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**KENTUCKY REAL ESTATE COMMISSION
(KREC)**

MEETING MINUTES

January 20, 2022

Mayo-Underwood Hearing Room 133CE

*** This meeting also occurred via Zoom Teleconferencing, pursuant to KRS 61.826***

Commission Members Present

Commissioner Chair, Lois Ann Disponett
Commissioner Larry Disney
Commissioner James Simpson
Commissioner James King
Commissioner Steve Cline
Commissioner Raquel Carter
Commissioner Anthony Sickles

KREA Staff

Robert Astorino, Executive Director
Molly Cassady, General Counsel
Hannah Carlin, Education Coordinator
Brian Travis, Investigator
Terri Hulette, Executive Administrative Secretary
Angie Reynolds, Administrative Specialist III

Guests Present

Nelly Cruz	Virgina Lawson	Alecia Lococo
Steve Medved	Janie Wilson	Judy Ball
Joyce Sterling	Shawn Hawkins	Cindy Grissom
Wendy Mattingly	Tom Cox	Scott Walters
Jennifer Allen	Stephen Zoglman	Virginia Dickerson
Margie Harper	Nicole Knudtson	Justin Landon
Gina Schaal	Douglas Meyers	

Call to Order and Guest Welcome

The Kentucky Real Estate Commission meeting was called to order through video teleconference by Commission Chair, Lois Ann Disponett, at 9:00 a.m. on January 20, 2022. Roll call was taken, and a quorum was present. Guests in attendance were welcomed and introductions of guests, staff, and commissioners were made.

Approval of Meeting Minutes

1. Commissioner Disney made a motion to approve the **December 16, 2021** Meeting Minutes
Commissioner Carter seconded the motion. With all in favor, the motion carried.

Education and Licensing Report

Ms. Carlin presented the Commission the following:

1. PSI Testing Statistics

December 2021 (First Time)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity-Broker	1	50.00	1	50.00	2
License Reciprocity-Salesperson	1	12.50	7	87.50	8
Broker- National	5	83.33	1	16.67	6
Broker- State	3	50.00	3	50.00	6
Salesperson- National	81	68.64	37	31.36	118
Salesperson- State	66	55.00	54	45.00	120
TOTAL	157	60.38	103	39.62	260

December 2021 (Repeat)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity-Broker	2	50.00	2	50.00	4
License Reciprocity-Salesperson	6	54.55	5	45.45	11
Broker- National	2	100.00	0	0.00	2
Broker- State	4	57.14	3	42.86	7
Salesperson- National	24	30.38	55	69.62	79

Salesperson- State	47	45.19	57	54.81	104
TOTAL	85	41.06	122	58.94	207

2021 (Cumulative)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity- Broker	27	50.00	27	50.00	54
License Reciprocity- Salesperson	94	56.97	71	43.03	165
Broker- National	113	62.78	67	37.22	180
Broker- State	107	52.45	97	47.55	204
Salesperson- National	1,685	56.96	1,273	43.04	2,958
Salesperson- State	1,674	50.68	1,629	49.32	3,303
TOTAL	3,700	53.90	3,164	46.10	6,864

1. Licensing Statistics

As of January 17, 2022

Type	Active	Inactive	TOTAL
Sales Associate	12,393	5,906	18,299
Broker	3,903	827	4,730
TOTAL	16,296	6,733	23,029

Licenses cancelled in December 2021: 22 (19 sales associates, 3 brokers)

New Licenses Issued in 2021 (by month)

Month	Sales Associate	Broker	Total
January	109	10	119
February	172	14	186
March	122	5	127
April	163	12	175
May	138	7	145
June	138	8	146
July	151	14	165
August	150	15	165
September	161	9	170
October	143	12	155
November	137	9	146
December	115	8	123
TOTAL	1,699	123	1,822

Ms. Carlin presented the January 2022 licensing requests:

1. **180739:** Commissioner Carter made the motion to deny. Commissioner Cline seconded the motion. Having all in favor, the motion carried.
2. **201444:** Commissioner Simpson made the motion to deny. Commissioner Sickles seconded the motion. Commissioner Carter opposed. Having the majority in favor, the motion carried.
3. **202759:** Commissioner Carter made the motion to approve hardship for this licensee as defined by 201 KAR 11:210 Section 13 by way of extending their C.E. deadline to July 1, 2022. Commissioner Disney seconded the motion. Having all in favor, the motion carried.
4. **261872:** Commissioner Simpson made the motion to deny. Commissioner Carter seconded the motion. Having all in favor, the motion carried.
5. **C.I. Application:** Commissioner Sickles made the motion to deny. Commissioner Disney seconded the motion. Commissioners Disney and Carter opposed. Having the majority in favor, the motion carried.

Ms. Carlin stated that that the education deadline is set for February 14, 2022. There are 418 people that need to complete the post-license education requirement and 1590 people that need to complete continuing education or the core course. . If licensees do not completed the education requirement by the deadline, they will be cancelled.. Ms. Carlin asked all brokers, educators, and industry participants to encourage licensees to complete their education by the deadline to avoid cancellation.

Executive Director Comments

Director Astorino’s update centered on three points: (1) work production; (2) DEI’s legacy scholarship; (3) KREC’s new errors and omissions insurance policy. Despite the impact COVID has had on every aspect of life, KREC staff has continued to produce effective, quality work. Director Astorino also spoke briefly regarding the Diversity Committee’s scholarship proposal, which received approval from Cabinet leadership. Lastly, Director Astorino stated the new contract for KREC’s E&O policy has been approved by the Finance Cabinet. The new contract allows licensees to purchase a two-year insurance policy to coincide with the license renewal cycle.

Committee Reports

Complaint Review Committee

There was no Complaint Review Committee meeting for this month.

Diversity, Equity, & Inclusion Committee

Commissioner Carter presented the REAL Legacy Scholarship in detail. She noted how excited each of the committee members are to bring the scholarship to fruition after numerous discussions and a lot of hard work.

When her presentation concluded, Commissioner Carter asked the Commission to approve the REAL Legacy Scholarship proposal. Commissioner King seconded the motion. Having all in favor, the motion carried.

Applicant Review Committee

Commissioner Simpson read the report of the Application Review Committee and the Committee's recommended action on each licensee:

1. To approve the license application of S.W.
2. To approve the license application of W.M.
3. To approve the license application of R.K.
4. To approve the license application of C.H.

Executive Session Legal Matters and Case Deliberations

At 9:55 a.m. Commissioner Simpson made a motion to enter executive session, pursuant to KRS 61.810(1)(c) and (j), and KRS 61.815 to deliberate on individual adjudications and to discuss the four (4) new applications as offered by the ARC Committee as well as the instructor issue and education provider issue.

Commissioner Sickles seconded the motion and the Commission entered into executive session discussion.

Reconvene Open Session and Committee Recommendations

At 11:05 a.m., Commissioner Disney motioned for the Commission to come out of executive session. Commissioner King seconded the motion.

Commissioner Simpson made the motion to adopt the **Applicant Review Committee** items as previously recommended to the Commission. Commissioner King seconded the motion. Having all in favor, the motion carried.

Education Provider Issue – Commissioner Carter made the motion to issue a letter of warning to the Education Provider regarding the course approval issue. Commissioner Sickles seconded the motion. Having all in favor, the motion carried.

Instructor Issue - Commissioner King made the motion to hold the instructor's application for approval in abeyance pending the outcome of the administrative hearing. Commissioner Simpson seconded the motion. Chairperson Disponett and Commissioner Disney abstained from the vote. Having the majority in favor, the motion carried.

Public Comment

Chairperson Disponett opened the floor for public comments.

Attorney Virginia Lawson stated that she supported the continuance of the C.E. Zoom classes. She felt they had been very helpful and beneficial. She encourages the Commission to continue allowing Zoom classes.

Legal Report

Docket Update

General Counsel reported that the Cabinet has assigned two staff attorneys from other Divisions to assist with the Docket part time. General Counsel has begun to assign complaints to those staff attorneys so that she can focus on progressing the administrative hearing docket. She is looking forward to having their

assistance. KREA also received approval to hire a second attorney. General Counsel is hoping to fill that position within the next few months.

The Cabinet legal department also has two new interns from the University of Kentucky. One is specifically assigned to KREA. The other will assist other Cabinet agencies.

General Counsel reported that she is continuing to prepare for upcoming administrative hearings.

Illinois Reciprocity

KREC has been in negotiations with the Illinois Real Estate Commission regarding reciprocity between the two states. Both parties agree on every aspect of the proposal, except the matter of applicants disclosing pending complaints. At the September 2021 meeting, commissioners were asked if they would be willing to forego that requirement in order to finalize the reciprocal agreement and ultimately decided to include that language. However, as a result of continued discussions with representatives from Illinois, staff realized KREC currently only asks applicants to disclose finalized disciplinary action. The license applications do not require individuals to disclose pending administrative complaints. Staff presented KREC with two options: (1) change the license application to include disclosure of pending complaints; or (2) remove the language in the proposed Illinois reciprocity agreement.

Commissioner Disney made the motion to continue negotiating reciprocity with state of Illinois and remove the language regarding the pending complaint language from the Illinois Reciprocity agreement. Commissioner Carter seconded the motion. Having all in favor, the motion carried.

New Business

Data Request – Relaying Canceled Licensee Information to the Associations

Representatives from local REALTOR boards asked KREC to implement a file-sharing program that would allow local boards to know when a licensee has been cancelled or disciplined. Ms. Carlin stated such a program must be vetted and approved by the Cabinet and the state technology agency. All commissioners who participated in the discussion thought it was a positive, worthwhile endeavor. Ms. Carlin requested additional information from the REALTOR boards to share with Cabinet leadership.

Extending the Zoom C.E. Classes

Commissioner King made the motion to approve the extension of the C.E. Zoom classes until further action of the Commission. Commissioner Simpson seconded the motion. Having all in favor, the motion carried.

E&O Insurance

Cindy Grissom of Rice Insurance Services Company (RISC) detailed the new E&O insurance policy, effective April 1, 2022 to April 1, 2024.. There was a brief discussion regarding the new policy amongst Ms. Grissom, commissioners, KREC staff, and attendees.

Approval Per Diem

1. Commissioner Cline made a motion to approve the per diem for Commissioners Disney and Carter for the attendance of the January 5, 2022 Diversity, Equity, & Inclusion Committee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner King seconded the motion. Having all in favor, the motion carried.

2. Commissioner Disney made a motion to approve the per diem for Commissioners Simpson and King for the attendance of the January 19, 2022 Application Review Committee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner King seconded the motion. Having all in favor, the motion carried.
3. Commissioner Simpson made a motion to approve the per diem for the January 20, 2022 KREC Regular meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Sickles seconded the motion. Having all in favor, the motion carried.

Meeting Adjournment

The next KREC meeting will be February 17, 2022 at 9:00 a.m. for the regular meeting. Watch for a zoom link.

Commissioner Simpson made a motion to adjourn the meeting. Commissioner King seconded. Meeting adjourned at 11:56 a.m.

APPROVED

I, Robert Astorino, Executive Director of the Kentucky Real Estate Authority, have reviewed and pursuant to KRS 324B.060, have (Approved or Disapproved) the expenditures of the Kentucky Real Estate Commission (Insert name of Board) as described in these attached minutes.

Meeting Date January 20, 2022.

I have not reviewed, nor did I participate in discussions, deliberations, or decisions regarding, the actions of the Board as it relates to individual disciplinary matters, investigations, or applicant reviews.



Robert Astorino, KREA Executive Director

Date February 17, 2022