafted as a separate amendment to the L&C Committee Substitute:**

**Page 23, beginning at line 10 - Section 34:**

On page 23, lines 18-20 as follows:

"(3) another licensee knowing that the other licensee intends to pay all or a portion of that which is received to a person who is not licensed under this chapter[.], unless the person is a principal in the transaction. This amendment would require corresponding changes to page 29, lines 6-8; and page 31, lines 16-19.

Please call me if you have questions.

AmeriNet Financial Systems

***urgent***

---

f a c s i m i l e

*To:* Sen LOREN LEMAN  
*Company:*  
*Fax Number:* +1 (907) 465-3810  
*Business Phone:*

*From:* Richard Ward  
*Fax Number:* +1 (573) 443-6908  
*Business Phone:*  
*Home Phone:*

*Pages:* 5  
*Date/Time:* 4/18/98 11:09:35 AM  
*Subject:* HB 33 MATERIALS

---

ATTN: Annette Kreitzer

Although I've not been notified of the time of today's Committee hearing, I wanted to make this additional information available to you before today's hearing.

Thank you,

Dick Ward



POST OFFICE BOX 801  
COLUMBIA, MO 65205-0001  
PHONE: 573-474-4444  
vets@vets.org  
www.vets.org

April 18, 1998

Sen. Loren Leman, Chairman  
Senate Labor and Commerce Committee  
Room 115 State Capitol  
Juneau, Alaska 99801-1182

Via U.S. Mail and Facsimile to 907-465-3810

Dear Senator Leman:

I am enclosing with this letter three additional items that may assist your committee in its deliberations. I attempted to obtain a copy of the remarks of Ms. Sharon Millet, President-elect of the National Association of Realtors, at Wednesday's ARELLO affinity task force meeting in St. Louis, but they are not yet available in transcript form. Ms. Millet testified that NAR's official policy does not oppose discounts or rebates to principals in a transaction provided disclosure is made of any potential conflicts. She also stated she believed the Realtor's Code of Ethics covered the disclosure issue and said the profession's view was that free enterprise and consumer choices should be encouraged. The enclosures are:

- (1) An article on Affinity Marketing by real estate consultant Charles Dahlheimer, which appeared in the current edition of The Real Estate Professional.
- (2) An article about the coming changes in the real estate profession, from the same publication, authored by Dr. John Tuccillo, former chief economist for the National Association of Realtors®, and a highly respected real estate author and researcher.
- (3) A recent news release from AmeriNet Financial Systems, Inc., the company VETS selected to provide homeowner services to the veterans we serve. The release speaks for itself, but I believe it is significant to note the economic impact on a state's consumers and homeowners. (Most of these rebates were in the State of Washington for a period of approximately 6 months, including the lag time for program rollout!)

I would be pleased to offer any additional background or research materials you may require. Thank you again for the opportunity to speak to your committee on this important issue for veteran homeowners.

Sincerely,

Richard Ward  
Executive Director



# Affinity Marketing: Friend Or Foe?

*Relocation*

by

*Charles  
Dahlheimer*

**O**ne of the key issues to watch in the next few years will be the advance of "affinity" marketing programs, such as the one recently developed for warehouse merchandising giant, Costco Wholesale, Inc., by AmeriNet Financial Systems, Inc. Dubbed "CARES" (Consumer Advantage Real Estate Services), the program offers card-carrying Costco members (there are over 14 million of them in the US alone) a variety of special services, discounts and rebates on a bundle of real estate services provided through real estate related companies who have signed agreements with AmeriNet.

In most real estate circles, putting the word "discount" near the word "commission" creates immediate resentment. It is not surprising that the real estate world expressed shock in the closing months of 1997, when two of the nation's largest megabrokers, John L. Scott and Long & Foster, signed on to the CARES program. Before the end of January, however, both giants decided to pull out. Their reason: their agents didn't like it. Although the partnership had already provided Scott agents some \$700,000 in closed and pending commissions in just over four months, agents reasoned that most of those clients would have been theirs anyway, without the arrangement and without paying a referral fee.

## THE WAY WE WERE

This seems to be part of a "The Way We Were" syndrome gripping the industry. In the '70s, the 100-percent concept was at first ignored entirely, and then ridiculed by brokers and agents who didn't particularly like the concept. They liked things just fine the way they were, and would resist change — to the death! (And some companies did.) Today, it is a very successful concept — and standard practice within a vast majority of real estate companies. In the early '90s, I wrote and spoke extensively about what I considered a coming trend: buyer agency. Readers and

audiences nationwide reacted very negatively to this concept. Buyer agency, they said, would not take hold. Their reason: "We like things the way they are — and so do most consumers." But history has certainly proven otherwise.

Most business analysts today agree that the consumer will get what the consumer wants. If those of us in the real estate industry could control the future, perhaps we would not allow the MLS to be opened to the consumer marketplace, preferring rather to remain the sole gatekeepers of that information. We probably would not have messed with agency, preferring the simpler method of just representing sellers. We certainly would not cater to the FSBO marketplace. Let them list, if they want our services! And, we would not tolerate the concept of discounted services — at any price!

But, the real estate industry is not in control of the consumer marketplace. If there are affinity groups of any kind — that can effectively reach the consumer marketplace with attractive alternatives offering real benefits to the consumer — the marketplace will accept, even demand, the change. And the business will flow to those willing to adapt their practices to meet changing market demands.

## NEVER TOO BIG TO LOSE

If megabrokers nationwide follow the lead, then such programs will obviously appeal more to the smaller to mid-sized companies — those looking for ways to chisel away at the market share of the dominant players. Assuming that the discounts and rebates are significant enough to make consumers want the program (the CARES program claims savings can amount to more than \$6,000), then those who have the program will likely be the recipients of the lion's share of that business. Client loyalty to a specific real estate company or agent quickly dissolves in the face of significant economic advantages. When discount retailers like Sam Walton first hit the scene, the major department

stores chose to ignore the concept. Their customers, they thought, would never be lured away by "discounts." We know the rest of that story!

## BETTER THAN RELOCATION

Over the past three decades, the same companies who may now object to paying the price for affinity deals have been eager participants in the relocation game, competing to be the "broker of choice" for relocation management companies — and have been willing to pay referral fees of 30 to 40 percent for the privilege!

But affinity business can be even better than relocation. Because affinity programs generally involve consumers who are not relocating, but rather selling and purchasing locally, two transactions often will result. And since such programs generally involve a host of related service vendors — title, mortgage, insurance, inspection, and so forth — the transactions are more likely to stay on track and go to settlement with a minimum of obstacles. And the requirement that the consumer work with the "family" of companies in order to achieve all the savings available will generally be motivation enough to keep the client from "straying" during the processes. Also, unlike outbound relocation clients, satisfied affinity group clients and customers will still be around to refer additional business, provided the appropriate follow-up is done.

Perhaps we need to give further thought to affinity marketing relationships. If such programs have the potential to capture the business of tens of millions of consumers, they just may be worth a second — or even a third — look! ■

Charles Dahlheimer is President of North American Consulting Group, Inc. and co-author of "Real Estate in the '90s: A Whole New World Ahead," and "Coping with the Dynamics of the '90s." He may be reached at: Box 2096, St. Louis, Missouri 63158, 314-664-8552; Fax 314-664-6310.  
He is a regular contributing columnist to **The REAL ESTATE PROFESSIONAL**.



Commentary

# Life As We Knew It

by  
John  
Tuccillo

**T**elevison used to be such an easy business. You used the technology you controlled to send interesting content to remote places and then because people watched, you could charge other folks to advertise their products on your technology. Real simple. But that business model has eroded away as remote control, VCRs, cable networks, satellite dishes and the Internet offered other options to the viewer and substantially more interesting content. So, the formerly major networks (and some upstarts as well) are reduced to bidding enormously excessive amounts for the privilege of showing professional football.

But the real erosion of the networks' business model is rooted in the shift of leverage from the broadcaster to the viewer. With a variety of options the viewer could, in effect, design what he would see rather than be captive of network programming. He can "pull" in what he wants rather than passively accept what is "pushed." Put another way, the power of the buyer in the market has expanded at the expense of the power of the seller. Technology levels the playing field.

That is one of the new rules of business, and one that applies to the real estate professional as well. I would argue that the increased leverage of the buyer in the market due to technology has fostered the growth of buyer's agency. When the game is one-sided, there's no sense joining the losing side. When things even up, you can profit from serving either side. It is no accident that the rise of buyer's agency tracks with the increased accessibility to property information by buyers.

This plays out in another way, as well. Consumers buy real estate services. As long as the MLS was the only source of property information, the Realtor remained the gateway to the transaction. To get to the other providers of settlement services, the consumer had to go through the Realtor's door. With that not the case, any settlement service provider can act as transactions manager, using Realtors as

part of the process, as Realtors now use mortgage lenders, home inspectors and attorneys. In fact, little Jimmy next door can design a Web page describing the house you want to sell and hack it everywhere on the Net for \$100.

All this puts strong pressure on the compensation received by real estate professionals. The existence of little Jimmy means listing fees will have to be competitive. The ability of the consumer to search the Net for houses means the agent may be called on to do less with the consumer less willing to pay. The ability of other providers to manage the transactions puts the real estate professional farther back in line when the pay-out occurs.

There's another new rule of business that offers a way out of this threat. The products and services we produce are higher in information content. That ranges from the machine that wakens you with fresh-brewed coffee to the computer in your car that tells you where you are and how to get where you're going.

## "SMARTER" PRODUCTS AND SERVICES

Consumers increasingly expect that what they buy will be "smarter." As it applies to real estate professionals, this means adding value to the home buying and selling process. It is no longer enough that you have MLS information and that you are willing to haul papers from the customer to the attorney to the courthouse to the lender, and so forth. You must be able to counsel and advise the buyer about all the dimensions and nuances of the property and all the ramifications of the decision to buy *this* house. You must be able to design a marketing strategy for the seller that specifically targets the population groups most likely to purchase *that* house. You must be able to offer the principals in the transaction the swiftest and most trouble-free route to settlement.

All this requires a new type of business model. It is a model that is less face-to-face and people-intensive than the current

model. Instead, technology will be used to automate the routine parts of the transaction—mortgage loan application, title search, document transfer, appointment arrangements—and delegate them to clerical level personnel. The professional will concentrate on the parts of the transaction that require expertise and experience. The professional will also work intensively with databases available on the Net to make the buyer's and the seller's searches more efficient and faster.

## EXPONENTIAL GROWTH AHEAD

There's a final new rule that bears attention. The pace of business is accelerating at tremendous speed. Over the past year, the Internet has come into its own as an important factor in the real estate market. This will grow exponentially. The expectations of the public, likewise, will rise exponentially. There is only a brief window available to move to the new business model, and it must be used. In three years, the real estate business will be far different from what it is now.

Real estate is a pretty good business. It can remain so, but only if real estate professionals evolve the business models they are now using into those that fit the new rules.

*I loved life as we knew it. I just can't believe that we threw it away.* ■

John Tuccillo, CAE (Certification Association Executive) and an ASAE Fellow, is real estate's foremost leader in economic forecasting and strategic planning. John has more than 25 years experience in academia, government and trade associations, including 13 years as chief economist for America's Community Bankers and most recently for the National Association of Realtors.

Author of a great number of books and articles on housing, finance and industry trends, he has addressed countless professional audiences and is a regular guest lecturer at the Washington Campus and the National School of Banking at Fairfield, Connecticut.

He is a regular contributing columnist to **THE REAL ESTATE PROFESSIONAL**.



April 2, 1998

## AmeriNet Financial Systems, Inc. Announces Cash Rebates Totaling Over \$1,000,000

Englewood, Colorado., April 2, 1998 - - AmeriNet Financial Systems, Inc. (OTC BB: ANFS), announced today it has paid out over \$1,000,000 in cash rebates to consumers since introducing the CARES™ Program in October, 1997. The AmeriNet CARES™ Program pays consumers cash rebates and discounts when buying, selling, financing and refinancing their home. On a real estate and mortgage transaction, the CARES™ Member could receive cash rebates from \$3,000 to over \$8,000.

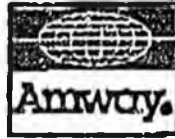
The AmeriNet CARES™ Program is made available to corporations and affinity groups' employees and members and direct to consumers over AmeriNet's Internet Web site. Members and employees of Costco Companies and VETS® Data Corporation were the major benefactors of the AmeriNet CARES™ Program.

Eric Cunliffe, President and Chief Operating Officer of AmeriNet said, "AmeriNet processed almost \$1 billion in mortgage loans and over \$256 million in real estate transactions. The Company's revenue is increasing at over 25% per month. AmeriNet is expanding into Virginia, Maryland and D.C. in April and California shortly thereafter. Revenues are expected to continue to increase as these and other states are opened. Currently, AmeriNet has approved over 80 real estate brokers with over 250 offices in Washington, Oregon, Arizona, New Mexico, Colorado and Virginia and 55 mortgage lenders to participate in the CARES™ Program."

AmeriNet Financial Systems, Inc. operates a technology based, personal contact real estate service. This service provides consumers with cash rebates coupled with unbiased and objective home buying, home selling and home financing assistance. AmeriNet's mission is to reduce the cost and stress of home ownership.

Contact: Ed Gresham / Executive Vice President  
6200 South Syracuse Way, Suite 400, Englewood, Colorado 80111  
Tel: (303) 267-1946 Fax: (303) 290-0180  
Web Site: Ameri-Net.com

AMERINET FINANCIAL SYSTEMS, INC.  
9627 ROCKY BRANCH - DALLAS, TEXAS 75243  
TEL (214) 553-0145 • FAX (214) 553-0146



PLEASE DELIVER

Amway Corporation, 7575 Fulton Street East, Ada, Michigan 48355-0001  
Legal Division

FAX COVER SHEET

DATE: 4/16

TO: ANNETTE KREITZER

FAX NUMBER:

FROM: DIRK BLEEMENGAAL

Amway Corporation

Legal Division

(616) 787- 7010

FAX NUMBER:

(616) 787-5624

PAGES, INCLUDING COVER:

COMMENTS: ANNETTE, I'm SORRY FOR THE CONFUSION (- I HAD FAXED IT BUT IT APPARENTLY DID NOT GO THROUGH). HERE ARE TWO VERSIONS (AN ORIGINAL & A TRANSCRIBED). I'm ALSO ENCLOSED A PIECE FROM THE CON. FED. OF AMERICA, RE A RECENT W. VA. BILL ALTHOUGH THAT BILL WAS SIGNED, SIMILAR BILLS WERE

CONFIDENTIALITY NOTE: The documents accompanying this facsimile message contain information belonging to Amway Corporation which is confidential and/or legally privileged. The information is intended only for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution or the taking of any action in reliance on the contents of this telecopied information is strictly prohibited. If you have received this telecopy in error, please immediately notify us by telephone to arrange for return of the original document to us.

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THANK YOU. Dirk Bleemengaal

## Affinity Group Rebates Become a Divisive Issue

Should home buyers and sellers be allowed to receive sizable cash rebates — or frequent-flier miles — when they choose their realty agent as part of a larger "affinity" group?

Put another way: If your employer, church, bank, credit card company or retail store offers cash rebates from realty commissions whenever you buy or sell a home, should you be allowed by state law to take that cash?

### THE NATION'S HOUSING

By Kenneth R. Harney

That may sound like an easy question, but it's turning into one of the hottest controversies in the American housing market. Legislatures and real estate regulators in a growing number of states are looking at ways to ban or discourage "affinity marketing" programs that rebate portions of home realty commissions to group members. Affinity programs typically are sponsored by associations or firms with large membership bases, such as the Navy Federal Credit Union, Amway Corp., the USAA insurance and financial services companies, Wells Fargo Bank, American Airline, First USA credit cards and Costco-Price Club retail stores.

In the USAA program, for instance, the company's 3 million member-customers are eligible to get a cash "bonus" ranging from \$200 to \$1,000 when they buy or sell a house. There is no charge to the USAA member to participate. The bonus is actually a commission rebate from participating real estate brokers who've agreed to discount their

regular fees in exchange for USAA's referral of prime, pre-qualified clients ready to buy or sell.

In the Costco-Price Club program, dues-paying members of the huge discount retailer can qualify for even larger benefits by buying their home and financing it with participating realty brokers and mortgage lenders. A Costco member who sells a \$225,000 home, purchases a replacement and gets a new mortgage through the program can receive discounts of \$6,000 or more off realty agents' and lenders' regular fees.

The Costco program only began late in 1997, but USAA's has been available to members since 1993. During that period, according to the firm, nearly 33,000 customers have received \$14 million in cash bonuses in the course of buying and selling \$4.7 billion in homes. Besides cash, the program also offers free relocation counseling, help with insurance, financing and other move-related services. Attractive though it may sound, the USAA program is against the law in New Jersey, Kansas, Louisiana, Mississippi, Oklahoma, Idaho and Oregon, where real estate statutes or regulatory rulings prohibit realty agents from sharing commissions with anyone but fellow licensed realty agents.

In Kentucky, bonuses can be paid only to home sellers, never home buyers. In a number of other states, including West Virginia, Maryland, Alaska, Iowa and Delaware, efforts have been underway to adopt legislation or regulations that would

(CONTINUED)

From: Amway Corp.  
Retyed from attached article for readability.  
4-18-98 AK

A bill introduced in the Maryland General Assembly this session would make it illegal for realty agents or brokers to "make any payments or provide a reduced rate of commission to a buyer or seller referred" through any kind of affinity marketing arrangement. The national trade group representing state real estate commissioners, the Association of Real Estate License Law Officials, has created a task force to make recommendations on how states should handle affinity marketing rebates. The task force has scheduled a meeting on the issue for mid-April in St. Louis. The chairman of the group, Brian Pray, is a real estate broker and state real estate commissioner from Oxford, Miss., who is strongly critical of affinity-group marketing discounts.

Pray believes that if affinity programs were allowed to spread unchecked, they would cut the profits of nonparticipating brokers, forcing them to lay off agents, raise commission rates and go out of business. Pray says he is also "concerned that the consumer does not understand that there are inherent conflicts of interest" in some affinity programs, requiring participating real estate agents to refer consumers only to mortgage financing sources tied into the program.

Proponents of affinity-group marketing contend that state real estate regulatory agencies, effectively controlled by the real estate brokerage industry in many states, are the ones with the real conflict of interest when it comes to cutting agents' commissions through rebates.

Gerry Pearce, senior vice president of affinity services for Cendant Mobility, a large relocation

time that sponsors annual P.3 programs like USAA's and Amway's, says, "It's a classic case of the fox guarding the henhouse."

Rather than banning discounts to home buyers, Pearce says, states "ought to allow consumers the right to make a free choice" about saving money through group-purchasing arrangements. The head of the country's largest consumer organization, Stephen Brobeck, executive director of the Consumer Federation of America, agrees.

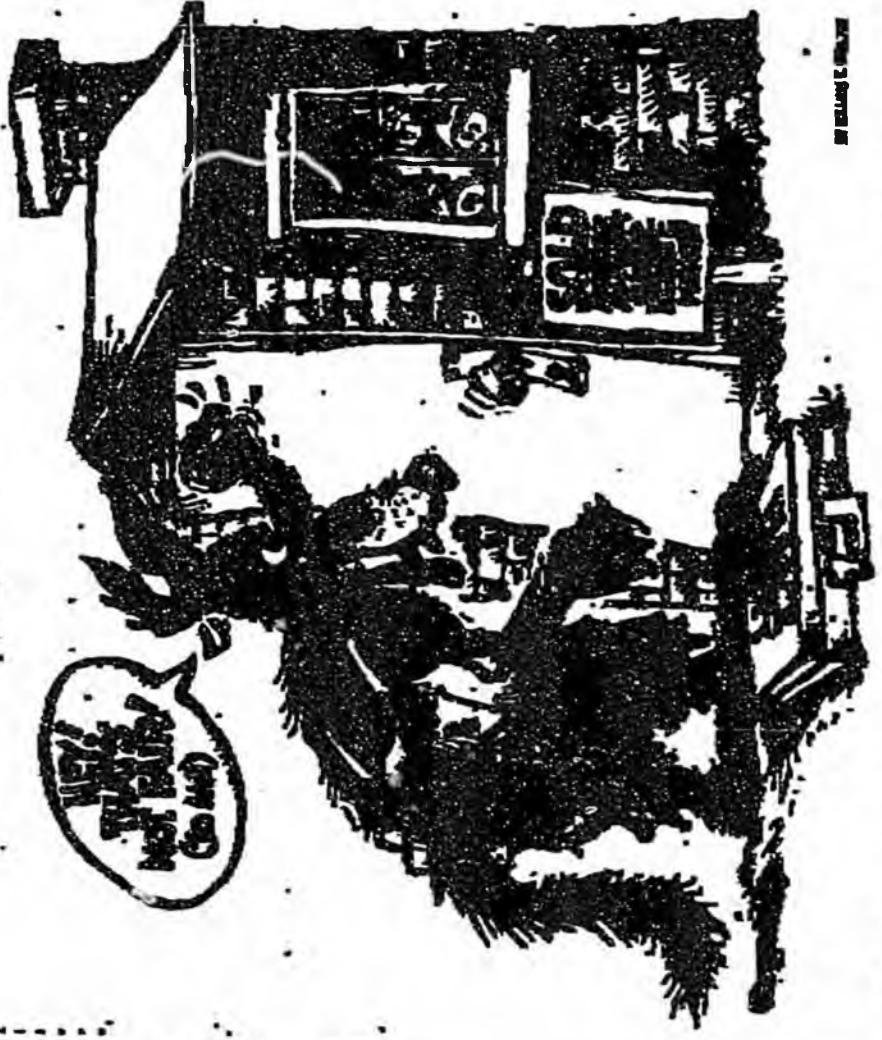
"We are very concerned," Brobeck says, "about any state-imposed restrictions on home buyers or sellers' ability to receive lower-priced real estate services."

Public Affairs note: A version of this column also appeared in Newsday March 13.

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THE MAINTENANCE OF INVESTMENT

Joseph R. Kerney



BY WILLIAM S. BRYANT

### Affinity Group Rebates Become a Divisive Issue

Some home buyers and sellers are allowed to receive sizable cash rebates—or frequent-flyer miles—when they close their realty agent as part of a larger “affinity” group.

For another year, if your employer, church, bank, credit card company or retail store offers cash rebates from realty commissions, whatever you buy or sell a home, should you be allowed by your lawyer to take that cash?

That may sound like an easy question, but it's burning into one of the hottest controversies in the American housing market. Legislators and real estate regulators in a growing number of states are looking for ways to ban or abrogate “affinity marketing” programs that rebate portions of broker commissions to group members.

Affinity programs typically are sponsored by associations or firms with large membership bases, such as the Navy Federal Credit Union, AmeriCorp, the U.S.A. Insurance and Financial Services companies, Wells Fargo Bank, American Airlines, First USA credit cards and Costco-Price Club retail stores.

In the U.S.A. program, for instance, the company's 3 million member-employees are

eligible to get a cash “bonus” ranging from \$200 to \$1,000 when they buy or sell a house. There is no charge to the U.S.A. member to participate. The bonus is actually a commission rebate from participating real estate brokers who've agreed to increase their regular fees in exchange for U.S.A.'s referral of prime, pre-qualified clients ready to buy or sell.

In the Costco-Price Club program, participating members of the buyer discount retailer can qualify for even larger benefits by buying their home and financing it with participating realty brokers and mortgage lenders. A Costco member who sells a \$200,000 home, purchases a replacement and gets a new mortgage through the program can receive discounts of \$4,000 or more off realty agents' and lender's regular fees.

The Costco program only began late in 1997, but U.S.A.'s has been available to members since 1983. During that period, according to the firm, nearly 33,000 customers have received \$1.4 billion in cash bonuses in the course of buying and selling \$4.7 billion in homes. Besides cash, the program also offers free relocation counseling, help with

See BARNEX, Page 4, Col. 3

THE WASHINGTON POST

**THE STATES' MOVING**

**Efforts Underway in Some States to Limit Affinity Group Rebates**

**HANNOY, Penn. (AP) —**

Legislators, financing and other reorganized activities

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## Consumer Federation of America

March 17, 1998

The Honorable Cecil H. Underwood  
Capitol Building  
1900 Kanwhi Boulevard E  
Charleston, West Virginia 25306-0370


Dear Governor Underwood:

The Consumer Federation of America (CFA) urges you to veto H.B. 2569, which was passed by the legislature on March 13, 1998, because it will raise the cost of real estate transactions for many consumers in your state by hundreds and even thousands of dollars. CFA is a national nonprofit association of some 240 pro-consumer groups, with a combined membership of 50 million, that was founded in 1968 to advance consumer interests through advocacy and education.

The bill, as enacted, would prevent consumers from negotiating a discount on the services of a real estate broker when they buy or sell a home in West Virginia. It would also prevent consumers from receiving cash rebates, which can amount to \$1,000 or more, when they buy or sell a home through an "affinity" program sponsored by a number of businesses and associations. I attach a recent syndicated article describing the benefits of affinity programs for consumers.

Whether negotiated individually by a consumer or through an affinity program, discounts on real estate services benefit consumers. Buying a home is the largest single purchase most consumers will make during their lifetime. It is important that consumers be permitted to negotiate the best deal possible on the price of the home, including the real estate services. Until very recently, the real estate industry has resisted efforts by consumers to secure discounts on real estate services. However, whether through affinity programs or other means, consumers are beginning to expect and demand competitive pricing by real estate brokers in exchange for their business. It would be an enormous financial setback for West Virginia consumers if such discounts or rebates were outlawed.

Sincerely,

  
Stephen Brobeck  
Executive Director

SB/lag

Enclosures 1424 16th Street, N.W., Suite 604 - Washington, D.C. 20036 - (202) 887-5121



POST OFFICE BOX 801  
COLUMBIA, MD 21046-0801  
PHONE: 578-474-4444  
vets @ vets.org  
www.vets.org

April 16, 1998

Sen. Loren Leman, Chairman  
Senate Labor and Commerce Committee  
Room 115 State Capitol  
Juneau, Alaska 99801-1182

Via U.S. Mail and Facsimile to 907-465-3810

Dear Senator Leman:

Thank you for the opportunity to be heard today by your committee with regard to certain provisions of CS for HB33. I had hoped to appear personally, but have been delayed by Missouri weather and the ARELLO (Association of Real Estate License Law Officials) Affinity Practices Task Force meetings in St. Louis.

I did have the pleasure of speaking briefly last night with Ms. Terry McGillivray, who is Alaska's delegate to the ARELLO meetings, and she and I shared our concerns about the anti-consumer aspects of CSIB33.

We first became aware of this legislation a week ago when we were alerted by a consumer group that knows of our recently successful battle to win rebate approval from the Veterans Administration in Washington, D.C. CSIB33 as it stands would deny veterans this hard-fought benefit, as well as affect all Alaskans who buy, sell or finance their residences.

Last November we retained the nation's premier affinity firm in this rapidly emerging arena, AmeriNet Financial Systems, Inc., to help VETS launch this program for veterans throughout the nation. Our Alaska announcement has been tentatively scheduled for mid-July at Elmendorff Air Base. State officials and the Commanders of Alaska's veterans organizations will be honored guests at the ceremony.

I realize from my years as a politically active Realtor® that omnibus re-writes of entire statutes tend to gain their own momentum and that what appear to be insignificant provisions can have far-reaching impact. The anti-rebate provisions of Section 34 that prevent buyers and sellers from receiving the benefits of their own transactions is one such provision. Please modify this language and allows Alaska's homeowners and veterans to receive the full benefits of homeownership enjoyed by citizens in other states.

Sincerely,

Richard Ward  
Executive Director

AmeriNet Financial Systems

***urgent***

---

f a c s i m i l e

*To:* **SEN LOREN LEMAN**  
*Company:*  
*Fax Number:* +1 (907) 465-3810  
*Business Phone:*

*From:* **Richard Ward**  
*Fax Number:* +1 (573) 443-6908  
*Business Phone:*  
*Home Phone:*

*Pages:* 2  
*Date/Time:* 4/16/98 4:24:28 PM  
*Subject:* Annette Keitzer

---

Second Attempt to FAX...Thanks for your assistance



POST OFFICE BOX 801  
COLUMBIA, MO 65205-0801  
PHONE: 878-474-4444  
VETS @ VETS.ORG  
WWW.VETS.ORG

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Juneau, Alaska 99801-1182

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VETS @ VETS.ORG  
WWW.VETS.ORG

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Tuesday April 14, 8:09 am Eastern Time

## Company Press Release

# AmeriNet Financial Systems, Inc. Announces Cash Rebates Totaling Over \$1,000,000

ENGLEWOOD, Colo.--(BUSINESS WIRE)--April 14, 1998--AmeriNet Financial Systems, Inc. (OTC BB:ANES - news), announced today it has paid out over \$1,000,000 in cash rebates to consumers since introducing the CARES(tm) Program in October, 1997.

The AmeriNet CARES(tm) Program pays consumers cash rebates and discounts when buying, selling, financing and refinancing their home. On a typical real estate and mortgage transaction, the CARES(tm) Program member could receive cash rebates totaling over \$8,600. The AmeriNet CARES(tm) Program is made available to corporations and affinity groups' employees and members and direct to consumers over AmeriNet's Internet Web site. Members and employees of Costco Companies and VETS(R) Data Corporation were the major benefactors of the AmeriNet CARES(tm) Program.

Eric Cunliffe, President and Chief Operating Officer of AmeriNet said, "AmeriNet processed almost \$1 billion in mortgage loans and over \$256 million in real estate transactions. The Company's revenue is increasing at over 25% per month. AmeriNet is expanding into Virginia, Maryland and D.C. in April and California shortly thereafter. Revenues are expected to continue to increase as these and other states are opened. Currently, AmeriNet has approved over 80 real estate brokers with over 250 offices in Washington, Oregon, Arizona, New Mexico, Colorado and Virginia and 55 mortgage lenders to participate in the CARES(tm) Program."

AmeriNet Financial Systems, Inc. operates a technology based, personal contact real estate service. This service provides consumers with cash rebates coupled with unbiased and objective home buying, home selling and home financing assistance. AmeriNet's mission is to reduce the cost and stress of home ownership.

### Contact:

AmeriNet Financial Systems, Inc.  
Ed Gresham, 303/267-1946 Fax: 303/290/0180  
Web Site: Ameri-Net.com

**More Quotes and News:** [AMERINET FIN \(OTC BB:ANES - news\)](#)

**Related News Categories:** [banking](#), [real estate](#)

Search News Help



**CENDANT**  
*Mobility*

**Joseph M. Bonassar**  
*Division Counsel*

Via Facsimile Transmission (907) 465-3810

March 19, 1998

The Honorable Loren Leman  
Chairman, Alaska House Labor and Commerce Committee

Dear Senator Leman:

I am writing as Counsel to Cendant Mobility Services Corporation ("Cendant Mobility") to describe our consumer incentive programs, and to formally oppose House Bill 33 and its potential negative impact on our programs. Please share my comments with the Labor and Commerce Committee. We strongly believe in the consumer benefit of our programs, and would like to continue to make them available to the people of Alaska.

Cendant Mobility is the nation's largest provider of corporate relocations, and holds real estate licenses in various states. Our Affinity Services division utilizes our corporate resources and our national real estate broker network to provide consumer savings and incentives, and to facilitate all aspects of the household move process for the members of our affinity group clients. We currently have affinity agreements with numerous organizations including USAA, American Airlines, Amway, and the Credit Union National Association. Our Affinity programs make consumer incentives available to any of the over 40 million members of our affinity clients who use our real estate network brokers. Those incentives include cash savings and American Airlines frequent flier miles.

Our Affinity programs operate by providing a toll free telephone number for the members of our affinity clients, and move coordinators to answer incoming calls and refer members to brokers, moving companies, mortgage companies, and other service suppliers in our network. Our affinity clients offer our programs as a benefit to their members. As a licensed broker and under the terms of our agreements with our network brokers, Cendant Mobility collects referral fees when the members close their real estate transactions.

To fulfill the consumer benefit aspect of our program, Cendant Mobility passes a portion of our referral fee back to the buyer or seller, where allowed by local law. This is, in effect, simply a reduction in our fee and the over all commission. In general, the buyer or seller receives the incentive in cash. In the case of American Airlines members, we use a portion of our referral fee

# CORRECTION

THE FOLLOWING DOCUMENT(S)  
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Department of Education  
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Ed Gresham, 303/267-1946 Fax: 303/290/0100  
Web Site: [Ameri-Net.com](#)

**More Quotes and News:** [AMERINET FIN \(OTC BB:\[ANES\]\(#\) - \[news\]\(#\)\)](#)

**Related News Categories:** [banking](#), [real estate](#)

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The Honorable Loren Leman

March 19, 1998

Page 2

to purchase frequent flier miles through an agreement with American. The referral fee to Cendant Mobility is fully disclosed, and all closing transactions comply with RESPA requirements. We closely monitor local rules and laws in all 50 states, and work with local agencies and legislatures to comply with all applicable laws. Currently, 42 states allow our consumer incentive program, and we are providing information to agencies in the remaining 8 states in order to make consumer incentives available. Based on our years of experience and the feedback we receive from program participants, Affinity programs reduce the costs of a real estate transaction to the consumer.

House Bill 33 would make it impossible for these programs to operate by making it unlawful for participating licensed Alaska brokers to forward a percentage to their commission to Cendant Mobility so that Cendant Mobility could in turn rebate a portion of that commission back to the person in Alaska who is buying or selling their own real estate.

House Bill 33 is being proposed for only one reason, and that reason is to eliminate competition from licensed Alaska brokers participating in the program. There is no valid public policy reason to eliminate Affinity programs, as the public is already protected through the programs' use of licensed state brokers and the protections afforded by the state licensing law. Furthermore, individuals are free to withdraw from our programs at any time; the programs merely offer an additional option for buyers or sellers.

Affinity programs have proven to be very popular with Alaska consumers. Other programs would also be barred from Alaskans if House Bill 33 became law, including those run by Better Homes and Gardens, Prudential, and Amway.

In summary, on behalf of our thousands of Alaska members of our Affinity clients who rely upon the Affinity programs to ease the pain on their household finances when they buy or sell their house or land, I wish to respectfully urge you to vote against House Bill 33. The bill is clearly anti-competitive and anti-consumer, seeking to eliminate good, solid pro-consumer programs from the Alaska consumer who will be hurt.

Senator Leman, if you or any committee member has any questions, please contact me at (203) 837-3568. Thank you for your consideration of our concerns.

Very truly yours,



Joseph M. Bonassar

JMB:md

# ALASKA STATE LEGISLATURE

## House of Representatives

### COMMITTEE ASSIGNMENTS:

LABOR & COMMERCE COMMITTEE, CHAIRMAN  
SPECIAL COMMITTEE ON OIL & GAS, MEMBER  
JUDICIARY COMMITTEE, MEMBER  
CORRECTIONS BUDGET SUBCOMMITTEE, MEMBER  
ADMINISTRATION BUDGET SUBCOMMITTEE, MEMBER  
HESS BUDGET SUBCOMMITTEE, MEMBER




INTERIM:  
716 WEST 4TH AVENUE, SUITE 610  
ANCHORAGE, AK 99501  
PHONE: (907) 258-8191  
FAX: (907) 258-2916

SESSION:  
STATE CAPITOL  
JUNEAU, AK 99801-1182  
PHONE: (907) 465-4968  
FAX: (907) 465-2040

## Representative Norman Rokeberg

### MEMORANDUM

TO: Senate Labor & Commerce Committee  
Attention: Annette Kreitzer

FROM: Rep. Norman Rokeberg 

DATE: March 18, 1998

RE: Hearing on CSHB 33 (FIN) am – real estate

You asked for a list of persons who might be testifying on CSHB 33 (FIN) am tomorrow. The following persons will or might testify:

Rep. Norman Rokeberg  
Jerry Royse, President, Alaska Association of REALTORS®  
Don McKenzie, President, Anchorage Board of REALTORS®  
Ruth Blackwell, Chair, Alaska Real Estate Commission (Juneau)  
Larry Spencer, Member, Alaska Real Estate Commission (Juneau)  
Art Clark  
Bill Brady  
Eric Dyrud  
Bob Baer  
Grayce Oakley, Executive Administrator, Alaska Real Estate  
Commission (Anchorage – to answer questions)

All of the above individuals are supportive of this bill. At the present time, I know of no one who might testify in opposition to the legislation.

Thank you for your assistance.

**Citations**

Honoring - Dante Foster

Senator(s) Wilken, Sharp, Miller, Kelly, Taylor, Leman

Representative(s) James, Kelly, Brice, Davies, Therriault, Vezey

Honoring - Senator John Glenn

Senator(s) Wilken, Ellis, Kelly, Taylor, Leman

Honoring - Vietnam Heroes, Hugh Thompson and Lawrence Colburn and Posthumously, Glenn Andreotta

Representative(s) Kubina, Elton, Foster

Senator(s) Wilken, Kelly, Taylor, Leman

Honoring - Linda "L.J." Warren

Representative(s) Ivan

Senator(s) Hoffman, Wilken, Kelly, Taylor, Leman

**Publication Notice - Citations**

Honoring - Charlie Jordan, 1998 Junior Iditarod Champion and Rookie of the Year

Representative(s) Nicholia

Senator(s) Lincoln

Honoring - Kari Wise

Representative(s) Croft

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

P.O. BOX 110800  
JUNEAU, ALASKA 99811-0800  
PHONE: (907) 465-2500  
FAX: (907) 465-5442  
TDD: (907) 465-5437

February 9, 1998

FEB - 9 1998

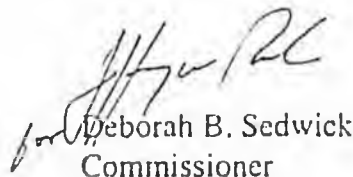
The Honorable Norman Rokeberg  
Chairman, Labor & Commerce Committee  
House of Representatives  
State Capitol, Rm. 24  
Juneau, Alaska 99801

Dear Representative Rokeberg:

The Department of Commerce and Economic Development supports the passage of CSHB 33 (L&C) ("HB 33"), which addresses several key issues of concern to Alaskans involved in real estate transactions. The bill provides for the regulation of Community Association Managers by requiring them to hold a real estate license with specific bonding and trust accounting requirements for handling community association funds. This will help protect community associations from financial loss. HB 33 strengthens enforcement by allowing civil fines for unlicensed practice of real estate and defining what constitutes a conflict of interest. The bill also reduces unregulated real estate activity by prohibiting the payment of any portion of a real estate commission to any unlicensed person either in Alaska or in another state.

The Department appreciates your introduction of House Bill 33 and asks for its favorable consideration by the Legislature.

Sincerely,

  
Deborah B. Sedwick  
Commissioner

# CORRECTION

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Rev. 6/98

Central Microfilm Services  
Department of Education  
State of Alaska



OFFICIAL BUSINESS

Alaska State Legislature  
Twentieth Legislature - Second Session

**SENATE CALENDAR**

Sixty-seventh Legislative Day

Thursday, March 19, 1998 - 11:00 a.m.

Chaplain: Manya Pungowiyi of the Juneau Baha'i Community

**SECOND READING OF SENATE BILLS**

**SB 235**

"An Act extending the termination date of the Board of Certified Real Estate Appraisers."

L&C RPT 3DP

p. 2479

ZERO FISCAL NOTE (DCED)

p. 2479

FIN RPT CS 6DP INR SAME TITLE

p. 2839

CS FOR SENATE BILL NO. 235(FIN)

PREVIOUS ZERO FN (DCED)

p. 2840

**SECOND READING OF HOUSE BILLS**

**HB 296**

"An Act extending the termination date of the Alaska Minerals Commission."

FIN RPT 6DP

p. 2842

(H) ZERO FN (DCED)

p. 2843

**THIRD READING OF SENATE BILLS**

**SB 185**

"An Act relating to the maintenance of voter lists and to the inactivation and cancellation of voter registration; and providing for an effective date."

THIRD READING TODAY'S CALENDAR

p. 2882

**CSSB 254(FIN)**

"An Act relating to the exemption from levy, execution, garnishment, attachment, or other remedy for the collection of debt as applied to a permanent fund dividend."

THIRD READING TODAY'S CALENDAR

p. 2883

**SENATE BILLS IN THIRD READING**

**CSSB 291(JUD) am**

"An Act relating to living wills, do not resuscitate orders, anatomical gifts, and the care and treatment of persons with serious medical conditions."

HELD IN THIRD READING FROM 3/18 CAL

p. 2883

**Citations**

Honoring - Dante Foster

Senator(s) Wilken, Sharp, Miller, Kelly, Taylor, Leman

Representative(s) James, Kelly, Brice, Davies, Therriault, Vezey

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**Publication Notice - Citations**

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Representative(s) Nicholia

Senator(s) Lincoln

Honoring - Kari Wise

Representative(s) Croft

*[Faint handwritten notes and signatures, including "50", "10/1/98", and "Kari Wise"]*

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OFFICE OF THE COMMISSIONER

TONY KNOWLES, GOVERNOR

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February 9, 1998

FEB - 9 1998

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House of Representatives  
State Capitol, Rm. 24  
Juneau, Alaska 99801

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Commissioner

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### DIVISION OF OCCUPATIONAL LICENSING

TONY KNOWLES, GOVERNOR

3601 C STREET, SUITE 722  
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FAX: (907) 269-8156  
TDD: (907) 465-5437  
E-MAIL: [License@commerce.state.ak.us](mailto:License@commerce.state.ak.us)

February 6, 1996

FEB - 6 1998

Representative Norman Rokeberg  
Chairman, Labor & Commerce Committee  
House of Representatives  
State Capitol  
Juneau, AK 99801

Dear Rep. Rokeberg,

The Real Estate Commission voted to support HB33 at a teleconferenced meeting held on January 28, 1998. They were aware of the amendments being considered by the House Labor and Commerce Committee later that same day. The amendments which were adopted by your committee and incorporated into CSHB33 are amendments which they also supported.

In their discussion, the members expressed specific support for:

- 1) the proposed provisions of AS 08.88.167 which would enable civil penalties to be imposed by the Real Estate Commission on persons practicing without a license after an administrative hearing;
- 2) the new sections [ (e), (f), & (g) ] in AS 08.88.401;
- 3) the provisions throughout the bill relative to the licensing of community association managers.

The Commission appreciates your efforts and cooperation with the agency and the industry to address the licensing issues contained in HB33.

Yours truly,



Ruth Blackwell, Chair  
Real Estate Commission

cc: REC Members  
Catherine Reardon, Director  
Division of Occupational Licensing

ght al(ar: consi mp(s) (a)ll) // P.A.M. ... [CLASSIFIED] ... find what you want? A.D. 63

# BUSINESS

ANCHORAGE DAILY NEWS  
July 2, 1996

ANCHORAGE DAILY NEWS

SECTION D

## Embezzlement nets five-year sentence

### Condo association manager took at least \$423,500

By BRUCE MELZER |  
Daily News reporter

Condominium manager Ronald W. Thornton stood in court Monday, faced some of the people whose money he embezzled and said, "I do deserve time" in prison.

Superior Court Judge Milton Sauter gave it to him: a five-year prison sentence.

Thornton had pleaded no contest to one felony count of theft. The owner of Frontier Management Inc. admitted in court filings that he embezzled at least \$423,510 from 17 Anchorage condominium associa-

tions he managed.

Thornton's thefts totaled \$570,200 from 10 associations in all, said assistant district attorney James Kaye. Given the discrepancy in those amounts, the judge Monday postponed setting restitution that Thornton must pay.

But the judge said he was pessimistic that the homeowners' associations will recoup much. "He's not going to be able to pay this off, short of winning the New York State lottery," Sauter said.

"Until the day I die I will try to make restitution to the

associations. I'm sorry. I am truly sorry," Thornton told the 25 or so former clients who filled nearly every seat in the courtroom.

Thornton will be eligible for parole after 20 months, Kaye said.

Thornton was a well-liked, trusted manager who ran the day-to-day affairs and finances of condominium associations around town, his former clients say. A condo association collects dues each month from condominium owners in a de-

Please see Page D-4, CONDO



Ron Thornton is sentenced Monday to five years in state Superior Court.

BRUCE MELZER

## CONDO: Judge gives 5-year sentence

Continued from Page D-1

velopment. The association decides how to spend the money — on landscaping, snow plowing, roof repairs, etc. — to benefit all the owners. Sometimes associations manage the money themselves; sometimes they hire professional managers like Thornton.

In Thornton's case, he often had the power to sign checks, and embezzled the money in part by writing checks for work never done and falsifying the financial reports he gave the associations, according to prosecutors and the victims.

Thornton's thefts were uncovered by Loren Taft, president of Goldleaf Terrace on Strawberry Road in South Anchorage. Taft started looking for money in a reserve account to paint the condo walls. But the cash wasn't there.

Taft said when he inquired about the money, Thornton replied, "Don't worry, the funds will be there."

Taft went to the association's auditor. There he found out that even though the association has been audited each year, Thornton never passed those audits to the board.

As they cobbled together a financial picture, Taft and the auditor saw that money was missing. All told the association lost \$10,760 since January 1992, according to documents filed in court.

Kulik Arms, downtown, got hit hardest of all. The condo claims Thornton took \$110,000, although Thornton estimated the amount at \$99,000, according to papers his lawyer filed in court.

Throughout it all, Thornton offered apologies but no excuses for his actions, he and his lawyer, Joe Josephson, said.

Thornton's story goes like this. In 1993, his wife left him for another man, according to papers Josephson filed.

Following that breakup, Thornton embarked on

path of self-destructive behavior, Josephson told the court. "It was inevitable that he be found out. I think he wanted to be found out, in a way," Josephson said.

Thornton took up with a woman and invested heavily in her businesses, paid her medical debts and took her on trips. All told, Thornton spent about \$350,000 on her and her companies, according to Josephson's documents.

Even Josephson said the woman, who is no longer with Thornton, didn't speak to the why of the crime.

"That's not a real excuse, that's just a soap opera."

Souter was incredulous. "I can understand \$25,000," the judge said, "But not 420,000-plus-dollars. This is not understandable."

Where is the money now? Fayette, the prosecutor said Thornton had no assets that he or the police could find.

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# Alaska Real Estate News



Published by the Alaska Real Estate Commission

Tony Knowles  
Governor

Jeffrey W. Bush  
Acting Commissioner

Catherine Reardon  
Director

Volume 10

November 1997

Number 2

## *Time to renew!*

Any license issued before November 3, 1997 must be renewed by January 31, 1998, or it will lapse.

If your license lapses, you are NOT licensed to practice real estate, and you cannot perform any real estate activity until your license has been reinstated. No exceptions. And there is no grace period.

### *What are the fees?*

Licensees applying for license renewal will submit a fee of \$380. This includes the new biennial license fee of \$280 and a \$100 surety fee.

Applicants for new licenses to be issued after November 21, 1997, will pay \$430. This includes a non-refundable \$50 application fee, the new biennial license fee of \$280 and a \$100 surety fee.

### *How long will it take?*

Applications submitted by December 31 will be processed before January 31st.

Renewed license certificates will be mailed to the broker of

*(continued on page 7)*

## Commission payment disclosures: *Why do we care?*

The demand for "referral fees" by relocation companies is a source of alarm for Alaska licensees.

These fees amount to 25-35% of total commission fees in transactions where customers or clients are members of affinity groups.

Affinity groups may be groups of employees of a large corporation, government groups or other groups with some association in common.

Relocation companies contract with organizations to assist their employees or members who are relocating from one geographic location to another.

Relocation companies then often have contracts with brokers throughout the country, to which the company refers members of these affinity groups for the sale of their existing homes and the purchase of new homes.

The company collects a referral fee from the real estate broker at the closing of the sale or purchase of a member's home, which often amounts to 25-35% of the commission on the transaction.

In order to gain more clients, relocation companies may offer cash rebates and/or cash discounts in

the form of frequent flyer miles to consumers who use their services.

The rebates or discounts to consumers come from the referral fees the company collects after the sale of the consumer's property. Thus, in effect, the consumer receives a portion of the real estate commission from the sale of the property.

The affinity groups in Alaska include British Petroleum, ARCO, American Airlines and Costco generally market the program to their own members.

*(continued on page 5)*

## *In this issue:*

- *Affinity group marketing: what is it?*
- *Fee changes*
- *Mobile home dealers: register!*
- *Why require E&O insurance?*

The concern of real estate brokers in Alaska and elsewhere is that they cannot provide the same services for 35% less than it cost them to provide those services before the emergence of the relocation companies.

#### *Why require disclosure?*

The Alaska Real Estate Commission (AREC) is also concerned about the financial health of brokerages, and about the cost and effect of such plans for consumers.

It is clear that eventually the cost of real estate services to consumers would have to increase to provide commissions to an additional party in the transaction. Consumers are generally not aware of the price they are paying for the minimal benefit they receive.

#### *It's a national problem.*

If it's any consolation, the same concerns were expressed by regulators and practitioners from across the country at a recent meeting of the Association of Real Estate License Law Officials (ARELLO). ARELLO has set up a special task force to look for solutions to the problem.

AREC has already taken action to ensure that consumers are advised

of exactly what commission money is being paid to whom in connection with real estate transactions in this state. Effective June 28, 12 AAC 64.130 says:

#### **"12 AAC 64.130 GROUNDS FOR REVOCATION OR SUSPENSION.**

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

*(4) any payment or receipt of any rebate or compensation from any licensee or any unlicensed person, entity, or association in a real estate transaction without disclosing the specific names and amounts, in writing, to the principals of that transaction at the time that the following documents are signed:*

- (A) the listing contract;*
- (B) the receipt and agreement to purchase;*
- (C) the settlement statement."*

#### *What can the Commission do by regulation?*

In an attempt to further clarify this language, the Commission has noticed its intent to reconsider the regulation at its December meeting.

Many licensees are not satisfied with a requirement for disclosure, but instead, want a prohibition on

any such affinity group marketing plans.

Many other states have attempted to clarify statutes and regulations to make it clear that payment of any kind to unlicensed persons in conjunction with a real estate transaction is unlawful. The most celebrated regulatory revision to date was accomplished by the Mississippi Real Estate Commission (MREC).

#### *PHH vs. MREC*

MREC passed a rule making it unlawful for a Mississippi licensee to pay a referral fee to another real estate licensee when they knew that the second licensee intended to pay a portion of that commission to an unlicensed individual.

Mississippi law already provided its Commission power to revoke or suspend a license of an individual who paid any rebate, profit or commission to an unlicensed person.

The regulation further explained that a licensee could not pay any part of a fee, commission or other compensation received in the course of a transaction except to another licensee through the licensee's broker.

*(continued on page 5)*



## Commission disclosure (continued from page 1)

In August of this year, MREC added another section to the regulation stating: "No licensee shall knowingly pay a commission, or other compensation to a licensed person knowing that licensee will in turn pay a portion or all of that which is received to a person who does not hold a real estate license."

PHH, a relocation company doing business in Mississippi, sued the Commission seeking an injunction to prevent enforcement of the regulation.

Both parties agreed that the rule as amended prohibits the consumer rebates offered by PHH as part of its incentive program for affinity group members.

Both parties moved for summary judgment, agreeing that there were no genuine issues of material fact and that the case could be finally decided on the issues of law that were before the court.

PHH asserted that the rule was preempted by the provisions of

RESPA, violated the commerce clause of the United States Constitution, and was a violation of its first amendment right to free speech, because it prevented PHH from advertising its consumer rebate program.

### *The court's ruling*

The court found that the federal law did not conflict with the Mississippi rule, that it does not directly discriminate against interstate commerce, that it applies equally to brokers inside and outside the state of Mississippi, and that the rule effectuates the local interest of protecting consumers from unscrupulous organizations.

The court also found that the rule regulates conduct, not speech, and is therefore not subject to a First Amendment challenge.

Further, the court stated that the MREC was well within its statutory authority when it passed the rule in question "to carry out the purposes of this chapter".

### *Alaska law is different.*

In Alaska, recent decisions of the Office of the Attorney General have construed the powers of the Commission very narrowly.

That means that unless the statute specifically addresses a given issue, the Commission has no authority to pass regulations on that issue.

It is the position of the Attorney General's Office is that there is no prohibition in Alaska law against paying rebates or other compensation to principals in the transaction.

Therefore, a statutory revision is necessary to create such a prohibition. To incorporate language such as that upheld in Mississippi, Alaska would need a change in the law passed by the state legislature.

Representative Norman Rokeberg has been working on this issue. Contact his office with comments or suggestions.



## *Do we know where you are?*

*If you have not received your renewal forms, it is likely that the Commission does not have your current address.*

*To provide a current address, you must report your new address to the Commission's Anchorage office in writing. Be sure to indicate on your renewal form that the address you have given is a new address.*



REALTOR®

ALASKA ASSOCIATION OF REALTORS, INC.  
 741 Sesame Street, Suite 100 • Anchorage, Alaska 99503  
 Telephone 907-563-7133 • Fax 907-561-1779

February 19, 1998

02-20-98A10:45 RCVD

Alaska State Legislature  
 State Capitol  
 Juneau, AK 99801-1182

Ref: HB 33

Dear Legislators,

The Alaska Association of REALTORS® and it's over 1100 members statewide, believe HB 33 is good public policy and helps further protect the consumers of the State of Alaska. The industry has had numerous meetings with the author of House Bill 33 "An act relating to real estate licensees and to the real estate surety fund." The meetings were designed to clarify language in the bill, craft needed changes to the original bill, and insure the bill meets the needs of the public as well as our industry. It does that. Our Association supports and endorses the current HB 33 in concept and scope. We support the majority of changes the bill will create and would ask for your support when it comes up for a vote.

Sincerely,

Jerry Royse  
 President Alaska Association of REALTORS®



**ANCHORAGE BOARD  
OF REALTORS® INC.****REALTOR®** *The Voice for Real Estate™* In Anchorage741 Sesame Street  
Suite #100  
Anchorage, Alaska 99503  
(907) 561-2338  
(907) 563-8476 Fax

February 18, 1998

Alaska State Legislature  
State Capital  
Juneau, Alaska 99801-1182

Dear Representative Rokeberg,

This letter is to make clear that the Anchorage Board of REALTORS® does support HB33. We appreciate all the time and effort that has gone into the Bill on your part. It is our hope that these changes will clarify the license law and items concerning the Surety Fund.

Best regards,

Don McKenzie, President  
Anchorage Board of REALTORS®

02-19-98P04:58 RCVD



Feb-19-98 05:24P

P.01

February 19, 1998

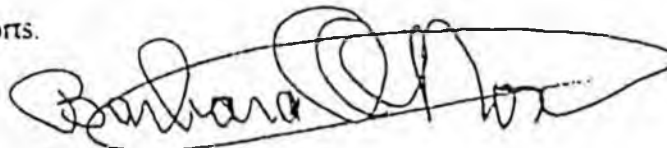
Kenai Peninsula Board of Realtors  
35477 Spur Hwy., Suite 201  
Soldotna, Ak. 99669

Re: HB 33

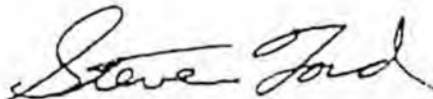
Dear Representative Rokeberg and Members of the House,

We, the members of the Kenai Peninsula Board of Directors, would like to go on record as supporting HB 33. The Legislative and Industry Issues Key Work Group from our Board of Realtors has been actively involved in the revisions and progress of this piece of legislation. We believe it is important to pass HB 33 to correct the current state of the Alaska Statutes that directly effect our industry.

Thank you for your efforts.



Barb Nord  
President  
Kenai Peninsula Board of Realtors



Steve Ford  
Co-Chairman  
Legislative and Industry Issues Key Work Group

02-19-98 05:10 P01



# Kodiak Board of Realtors

218 Center Ave. Suite 200  
Kodiak, Alaska 99615

---

February 20, 1998

Alaska State Legislature  
State Capital  
Juneau, Alaska 99801-1182

Dear Representative Rokeberg,

This letter is to make clear the Kodiak Board of REALTORS® supports HB33. We appreciate the time and effort that you have put into this Bill. It is our hope that these changes will clarify the license law and items concerning it.

Sincerely,

Sharlene Sullivan, President  
Kodiak Board of Realtors®



# Southeast Board of Realtors®



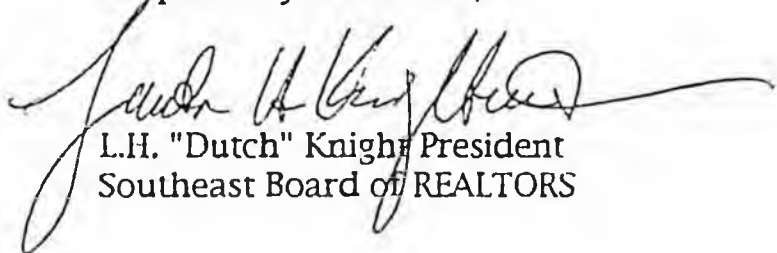
P. O. Box 32646  
Juneau, Alaska 99803-2646  
Phone: (907) 586-2491  
Fax: (907) 586-2021

February 21, 1998

## Resolution for support of House Bill 33

The Southeast Board of Realtors have hereby read and reviewed HB 33, version T and do hereby support and endorse HB 33. Therefor, the Southeast Board of REALTORS do hereby respectfully request that the House of Representatives of the Alaska Legislature pass HB 33.

Respectfully submitted,



L.H. "Dutch" Knight  
President  
Southeast Board of REALTORS



Valley Board of REALTORS®  
851 E. Westpoint Drive, Ste. 208, Wasilla, Alaska 99654  
Telephone 907-376-5080 • Fax 907-376-5081

02-20-98P03:09 RC/D

February 20, 1998

Representative Norman Rokeberg  
State of Alaska  
House of Representatives  
State Capitol  
Juneau, AK 99801-1182

Dear Representative Rokeberg:

On behalf of the Valley Board of REALTORS please be advised that we are in support of H.B. 33. Please relay this message loud and clear to all House Members and others as you deem appropriate. We very much appreciate all your hard work and believe this bill is a win-win for Alaskan consumers as well as all members within the real estate industry.

Thank you again for your effort in this matter.

Sincerely,

Kevin Crozier, President  
Valley Board of REALTORS





*Kachemak Board of Realtors*

P.O. Box 2660

HOMER, ALASKA 99603

02-21-98P03:23 RCMD

February 21, 1998

The Honorable Chairman Norman Rokeberg  
Alaska State Legislature  
House of Representatives  
State Capitol  
Juneau, Alaska 99801-1182

Re: HB 33 Final Draft

Dear Chairman Rokeberg:

WHEREAS, the Directors of the Kachemak Board of Realtors reviewed HB 33 final draft:

Resolved: The Kachemak Board of Realtors do hereby support the final version of HB 33 received by fax at 13:31 on Friday, February 20, 1998.

Sincerely,

Terry Yager  
President  
Kachemak Board of Realtors  
Homer, Alaska

cc: Jerry Royce  
Dea Turner  
Gail Phillips

TY/lw

**Community Associations Institute  
Greater Alaska Chapter  
c/o Shane Osowski  
550 West 7<sup>th</sup> Avenue, Suite 1850  
Anchorage, Alaska 99501**

March 4, 1998

VIA TELECOPIER  
(907) 465-2040

Honorable Norman Rokeberg  
Representative, House District 11  
Alaska State Legislature  
Alaska State Capitol  
Juneau, Alaska 99801-1182


Re: House Bill 33

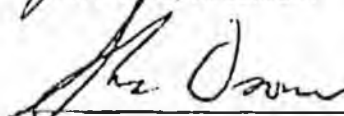
Dear Representative Rokeberg:

Thank you for your efforts to involve CAI in the legislative process concerning House Bill 33. House Bill 33 in its present form addresses all of our concerns and ensures the public of certain professional standards when dealing with licensed association managers. We strongly support this bill and urge its immediate passage.

Norm, we sincerely appreciate your efforts to involve CAI in the legislative process and meet our concerns. As discussed, CAI's national board of directors has a standing policy opposed to licensing of managers as real estate brokers. While our board of directors is unanimously in favor of your bill with these changes, there is some question whether our local chapter may be required to adopt an "official" neutral position regarding the bill while individually supporting it. We are still in the process of sorting this out, but will make every effort to show our support.

Community Associations Institute  
Greater Alaska Chapter

  
John Harris, President

  
Shane Osowski, Past President

  
Art Clark, Co-Chairperson  
Legislative Committee

## ALASKA MORTGAGE BANKERS ASSOCIATION RESOLUTION

WHEREAS, the Alaska Mortgage Bankers Association is a non-profit association whose main purpose is to educate those associated with any facet of the finance portion of the home ownership process thus encouraging home ownership by providing access to affordable housing loan programs,

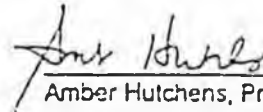
WHEREAS, the Alaska Mortgage Bankers Association promotes and supports affordable loans programs for Alaskans such as the Alaska Housing Finance Corporation's Tax Exempt Programs, Anchorage Neighborhood Housing Services' various loan programs, Municipality of Anchorage's ANCHOR program and Cook Inlet Housing Program,

WHEREAS, the Alaska Mortgage Bankers Association believes that knowledgeable Real Estate Professionals are a valuable and integral part of the education process for buyers and sellers, especially in understanding and executing a real estate contract,

WHEREAS, the Alaska Mortgage Bankers Association concludes when third party affinity groups become involved in Real Estate transactions, the consumer is likely to be referred to an affinity partner who may provide limited, if any, education of the Alaska home buying process and who may restrict referrals to lenders who do not actively promote affordable Alaska home loan programs,

THEREFORE RESOLVED, the Alaska Mortgage Bankers Association hereby supports enforcement of Alaska Statute 08.88.161 which states in part, "Unless licensed as a real estate broker, associate real estate broker, or real estate salesman, a natural person, foreign or domestic corporation, or partnership, or limited partnership, or other entity may not .... (5) assist in or direct the procuring of prospective buyers..." , and

FURTHERMORE, the Alaska Mortgage Bankers Association supports a regulatory ruling or legislative statute that would extend the intent of this statute to include non-payment of fees to a broker or other agent if it is known that the broker intends to pass that fee through to an unlicensed party.



Amber Hutchens, President  
Alaska Mortgage Bankers Association  
12/12/97

JOHN CARMAN

Homestead Mortgage

3201 C ST #105

ANCH, AK 99503

907 762 5890

F

Home Address

12120 Ruswood Cir

ANCH, AK 99516

907 345 9789

CONCERNED ADVOCATES FOR REAL ESTATE SERVICES  
P.O. Box 112342, Anchorage, Alaska 99511

FEB - 6 1998

February 6, 1998

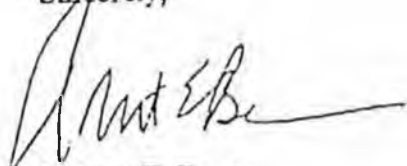
Rep. Norman Rokeberg  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

Re: House Bill 33, Real Estate Licensing

Dear Rep. Rokeberg:

The C.A.R.E.S. organization supports HB 33 and appreciates your continued efforts toward improving the accountability and regulation of the real estate industry in Alaska.

Sincerely,



Robert E. Baer

February 5, 1998

FEB - 5 1998

Representative Norman Rokeberg  
Chairman, House Labor and Commerce Committee  
Alaska State Legislature  
Juneau, Alaska

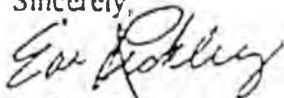
Dear Representative Rokeberg

I have been a full-time professional realtor with Powell Realty/ Better Homes and Gardens of Juneau for the past eight and a half years. I strongly support the current version of HB 33 and any refinements to improve the consumer protection it provides in the Alaska real estate market.

We Realtors are continuously upgrading our skills to insure that the practice of real estate is done professionally and ethically. Our interest is in protecting the public when we provide our services. We in turn need the kind of protection for our industry as well as consumers of our services that this legislation provides.

Thank you for your efforts to make it so.

Sincerely,



G. Eve Reckley  
Realtor

copy: Members of the House Finance Committee:

Rep. Mark Hanley, Co-Chairman	Rep. Gene Thernault, Co-Chairman
Rep. Eldon Mulder, Vice Chairman	Rep. Gary Davis
Rep. Richard Foster	Rep. Pete Kelly
Rep. Vic Kohring	Rep. Terry Martin
Rep. John Davies	Rep. Ben Grussendorf
Rep. Carl Moses	

**Powell Realty**  **Better Homes**  
inc. and Gardens®

9040 Glacier Highway, Juneau, AK 99801 TELEPHONE (907) 789-3888

FAX (907) 789-7038

February 6th, 1998

Representative Norman Rokeberg  
Chairman, House Labor and Commerce Committee  
Alaska State Legislature  
Juneau, Alaska


FEB - 6 1998

Dear Representative Rokeberg,

I am currently a full time Realtor or Powell Realty Better Homes and Gardens in Juneau, and have been for the past 3 1/2 years. It has been a very productive and successful career for me. I wish to express to you that I am in strong support of the current version of House Bill 33. I feel that it seeks to provide protection for our industry (The Alaska Real Estate Market). This legislation is necessary for us to provide our services at the level of quality that we have thus far been able to provide.

I certainly appreciate your efforts in attempting to protect the public and in turn our industry with this legislation.

Sincerely,

  
Helen G. Troutt  
Realtor

Copy: Members of the House Finance Committee:

Rep Mark Hanley, Co-Chairman	Rep. Gene Therriault, Co-Chairman
Rep Eldon Mulder, Vice-Chairman	Rep. Gary Davis
Rep. Richard Yoster	Rep. Pete Kelly
Rep. Vic Kohring	Rep. Terry Martin
Rep. John Davies	Rep. Ben Grussendorf
Rep. Carl Moses	

Author: powell@eagle.ptialaska.net (Janie Bee Powell) at CC2MHS1

Date: 2/5/98 3:33 PM

FEB - 6 1998

Priority: Normal

TO: Representative Norman Rokeberg at LAA\_TRANS

CC: Representative Mark Hanley at LAA\_HHAN, Representative Gene Therriault at LAA\_HTHR,  
Representative Eldon Mulder at LAA\_TRANS, Representative Gary Davis at LAA\_TRANS,  
Representative Richard Foster at LAA\_TRANS, Representative Pete Kelly at LAA\_TRANS,  
Representative Vic Kohring at LAA\_TRANS, Representative Terry Martin at LAA\_TRANS,  
Representative John Davies at LAA\_TRANS,  
Representative\_Ben\_Grussendorf@legis.state.ak.us at CC2MHS1,  
Representative\_Carl\_Moses@legis.state.ak.us at CC2MHS1

Subject: [Fwd: House Bill 33]

Janie Bee Powell  
Powell Realty, Inc. BH&G  
9040 Glacier Hwy.  
Juneau, AK 99801  
(907) 789-3888

X-Mozilla-Status: 0001

Message-ID: <34DA5894.5604@eagle.ptialaska.net>

Date: Thu, 05 Feb 1998 15:25:56 -0900

From: Janie Bee Powell <powell@eagle.ptialaska.net>

Organization: Powell Realty, Inc. BH&G

X-Mailer: Mozilla 2.0 (Win95; U)

MIME-Version: 1.0

To: Representative\_Norman\_Rokeberg@legis.state.ak.us

CC: Representative\_Mark\_Hanley@legis.state.ak.us,  
Representative\_Gene\_Therriault@legis.state.ak.us,  
Representative\_Eldon\_Mulder@legis.state.ak.us,  
Representative\_Gary\_Davis@legis.state.ak.us,  
Representative\_Richard\_Foster@legis.state.ak.us,  
Representative\_Pete\_Kelly@legis.state.ak.us,  
Representative\_Vic\_Kohring@legis.state.ak.us,  
Representative\_Terry\_Martin@legis.state.ak.us,  
Representative\_John\_Davies@legis.state.ak.us,  
Representative\_Ben\_Grussendorf@legis.state.ak.us,  
Representative\_Carl\_Moses@legis.state.ak.us

Subject: House Bill 33

Content-Type: text/plain; charset=us-ascii

Content-Transfer-Encoding: 7bit

As the Broker for Powell Realty, Inc. BH&G, Juneau, Alaska, I firmly support the current version of House Bill 33 (CSHB 33(L&C), Version Q).

Janie Bee Powell

**Powell Realty**  **Better**  
*inc.*  **Homes**  
and Gardens

9040 Glacier Highway, Juneau, AK 99801 TELEPHONE (907) 789-3888 FAX: (907) 789-7038

February 6, 1998

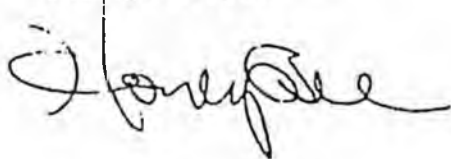
Representative Norman Rokeberg  
Alaska State Legislature

FEB - 6 1998

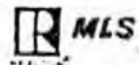
Dear Representative Rokeberg,

I want to voice my support in favor of House Bill 33.

Thank you for your time.



Honey Bee Anderson  
Sales Associate  
Powell Realty Inc./Better Homes and Gardens<sup>®</sup>



Author: explor@ptialaska.net (Dale Anderson) at CC2MHS1  
Date: 2/6/98 11:10 AM  
Priority: Normal  
TO: Representative Norman Rokeberg at LAA\_TRANS  
Subject: HB 33

FEB - 6 1998

I am a licensed real estate agent in the State of Alaska and want to thank you for carrying HB33. I fully support the bill. Thank you and let me know if there is anything I can do to help you further. Best regards,  
Dale Anderson

Poweil Realty, Inc  
9040 Glacier Highway  
Juneau, AK 99801  
(907) 789-3888 (work)  
(907) 789-1965 (home)

Admiralty Tours/Auke Lake B&B  
(907) 789-1965 (phone)  
(907) 790-253 (fax)  
explor@ptialaska.net (e-mail)  
<http://www.ptialaska.net/-explor> (website)



FEB - 5 1998

To: Rep. Norman Rokeberg

From: Dutch Knight, Broker

Re: HB 33

I've been a fulltime Realtor for 7 years now and a broker for 4 years. HB 33 is an important bill that I believe deserves your support.

In short I believe that it protects the public and the real estate industry. Please support HB 33! If you have any questions please feel free to call me at 790-3305.

Failure to support HB 33 would be like letting the fox run loose in the chicken coop.

Without HB 33 more and more of the real estate and related services such as lending currently provided by local Alaskans will be sent out of state with a net result of lower incomes and reduced income for the State of Alaska and it's people. Please protect our future!

CC:

Rep Mark Hanley, Co Chairman	465-2418
Rep. Gene Theriault, Co-Chairman	465-3884
Rep. Eldon Mulder, Vice Chairman	465-3518
Rep. Richard Foster	465-3242
Rep. Pete Kelly	465-5241
Rep. Vic Kohring	465-3818
Rep. Terry Martin	465-2293
Rep. John Davies	465-3519
Rep. Ben Grussendorf	465-2278
Rep. Carl Moses	465-3445



# TOTEM PROPERTIES, INC.



FEB - 5 1998

Rep. Norman Rokeberg  
Ak State Legislature  
Re: HB 33

February 5, 1998

Dear sir:

I am very much in favor of House Bill 33.

Respectfully,

Janet Argevitch, Sales Associate  
Totem Properties, Inc.



# TOTEM PROPERTIES, INC.



FEB - 5 1998

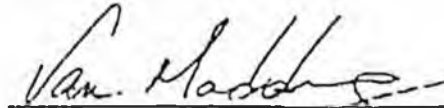
Rep. Norman Rokeberg  
Ak State Legislature  
Re: HB 33

February 5, 1998

Dear sir:

I am very much in favor of House Bill 33.

Respectfully,

  
\_\_\_\_\_  
Van Madding, Sales Associate  
Totem Properties, Inc.



# TOTEM PROPERTIES, INC.



FEB - 5 1998

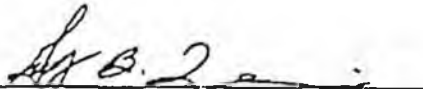
Rep. Norman Rokkeberg  
Ak State Legislature  
Re: HB 33

February 5, 1998

Dear sir:

I am very much in favor of House Bill 33.

Respectfully,

  
\_\_\_\_\_  
Gary Lewis, Sales Associate  
Totem Properties, Inc.



# TOTEM

PROPERTIES, INC.



FEB - 5 1998

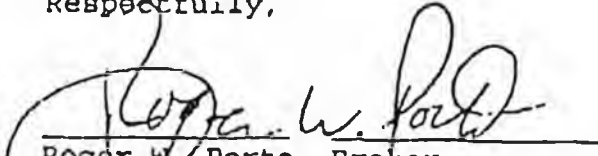
Rep. Norman Rokeberg  
Ak State Legislature  
Re: HB 33

February 5, 1998

Dear sir:

I am very much in favor of House Bill 33.

Respectfully,



Roger W. Porto, Broker  
Totem Properties, Inc.



# TOTEM

PROPERTIES, INC.



FEB - 5 1998

Rep. Norman Rokeberg  
Ak State Legislature  
Re: HB 33

February 5, 1998

Dear sir:

I am very much in favor of House Bill 33.

Respectfully,

Mike Ran, Associate Broker  
Totem Properties, Inc.



# TOTEM Realty Inc.

Bus: (907) 272-0571 • Fax: (907) 274-9616

FEB - 6 1998

February 6, 1998

Rep. Norman Rokeberg  
Alaska State Legislature  
State Capitol  
Juneau, Alaska 99801-1182

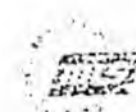
Re: House Bill 33, Real Estate Licensing

Dear Rep. Rokeberg:

I support the goals of HB 33 and appreciate your continued efforts toward improving the accountability and regulation of the real estate industry in Alaska.

Sincerely,

Robert E. Baer





Since 1953

FEB - 6 1998

February 6, 1998

3201 C Street  
Suite 200  
Anchorage, Alaska  
99503-3994

Bus. (907) 563-5500  
Fax (907) 762-3189

Dear Representative Norman Rokeberg:

I believe real estate law has come a long way in the last ten years. I see no need to set it back twenty. I am in favor of House Bill 33. If HB 33 does not pass then it will be the Alaskan consumer that will ultimately pay the price. Thank you very much for your work and time on this most important issue.

Sincerely,

Manuel Escobedo  
Jack White Real Estate



701 E PARKS HWY, SUITE 104  
WASILLA, ALASKA 99654  
907-373-1555-PHONE  
907-373-1444-FAX

FAX

DATE: 2/6/98  
TO: NORM ROKEBERG  
HOUSE FINANCE COMMITTEE  
FAX NO: 465 2040  
FROM: CAROL J. JENSEN GRI, CRB  
  
NO. PAGES: 1

FEB - 6 1998

I AM IN SUPPORT OF HB33 WRITTEN TESTIMONY TO FOLLOW NEXT WEEK.

*Carol J. Jensen*  
*Assoc. Broker*

Author: trevor@mail.ptialaska.net (Trevor Roehl) at CC2MHS1

FEB - 6 1998

Date: 2/6/98 11:53 AM

Priority: Normal

TO: Representative Norman Rokeberg at LAA\_TRANS

CC: Representative Vic Kohring at LAA\_TRANS, Representative Terry Martin at LAA\_TRANS,  
Representative Richard Foster at LAA\_TRANS, Representative Pete Kelly at LAA\_TRANS,  
Representative Mark Hanley at LAA\_HHAN, Representative John Davies at LAA\_TRANS,  
Representative Gene Therriault at LAA\_HTHR, Representative Gary Davis at LAA\_TRANS,  
Representative Eldon Mulder at LAA\_TRANS,  
Representative\_Norman\_Rokeberg@legis.state.ak.us at CC2MHS1,  
Representative\_Eldon\_Mulder@legis.state.ak.us at CC2MHS1,  
Representative\_Carl\_Moses@legis.scate.ak.us at CC2MHS1,  
Representative\_Ben\_Grussendorff@legis.state.ak.us at CC2MHS1

Subject: HB 33

I have been a licensed Real Estate Agent in the State of Alaska since February of 1995. I support HB 33, Real Estate Licensing, and urge you to expeditiously review and approve it.

Thank you

Trevor Roehl  
Sales Associate



CENTURY 21 All Star, REALTORS

8585 OLD DAIRY RD.  
JUNEAU, AK 99801

REALTOR  
PROFESSIONAL  
ASSOCIATION

FEB - 6 1998

Attention: Rep. NORMAN ROKEBURG

Date: 2/6/98

From: Sue Bigelow

Number of pages: 1

I am a fulltime REALTOR working for CENTURY 21, All  
Star, REALTORS. I Support bill HB 33 and hope you  
will do the same.

Thank you.

CC:

Rep. Mark Hanley

Rep. Gene Theriault

Rep. Eldon Mulder

Rep. Richard Foster

Rep. Pete Kelly

Rep. Vic Kohring

Rep. Terry Martin

Rep. John Davies

Rep. Ben Grussendorf

Rep. Carl Moses

CENTURY 21 All Star, REALTORS

8585 Old Dairy Road  
Juneau, AK 99801  
Phone (730)790-4848 or 790-4800



All Star, REALTORS®  
8585 Old Dairy Rd., Ste 103  
Juneau, Alaska 99801  
Business (907) 790-4848  
Fax (907) 790-4800  
akrealty@alaska.net

Feb 6, 98

FEB - 6 1998

6  
188

To Whom it may concern.

My name is Walt Weary  
and have been an agent  
with Century 21 since May of  
1995.

I support bill 33!

Thank you  
Walt Weary



CENTURY 21 ALL STAR, REALTORS

8585 OLD DAIRY RD.  
JUNEAU, AK 99801

FAX

Attention: Rep. NORMAN ROKEBURG

Date: 2/6/98

From: Terry whitbeck

Number of pages: 1

FEB - 6 1998

I have been a Real Estate Agent since 1986. I opened  
my own office in 1991. I am the Broker / Owner of  
the CENTURY 21 All Star, REALTORS office in Juneau, AK.  
I Wholeheartedly support HB 33 and sincerely hope you  
will too....

Thank You

CENTURY 21 All Star, REALTORS

8585 Old Dairy Road  
Juneau, AK 99801  
Phone (790)750-4848 or 790-4800



FEB - 6 1998

WHITING REALTY

2015 JORDAN AVENUE  
SHELL AK 99501  
BUS. (907) 789-8563  
FAX (907) 789-8440

February 6, 1998

TO: Representative Norman Rokeberg  
Alaska State Legislature  
Juneau, Alaska 99801

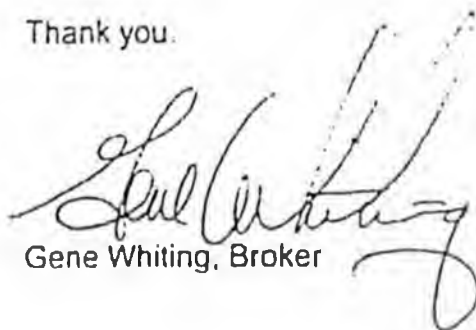
Via Fax Transmission to: 907 - 465 - 2040

RE: House Bill 33

Dear Representative Rokeberg,

I am very much in favor of House Bill 33. I appreciate your efforts to promote Alaskan industry.

Thank you.



Gene Whiting, Broker

FEB 10 1998

Author: spencer@pobox.alaska.net (Larry Spencer) at CC2MHS1

Date: 2/10/98 5:27 AM

Priority: Normal

To: Representative Norman Rokeberg at LAA\_TRANS

Subject: HB 33

Representative Norman Rokeberg  
Chairman, Labor & Commerce Committee  
House of Representatives  
State Capitol  
Juneau, AK 99801

Dear Rep. Rokeberg,

I am a member of the Alaska Real Estate Commission, as well as a member of the Sotheast Board of Realtors. I practice both residential and commercial leasing, sales and property management as well as residential sales. My office consists of a licensed broker and two agents. I support the changes proposed in HB 33. In particular I support the enactment of civil penalties as outlined below. The civil penalties portion of the bill is essential if license enforcement and public protection is to be achieved. Otherwise, we are merely regulating the people who volunteer to apply and pay our license fees, and exempt those who choose not to be licensed. The current enforcement procedures through the attorney general are expensive, time consuming, and generally not available. Specifically, I support:

- 1) the proposed provisions of AS 08.88.167 which would enable civil penalties to be imposed by the Real Estate Commission on persons practicing without a license after an administrative hearing;
- 2) the new sections ((e), (f), & (g)) in AS 08.88.401;

I appreciate your support for HB33.

Yours truly,

Larry Spencer, Member  
Real Estate Commission