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KENTUCKY REAL ESTATE COMMISSION
(KREC)

MEETING MINUTES

March 17, 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 Jennifer Brown-Day
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
Jacob Walbourn, General Counsel, Office of Legal Services

Guests Present

Steve Medved
Hazners
Nicole Knudtson
Douglas Meyers
Janie Wilson
Steve Lewis
Joyce Sterling
Gina Schaal

Anna Johnson
Gregory Crawford
Tom Cox
Stephen Zogelman
Lynda Fernandez
Elizabeth Monarch
Lisa Presley
Jim DeMaio

Rene Rogers
John Borders
Richard Wilson
Jennifer Fields
Dennis Stilger
Lisa Presley
Lucy Brooks

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 March 17, 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 **January 20, 2022** KREC Meeting Minutes Commissioner Carter seconded the motion. With all in favor, the motion carried.
2. Commissioner Simpson made a motion to approve the **February 17, 2022** KREC Meeting Minutes Commissioner Disney seconded the motion. With all in favor, the motion carried.
3. Commissioner Day made a motion to approve the **February 22, 2022** KREC Special Meeting Minutes Commissioner King seconded the motion. With all in favor, the motion carried.

Committee Reports

Diversity, Equity, & Inclusion Committee

Commissioner Carter reported that she and Commissioners Disney and Sickles' focus is the backend right now, working on the application form and reaching out to Principal Brokers who had previously expressed interest in the mentor program. They feel sure that they can get five applicants by getting the participation of the brokers. She stated that they will soon be able to get with Ms. Carlin and/or staff to send out an email that will include the application or a link to the application. They will work with staff to get the application online as well. They are moving forward and each have an assignment and an objective.

Applicant Review Committee

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

1. To approve the license application of E.H.

Complaint Review Committee

Commissioner Sickles read the report of the Complaint Review Committee:

- | | |
|--------------------|--------------------|
| 1. 19-C-055 | 4. 21-C-018 |
| 2. 20-C-042 | 5. 21-C-026 |
| 3. 21-C-002 | |

Executive Session Legal Matters and Case Deliberations

At 9:06 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 1 new application as offered by the ARC Committee and 5 complaints as offered by the CRC Committee.

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

Reconvene Open Session and Committee Recommendations

Commissioner Disney motioned for the Commission to come out of executive session. Commissioner King seconded the motion. Commission Chair Disponett resumed the full Commission meeting at 10:55 a.m. and welcomed everyone in attendance back to the teleconference Commission meeting.

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

Commissioner Simpson made the motion to adopt the **Complaint Review Committee** items as follows:

1. **19-C-055** – Disciplinary action: Six (6) month suspension; one (1) year probationary period; six (6) hours CE in law; three (3) hours CE in ethics.
2. **20-C-042** – Defer for Further Investigation.
3. **21-C-002** – Dismissal with Caution.
4. **21-C-018** – Dismissal.
5. **21-C-026** – Dismissal.

Commissioner Day seconded the motion. Having all in favor, the motion carried.

Commissioner Carter made a motion to adopt the Hearing Officer's Recommended Order for **20-KREC-006** as presented in Executive Session. Commissioner Day seconded the motion. Having all in favor, the motion carried.

Commissioner Carter made a motion to adopt the Recommended Order of Default Judgment for **21-KREC-001** and to allow General Counsel to draft a Recommended Order of Damages for **21-KREC-001** in accordance with Executive Session discussions. Commissioner Day seconded the motion. Having all in favor, the motion carried.

Executive Director Comments

For those interested in the common ground CE courses, a meeting with the providers has been scheduled for next Tuesday. He looks forward to the progress and perhaps the production of some courses in the near future.

Despite continued attempts to finalize the Illinois reciprocity agreement, there hasn't been any additional progress. There hasn't been any progress on the Illinois Reciprocity agreement. Hopefully a Representative will be attending the National Association meeting in a couple of weeks where the Director hopes to have a face-to-face conversation with both Illinois and Missouri. He will give an update at next month's meeting.

The Authority has a new employee whose job will be handling the processing of licenses. His name is Seth Branson, he's in place as of yesterday and will be working directly with Terri Hulette. We welcome him aboard.

He reminded everyone to be attentive of the March 31, 2022 renewal deadline. He encouraged Association members to remind their members.

Education and Licensing Report

Ms. Carlin reported that to date 54% of the licensees have renewed. So far, any issues that they have experienced with license renewals regarding the system has been due to user error. The system is working great, it's doing the things that they need it to do. Starting next week, she will be sending out reminder emails to those that have not renewed. Reminder emails will go out every business day until the end of the month.

Ms. Carlin presented the Commission the following:

1. PSI Testing Statistics

February 2022 (First Time)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity-Broker	3	75.00	1	25.00	4
License Reciprocity-Salesperson	8	72.73	3	27.27	11
Broker- National	51	71.83	20	28.17	71
Broker- State	42	59.15	29	40.85	71
Salesperson- National	98	70.50	41	29.50	139
Salesperson- State	71	50.71	69	49.29	140
TOTAL	273	62.61	163	37.39	436

February 2022 (Repeat)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity-Broker	3	75.00	1	25.00	4
License Reciprocity-Salesperson	7	77.78	2	22.22	9
Broker- National	17	43.59	22	56.41	39
Broker- State	24	60.00	16	40.00	40
Salesperson- National	22	24.72	67	75.28	89
Salesperson- State	50	44.64	62	55.36	112
TOTAL	123	41.98	170	58.02	293

2022 (Cumulative)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity-Broker	7	70.00	3	30.00	10
License Reciprocity-Salesperson	27	57.45	20	42.55	47
Broker- National	76	62.30	46	37.70	122
Broker- State	72	57.14	54	42.86	126
Salesperson- National	231	51.56	217	48.44	448
Salesperson- State	238	46.58	273	53.42	511
TOTAL	651	51.50	613	48.50	1,264

1. Licensing Statistics

As of March 15, 2022

Type	Active	Inactive	TOTAL
Sales Associate	12,127	5,875	18,002
Broker	3,880	831	4,711
TOTAL	16,007	6,706	22,713

Licensees cancelled in February 2022: 456 (63 brokers, 393 sales associates)

New Licenses Issued in 2022 (by month)

Month	Sales Associate	Broker	Total
January	132	11	143
February	39	14	53
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
TOTAL	171	25	196

Instructors

- Paul David Brown
- Lee Davenport
- Deanne Rymarowicz

Providers

- Redd, Brown & Williams Real Estate Services

Broker Electives/NAR Designation Courses

Greater Louisville Association of Realtors

Course Name- Course Number	Instructors	Broker Elective Hours	CE/PLE Hours
SRES: Seniors Real Estate Specialist Designation Day 1 (23482)	Art Reed	8	CE- 3 elective, 3 law PLE- 3 agency, 2 elective, 3 fair housing
SREA: Seniors Real Estate Specialist Designation Day 2 (23483)	Art Reed	8	CE- 3 elective, 3 law PLE- 3 elective, 3 finance, 2 risk management

Kentucky Realtor Institute

Course Name- Course Number	Instructors	Broker Elective Hours	CE/PLE Hours
2022 Broker Summit (23484)	Lee Davenport, Cindy Grissom, Cora Henderson, Jeff Ratanapool, Deanne Rymarowicz, Amy Wickliffe	8	CE- 3 elective, 3 law

The March 2022 Continuing Education Applications were reviewed for compliance with 201 KAR 11:170 and recommended to the Commission for approval by Hannah Carlin.

Commissioner Simpson made a motion to approve the list of applications. Commissioner King seconded the motion. Commissioners Disney and Day abstained from the discussion and the vote. Remaining all in favor, motion carried.

Ms. Carlin presented the March 2022 licensing requests:

1. **186095** - Commissioner Simpson made the motion to deny. Commissioner Carter seconded the motion. Having all in favor, the motion carried.
2. **188753** - Commissioner Disney made the motion to approve with a six-month extension. Commissioner Sickles seconded the motion. Having all in favor, the motion carried.
3. **195455** - Commissioner Simpson made the motion to deny. Commissioner Carter seconded the motion. Having all in favor, the motion carried.
4. **218534** - Commissioner Carter made the motion to deny. Commissioner Simpson seconded the motion. Having all in favor, the motion carried.
5. **221997** - Commissioner Disney made the motion to deny. Commissioner Simpson seconded the motion. Having all in favor, the motion carried.
6. **222957** - Commissioner Simpson made the motion to approve. Commissioner Sickles seconded the motion. Having all in favor, the motion carried.

7. **275960** - Commissioner Sickles made the motion to deny. Commissioner Disney seconded the motion. Having all in favor, the motion carried.
8. **276590** - Commissioner Simpson made the motion to deny. Commissioner Sickles seconded the motion. Having all in favor, the motion carried.
9. **276662** - Commissioner Simpson made the motion to deny. Commissioner King seconded the motion. Having all in favor, the motion carried.

Public Comment

Tom Cox wanted to acknowledge both Ms. Carlin and Ms. Teri Hulette for their outstanding work.

Mr. Cox wanted to speak to the Commission concerning the legacy of denials that they have tried to make their default response rather than it being a fair response, just in order to stay consistent. Many of the people that the Commission denied today were denied over administrative issues, rather than the completion of the work. The work was completed, but for whatever the reason it didn't get reported correctly. A \$1,000 fine is horrific, being without a job, especially in this market, is even more horrific. He would rather see the Commission come up with some kind of administrative suspension than a complete cancellation of someone's license and a \$1,000 fine.

Anna Johnson asked to speak. Ms. Johnson was one of the applicants just denied. She knows that that the Commission needs to save time in order to get through the meeting in a timely manner. But she wished that they would consider letting the applicants speak for five minutes to at least state their side of the story. She felt that Ms. Carlin missed a lot of details that went on with her case (221997), things that she had absolutely no control over. Including her incorrect email information in the NARS database. Where she claimed that the data was entered by someone else and not herself. She never received an email notice that she was to sign a completion letter at the end of her class and that she did complete her required class three months before the deadline. She does not think it is fair and wished that the Commission would reconsider.

Commissioner King stated that if there is additional information or documentation that Ms. Johnson does not think the Commission has seen, to please forward it to the Commission. They would be happy to look at it again. If the Commission overlooked something, please highlight what was overlooked. If the Commission made a mistake, they could always change their ruling.

Mr. Gregory Crawford asked the Commission how could she be responsible if it was sent to the wrong email? The entity that sent the wrong email was notified that it was sent to an incorrect email address and chose to do nothing about it.

At this time General Counsel Cassady stated that it was her understanding that the Commission had chosen to deny Ms. Johnson's request regardless of whether or not the email was sent to the

wrong address, but that she should have known that she should have received an email and followed up with the education provider to get whatever documentation was needed.

General Counsel noted if there was information that Ms. Johnson felt that the Commission did not properly consider she could resubmit it along with a detailed narrative and any documentation that she would like the Commission to review. The Commission will take it up at the next meeting. If the Commission decides to reverse their decision, she would be refunded back her \$1,000 fine.

Legal Report

Legal Staff Update

The paperwork has been submitted and it is under review by the Cabinet for the Staff Attorney III position. If anybody knows of any attorneys who would be interested in the position, please send them our way.

Docket Update

There are a few civil court and administrative actions that are ongoing. General Counsel will provide an update about those once those actions are complete. The Commission reviewed recommended orders in two administrative actions today and the Commission will issue final orders in those cases within 90 days. The Commission is also engaged in the administrative process relating to several license denials. Currently there are no hearing dates scheduled in any of those cases.

Regulation Update

A lot of progress was made on finalizing the regulatory amendments this month, both the Director and Madam Chair have signed off on all the paperwork that was needed. She anticipates filing those regulatory amendments by April 15th.

Government Email Addresses

There was a recent opinion out of Franklin Circuit Court holding that all board member email communications were subject to open records. The Cabinet has decided that the best way to comply with this opinion is for all board members to be given government email addresses.

New Business

Request for Proposals – Licensing Examination

KREC will be rebidding the contract for license examinations. We have just submitted the request for proposals to the Cabinet and it is in the process of being approved.

KYR Proposal – ID Cards

At this time General Counsel introduced Richard Wilson, of KYR, to discuss a proposal that KYR has to issue ID cards to licensees. He in turn introduced Lisa Presley, the KYR Safety Committee

Chair.

Ms. Presley stated that their committee's goal is to protect the agents as well as the public when engaging in a real estate transaction. Many agents don't realize how dangerous their jobs can be. There about 150 new agents coming into the business every month, and they rarely take safety into consideration. The identification license cards are now required in most states. They are often referred to as a pocket license card and are associated with the same type of ID cards carried by the Kentucky Home Inspectors or the Home Appraisers. These license cards contain a photo of the individual and their identification information.

Commissioner Sickles asked if there is a study, an analysis or something that they could get to the Commission that would show the pros and cons of carrying the card. General Counsel voiced concerns about the added burden that ID cards would create for staff. She asked that they submit any information that they have and KREC will continue the discussion at a later date.

Approval Per Diem

1. Commissioner Simpson made a motion to approve the per diem for Commissioners Disney, Sickles and Carter for the March 11, 2022 DEI meeting. Because it was teleconferenced, there were no travel expenses. Commissioner King seconded the motion. Having all in favor, the motion carried.
2. Commissioner Simpson made a motion to approve the per diem for Commissioners King and Chairperson Disponett for the attendance of the March 16, 2022 Application Review Committee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Disney seconded the motion. Having all in favor, the motion carried.
3. Commissioner Carter made a motion to approve the per diem for Commissioners Sickles and Day for the attendance of the March 16, 2022 Complaint Review Committee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner King seconded the motion. Having all in favor, the motion carried.
4. Commissioner Disney made a motion to approve the per diem for the March 17, 2022 KREC Regular meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Simpson seconded the motion. Having all in favor, the motion carried.
5. Commissioner Simpson made a motion to approve the per diem for the February 22, 2022 KREC Regular meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Day seconded the motion. Having all in favor, the motion carried.

Meeting Adjournment

The next KREC meeting will be April 21, 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 12:19 p.m.

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 March 17, 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 April 21, 2022