

Kerry B. Harvey, Secretary Public Protection Cabinet

H.E Corder II, Executive Director Kentucky Real Estate Authority Kentucky Real Estate Authority Mayo-Underwood Building 500 Mero Street, 2NE09 Frankfort, Kentucky 40601 Telephone: (502) 564-7760 Fax: (502) 564-3969 VOTING COMMISSIONERS Lois Ann Disponett, Chair Billy Joe Beckham, Smiths Grove Shirley W. Wiseman, Lexington Steve K. Cline, Bowling Green James G. Simpson, Dry Ridge Larry D. Disney, Winchester Joy E. Amann, Ludlow

KENTUCKY REAL ESTATE COMMISSION *Special* <u>MEETING MINUTES</u> December 19, 2019

Commission Members Present

Commissioner Chair, Lois Ann Disponett Commissioner Steve Cline Commissioner Shirley Wiseman Commissioner Billy Beckham

KREA Staff

H.E. Corder II, Executive Director Maryellen Mullikin, Administrative Coordinator, Licensing Hannah Carlin, Education Coordinator Shannon Buzard, Board Administrator Commissioner Joy Amann Commissioner James Simpson Commissioner Larry Disney

Michael Spann, Investigator Daniel Levengood, Accounting Coordinator Chris Hunt, Public Protection Cabinet

Guests Present

29 guests were present at this meeting that includes the "attached" sign in record.

Call to Order

The Kentucky Real Estate Commission meeting was called to order by Commission Chair, Lois Ann Disponett, at 1:16 p.m. on December 19, 2019.

Commissioner Induction

Prior to this meeting, newly Governor Beshear appointed, Cabinet Secretary, Kerry B. Harvey of Public Protection briefly introduced himself to the Kentucky Real Estate Commission and welcomed the new incoming Commissioners.

Commissioner Chair Disponett began the Commencement of the following three new former Governor Bevin Commissioner Appointees:

• Larry D. Disney, Joy E. Amann, James G. Simpson.

Notary in the Public Protection Cabinet, Chessica Nation read the Oath of Office for Commission of the Kentucky Real Estate Commission to Ms. Joy E. Amann, Mr. Larry D. Disney, and Mr. James G. Simpson and assisted them with the signing of the oaths. All



Commissioners raised their right hand and stated "I do" to complete their Induction as Commissioners of the Kentucky Real Estate Commission.

Guest Welcome

Roll call was taken by Commission Chair, Lois Ann Disponett and a quorum was present. Guests in attendance were welcomed and introductions of guests, staff, and commissioners were made.

Approval of Meeting Minutes

Commissioner Beckham made a motion to approve the October 2, 2019 Commission Meeting Minutes. Commissioner Cline seconded the motion. 3 newly sworn Commissioners abstained from the motion. There being no objection with all favor, motion carried.

Commissioner Cline made a motion to approve October 17, 2019 Commission Meeting Minutes. Commissioner Beckham seconded the motion. 3 newly sworn Commissioners abstained from the motion. There being no objection with all in favor, motion carried.

Commissioner Beckham made a motion to approve the November 21, 2019 Commission Meeting Minutes. Commissioner Wiseman seconded the motion. 3 newly sworn Commissioners abstained from the motion. There being no objection with all in favor, motion carried.

Education and Licensing Reports

December 2019 Continuing Education Courses were reviewed and recommended for approval by Hannah Carlin. Commissioner Beckham made a motion to approve the "attached list of courses." Commissioner Cline seconded the motion. Commissioner Disney recused from the motion. There being no objections with all in favor, motion carried.

December 2019 Instructor Approvals were reviewed and recommended for approval by Hannah Carlin. Commissioner Beckham made a motion to approve the "attached list of instructors." Commissioner Simpson seconded the motion. Commissioner Disney recused from the motion. There being no objections with all in favor, motion carried.

Ms. Carlin presented to the Commission four education extension requests for review of the following licensees:

- 220649
- 220759

- 221574
- 239882

Commissioner Cline motioned to deny the extension for licensee #220649. Commissioner Beckham seconded motion. Having all in favor, motion carried.

Commissioner Cline motioned to deny the extension for licensee #220759. Commissioner Wiseman seconded motion. Having all in favor, motion carried.

Commissioner Cline motioned to deny the extension for licensee #239882. Commissioner Beckham seconded motion. Having all in favor, motion carried.

Commissioner Beckham motioned to deny the extension for licensee #221574. Commissioner Cline seconded motion. Having all in favor, motion carried.

Ms. Carlin presented to the Commission a provider violation of 201 KAR 11:170 for review and discussion. Commissioner Beckham made a motion to issue the provider a letter of warning from the Commission. Commissioner Wiseman seconded the motion. Commissioner Disney abstained from the motion. Having no objection with all in favor, motion carried.

Ms. Carlin presented "the attached" December 2019 education and licensing statistics. Ms. Carlin noted that approximately 2400 licensees still had not completed their Continuing Education requirements by the December 31st deadline.

Ms. Mullikin gave positive comments regarding processing continuing to flow in the 3 to 5 business days wait time, ERP inactive processes are making progress through continued efforts and cooperation's from RICE insurance and other carriers.

Real Estate Authority Director Comments

The Director shared his and the Commission's excitement with a progress report towards a new project regarding the co-opting of boards and professions of the Kentucky Real Estate Industry in continuing education requirements. This co-opting group of professions desire is to achieve the new goals ahead of having a more centralized education process of course consolidation and by allowing cross-credit approvals for continuing education requirements. This project remains ongoing and with much discussion, a motion was made by Commissioner Cline to form a **Cross-referencing Committee**. Commissioner Simpson seconded the motion. Having all in favor, motion carried. Commissioner Disney agreed to serve and work on this Committee alongside with Director Corder.

Director Corder and Commissioner Disponett gave comments regarding the Commissions interests of continuing education that would begin including commercial real estate and property management. The Director stated Commissioner Amann will be a good asset to the Commission as her career profession has been in commercial real estate. Commissioner Disponett stated ARELLO is also addressing and developing courses. Commissioner Wiseman requested further review and discussions regarding property management.

Committee Reports

The Applicant Review Committee deferred the committee report toward end of the meeting to enter executive session for review of two licensure applicants.

The Complaint Committee had no reports for this meeting.

The Education Review Committee had no reports for this meeting.

Committees Summary and Actions for 2020 KREC Committees

The Applicant Review Committee - Shirley Wiseman motioned to allow executive session of regular Commission meetings. Commissioner Simpson seconded motion. Having all in favor, motion carried. (Applicants are to be reviewed and recommended to Commission while in executive session with motion determination out of executive session during regular monthly meetings.)

The Complaint Review Committee – The Commission formed 3 Complaint Review Committees with 2 members on each Committee. Meeting dates and times are to be determined pending new incoming KREC General Counsel and legal team. Commissioners Steve Cline and James Simpson will serve the first Committee. Commissioners Shirley Wiseman and Joy Amann will serve the second Committee. Commissioners Billy Beckham and Larry Disney will serve the third Committee. This Committee will have priority until complaints are caught up.

(New) Property Management Committee – Commissioner Beckham moved to form a new Property Management Committee. Commissioner Simpson seconded motion. Having all in favor, motion carried. Shirley Wiseman and James Simpson along with KREC staff will serve on this committee. Meeting dates and times are to be determined.

(New) The Cross-referencing Committee will be served by Commissioner Disney with Director Corder.

Summary: The **Education Committee** is currently unassigned at this time with meeting dates and times to be determined.

Legal Summary and Review

Having no legal counsel on staff during the current transition, no legal reports were offered at this meeting.

Action on older KREC forms were deferred to next meeting.

In response to questions raised from the audience regarding new regulation challenges, Commissioner Disponett and Ms. Carlin announced no new regulation changes and updates have been posted to the LRC at this time, which has caused delays for announcements and transition of processing. The Commission along with audience participation from Virginia Lawson and Rhonda Richardson had discussions regarding the new in-effect continuing education requirements needing clarification of the three course types approved for the requirement. Commissioner Beckham made a motion to approve the topics Agency, Contracts and Compliance as the required course types for continuing education requirements as stated in 201 KAR 11:210. Commissioner Cline seconded the motion. Having all in favor, the motion carried.

New Business

No further business or action was given by the Commission relating to testing issues. License recognition has been discontinued as of December 16, 2019, however new state reciprocation agreements are underway. A future Ohio-Kentucky reciprocation agreement is still in progress and has not been finalized at this time.

Ms. Carlin presented grant applications for the following Universities: MSU, UofL, and WKU. Commissioner Wiseman motioned to accept all three grant applications to be paid by the recovery fund, but not to exceed the amounts requested by the recipients. Commissioner Cline seconded the motion. Having all in favor, motion passed.

The next meeting dates for all Committees are to be determined.

The Commission reviewed and determined meeting dates for the KREC 2020 calendar to be announced on the main website.

The Commission is continuing progress to establish a quarterly electronic newsletter. Commissioner Disponett gave an invitation for those interested to volunteer information for review to submit to the KREC staff and quarterly newsletter. Rhonda Richardson kindly volunteered her services to help assist with submitting information for the newsletter.

Open Forum - Public Comments

The public audience in attendance participated with brief comments, questions, and suggestions throughout the meeting with topics relating to the regulation changes, course outlines and the KREC newsletter.

Cindy Rice Grissom with RICE Insurance gave an updated claims report with statistics.

Director Corder gave an introduction to guest, Mr. Logan Haynes of the Kentucky Manufactured Housing Institute, who gave a 15 minute introduction and description of his organization and the manufacturing homes projects that are currently in progress. It is a project with potential to assist the industry with low income housing issues. Mr. Haynes invited those in the real estate industry to KMHI's Manufactured Homes Show event to be held on January 15-17, 2019 in Louisville at the KY Expo Center. Mr. Haynes noted there will be about 70 Homes on display.

Approval of Travel & Per Diem

Commissioner Beckham to approve travel and per diem for regular and special meeting dates of the month of December 2019. Commissioner Cline seconded the motion. With all in favor, motion carried.

<u>Next Committee Meeting</u> The next regular meeting of the Kentucky Real Estate Commission is scheduled on January 16, 2019 at 11am with meeting location to be held at the new Mayo-Underwood location.

Executive Session Legal Matters and Case Deliberations

Chair of the ARC Committee, Commissioner Wiseman made a motion to enter executive session, pursuant to KRS 61.810(1)(c) and (j), and KRS 61.815 to discuss proposed or pending litigation and deliberate on individual adjudications and to discuss:

New Applicant Review for:

- Christie Giompalo
- Zane Harris

Commissioner Simpson seconded the motion and the Commission entered into closed session discussion.

Reconvene in Open Session

Commissioner Beckham made a motion to reconvene in open session. Commissioner Wiseman seconded the motion. Having no objections, the motion carried.

The Applicant Review Committee recommended licensure of applicant, Christie Giompalo to the full Commission. Commissioner Disney made a motion to approve the new applicant, Christie Giompalo. Commissioner Beckham seconded the motion. Having no objections, the motion carried.

The Applicant Review Committee deferred licensure review of applicant, Zane Harris to the next meeting. The Commission is requesting the applicant be present during review of application.

Meeting Adjournment

Commissioner Disney made a motion to adjourn meeting with Commissioner Beckham seconding motion. Having all in favor, the meeting adjourned at 4:24 pm.

Kerry B. Harvey Secretary Public Protection Cabinet

H. E. Corder II Executive Director Kentucky Real Estate Authority



Kentucky Real Estate Authority Kentucky Real Estate Commission Mayo-Underwood Building 500 Mero Street, 2NE09 Frankfort, Kentucky 40601 Phone: (502) 564-7760 Fax: (502) 564-1538 krec.ky.gov COMMISSIONERS Lois Ann Disponett, Chair Joy E. Amann, Ludlow Billy Joe Beckham, Smiths Grove Steve K. Cline, Bowling Green Larry Disney, Winchester James G. Simpson, Dry Ridge Shirley W. Wiseman, Lexington

MEMORANDUM

DATE: December 13, 2019 FROM: Hannah Carlin, KREC Education Coordinator TO: Kentucky Real Estate Commission RE: 2019 Course Applications

BACKGROUND

The attached list of education providers submitted applications for review and approval by the Commission. Commission staff members have reviewed the information submitted, which includes provider, course, and instructor applications. The courses meet the pre-licensing education, continuing education and post-license education requirements as outlined in 201 KAR Chapter 11. New courses are bolded.

RECOMMENDATION

Please approve the applications associated with the attached list of providers.



1. 2019 Continuing Education Courses

Dennis Badger and Associates

Course Name- Course Number	Instructors	CE Hours
2020-2021 7-Hour National USPAP Update	Dennis Badger, Michael	3 law
Course (22953)	Deweese, Larry Disney	
KY Supervisor and Associate Mandatory	Dennis Badger, Michael	3 law
Course (22954)	Deweese, Larry Disney	

Preferred Systems Inc.

Course Name- Course Number	Instructors	CE Hours
Going Green: For Real Estate Agents (21844)	Jack McNear	1 elective
Lead Safety: What Real Estate Agents Need to Know (21839)	Jack McNear	1 elective
Managing the Home Inspection (21841)	Jack McNear	1 elective
Mold: What You Need to Know and How to Read Air Sampling Reports (21842)	Jack McNear	1 elective
Radon and Real Estate Transactions (21840)	Jack McNear	1 elective
The Top 10 Most Common Home Defects for Real Estate Agents (21843)	Jack McNear	1 elective

2. 2019 Continuing Education and Post-License Education Courses

3. Greater Louisville Association of Realtors

Course Name- Course Number	Instructors	CE Hours	PLE Hours
Property Management 101 (22956)	Paul David Brown	3 elective	3 elective
Understanding Agency Law (22957)	Paul David Brown	3 law	3 agency

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MEMORANDUM

DATE: December 13, 2019 FROM: Hannah Carlin, KREC Education Coordinator TO: Kentucky Real Estate Commission RE: 2019 Instructor Applications

BACKGROUND

The attached list of individuals request the Commission's approval to teach real estate courses in Kentucky. Commission staff have reviewed the instructor applications and resumes. The applicants listed meet the criteria of qualified course instructors defined by 201 KAR 11:460.

RECOMMENDATION

Please review the list of names and approve them to teach the specified courses.

ATTACHMENTS

Please see the attachment for the full report.



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1. 2019 Instructor Approvals

Instructor	Provider Name	Courses	
Laura H. Hendrix	Kentucky Legislative Ethics Commission	Current Issues Seminar	

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MEMORANDUM

DATE: December 13, 2019 FROM: Hannah Carlin, KREC Education Coordinator TO: Kentucky Real Estate Commission RE: Education and Licensing Report

BACKGROUND

The attached document includes the following:

- November 2019 testing statistics
- 2019 new licensee statistics (by month)
- Inactive vs. Active Status statistics

RECOMMENDATION

Please review. No action required.

ATTACHMENTS

Please see the attachment for the full report. No further action is needed.

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1. PSI Testing Statistics

<u>November 2019</u>					
Type of Exam	Passed	%	Failed	% Failed	Total
		Passed			Exams
License Recognition- Broker	10	58.82	7	41.18	17
License Recognition-	17	80.95	4	19.05	21
Salesperson					
Broker- National	5	35.71	9	64.29	14
Broker- State	8	57.14	6	42.86	14
Salesperson-National	74	51.75	69	48.25	143
Salesperson-State	78	52.70	70	47.30	148
TOTAL	192	53.78	165	46.22	357

2019 (January-November)

Type of Exam	Passed	%	Failed	% Failed	Total
		Passed			Exams
License Recognition-	53	55.79	42	44.21	95
Broker					
License Recognition-	225	65.60	118	34.40	343
Salesperson					
Broker- National	87	58.39	62	41.61	149
Broker- State	91	61.90	56	38.10	147
Salesperson-National	1,168	57.17	875	42.83	2,043
Salesperson-State	1,178	52.92	1,048	47.08	2,226
TOTAL	2,802	56.01	2,201	43.99	5,003

2. Licensing Statistics

As of December 13, 2019

Туре	Active	Inactive	TOTAL
Sales Associate	11,125	6,442	17,567
Broker	4,029	902	4,931
TOTAL	15,154	7,344	22,498

Month	Sales Associate	Broker	Total
January	92	11	103
February	118	12	130
March	137	22	159
April	144	14	158
May	161	18	179
June	117	9	126
July	136	12	148
August	127	4	131
September	106	6	112
October	127	7	134
November	100	13	113
December			
TOTAL	1,365	128	1,493

New Licenses Issued in 2019 (by month)



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Kentucky Real Estate Commission

SPECIAL Commission Meeting SIGN-IN SHEET December 19, 2019 (Please Print Clearly)

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Kentucky Real Estate Commission

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