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KENTUCKY REAL ESTATE COMMISSION
(KREC)

MEETING MINUTES

April 15, 2021

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

Commission Members Present

Commissioner Chair, Lois Ann Disponett
Commissioner Larry Disney
Commissioner James Simpson

Commissioner Steve Cline
Commissioner Raquel Carter
Commissioner Anthony Sickles

KREA Staff

Robert Laurence Astorino, Executive Director
John Hardesty, General Counsel
Brian Travis, Investigator
Terri Hulette, Executive Administrative Secretary
Angie Reynolds, Administrative Specialist III

Guests Present

Cindy Rice-Grissom
Cathy Corbett
Dennis Stilger
Gina Schaal
Hana Hyams
Jennifer Allen

Jim DeMaio (RASK)
Johnson
Joyce Sterling
Judy Ball
Linda Flickinger
Marcie Estep

Margie Harper- HKAR
Nicole Knudtson
Pam Carroll
Pam Featherstone
Rene Rogers
Rhonda Richardson

Richard Wilson
Ryan Ward
Steve Stephens

Sue Ann Collins
Tom Cox
Virginia Lawson

Zach Morrell

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 April 15, 2021. 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

Commissioner Disney made a motion to approve the **March 18, 2021** Commission Meeting Minutes. Commissioner Carter seconded the motion. With all in favor, the motion carried.

Education and Licensing Report

Ms. Hulette presented the Commission the following:

1. PSI Testing Statistics

March 2021 (First Time)

March 2021 (First Time) Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity- Broker	3	75.00	1	25.00	4
License Reciprocity- Salesperson	11	68.75	5	31.25	16
Broker- National	7	63.64	4	36.36	11
Broker- State	5	45.45	6	54.55	11
Salesperson- National	128	70.72	53	29.28	181
Salesperson- State	103	55.98	81	44.02	184
TOTAL	257	63.14	150	36.86	407

March 2021 (Repeat)

March 2021 (Repeat) Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity- Broker	0	0	0	0	0
License Reciprocity- Salesperson	3	100.00	0	0	3
Broker- National	4	50.00	4	50.00	8
Broker- State	3	37.50	5	62.50	8
Salesperson- National	40	35.71	72	64.29	112
Salesperson- State	70	51.09	67	48.91	137

TOTAL	120	44.78	148	55.22	268
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2021 (Cumulative)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity- Broker	7	63.64	4	36.36	11
License Reciprocity- Salesperson	25	75.76	8	24.24	33
Broker- National	27	64.29	15	35.71	42
Broker- State	22	50.00	22	50.00	44
Salesperson- National	443	60.99	277	39.01	710
Salesperson- State	430	54.50	359	45.50	789
TOTAL	944	57.95	685	42.05	1,629

2. Licensing Statistics

As of April 8, 2021

Type	Active	Inactive	TOTAL
Sales Associate	11,135	5,770	16,905
Broker	3,711	809	4,520
TOTAL	14,846	6,579	21,425

- **Licensees cancelled in March 2021: 30 (4 brokers, 26 sales associates)**
- **Licenses cancelled on April 1, 2021 for failure to maintain E&O: 862**

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			
May			
June			
July			
August			
September			
October			
November			
December			

TOTAL	403	29	432
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The April 2021 **Continuing Education Applications** were reviewed for compliance with 201 KAR 11:170 and recommended to the Commission for approval by Hannah Carlin.

Reciprocal License Law Courses

Ward Elliott Institute of Real Estate

Course Name- Course Number	Instructors	Hours
Reciprocal Law Course (23283)	Ward Elliott	40

Continuing Education and Post-License Education Courses

Kaplan Real Estate Education

Course Name- Course Number	Instructors	CE Hours	PLE Hours
Environmental Issues in Your Real Estate Practice V5.1 (23270)	Ted Highland	6 elective	6 elective
Foreclosures, Short Sales, and REOs: Tools for Success in Today's Market V3.0 (23279)	Ted Highland	6 elective	6 elective
How to Measure Real Property OnDemand Course V2.1 (23273)	Ted Highland	3 elective	3 elective
Mediate - Litigate - Arbitrate: Be Informed Online Video Course V1.0 (23275)	Ted Highland	2 law	2 elective
Millennials: Challenging the Norm Online Video Course V1.0 (23274)	Ted Highland	2 elective	2 elective
Property Management and Managing Risk V5.0 (23278)	Ted Highland	8 law	8 elective
Protecting Elders from Real Estate Scams Online Video Course V1.0 (23271)	Ted Highland	4 elective	4 elective
Repurposing Property: Friend, Foe, or the	Ted Highland	4 elective	4 elective

American Dream? V1.0 (23269)			
The Tiny House: Is it a Phase or Craze? OnDemand Course V1.0 (23272)	Ted Highland	4 elective	4 elective
The Truth About Mold V3.1 (23277)	Ted Highland	6 elective	6 elective
Twenty Cost-Effective Home Improvements Online Video Course V1.0 (23276)	Ted Highland	4 elective	4 elective
Water: How it Affects Property Online Video Course V1.0 (23280)	Ted Highland	4 elective	4 elective

Southern Indiana Realtor Association

Course Name- Course Number	Instructors	CE Hours	PLE Hours
The Serve Method (23281)	Charles Marshall	3 elective	3 elective
Your Safety is Non-Negotiable (23282)	Carl L. Carter, Jr.	2 elective	2 elective

Instructors

- a. Carl L. Carter, Jr.
- b. Charles Marshall

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

Ms. Hulette presented the **April 2021 licensing requests:**

BACKGROUND

- 1. 269505 - Licensing Request** - Commissioner Sickles made the motion to approve. Commissioner Simpson 2nd. Having all in favor, motion carried.
- 2. 217373- Licensing Request** - Commissioner Sickles made the motion to deny. Commissioner Carter 2nd. Having all in favor, motion carried.
- 3. 269390- Licensing Request** - Commissioner Carter made the motion to approve. Commissioner Disney 2nd. Having all in favor, motion carried.

Executive Director Comments

Director Astorino welcomed everyone. He congratulated Terri Hulette on a job well done. He had three comments he wanted to make this morning. The first, yesterday he was in the weekly cabinet meeting, and was briefed on the Cabinet's Diversity initiatives. He knows that we are currently doing this for KREC. He wanted to offer a little bit of insight as to what the Cabinet level is doing. They have taken a similar path as the Commission, though he has not read their subcommittee report yet. He knows that one of their elements of their initiative is to focus on 'internships'. These internships will have to be structured - they have to be vetted. They are looking at about early Fall to announce the opportunity for internships within Public Protection Cabinet (PPC) and possibly KREC. He thinks that this will be a great opportunity and we would greatly appreciate the help. But it also offers exposure to the profession at a different level than just working in a brokerage. Nothing has happened yet, no vote is needed, but it is coming. The contact person for that is Mona Womack, he would be happy to put anyone in touch with her that is interested.

The second comment he would like to make is the KREC staff, those that are exclusively designated to KREC within the group of KREA, were besieged this month with renewals and E&O questions. For the month of February the call log showed 3525 calls received by our two person phone center and they handled those call successfully. In March we received 8756 calls, we did have a two week back log, which we did resolve within the two weeks. He wanted to say publicly on the record that everyone who worked for KREC during the month of March deserves a commendation. All these calls were returned and questions answered. He just thought the Commission should know what their staff has done.

The Director noted that when KREC went from a one year renewal cycle to two years – which that decision precedes himself and many of the Commissioners, the E&O insurance cycle didn't sync and stayed at one year. With the Commission's consent he would like to approach the insurance company to remedy this. He would like to see what could be done and how soon can it be done. He believes it would rectify some of the confusion among the licensees. The Commissioners agreed to allow the Director to precede.

Staff met with the new leadership of KYR. It was a good meeting, they had a very broad but productive discussion. A couple of items came up, one of which you will be taking action on next month, which is support of the annual KYR conference.

The other thing that came up was the Reciprocity agreements. They are quite interested in the addition of more reciprocity agreements and they very much appreciated the attention that the Commission is paying to the reciprocity agreement language. KREC does not want to have an agreement with just anyone, especially if the Commonwealth is not protected. This means including education guidelines within the reciprocity agreement. We currently have three active reciprocity discussions going on right now with Illinois, Florida and Indiana. All of which the

specifics are currently being tooled.

There will also be a Cabinet review of all the regulations in PPC. General Counsel will be part of that and we may not see as much of him being that it will be a huge project. They will be reviewing all the regulations for KREC.

Committee Reports

Education Committee

There was no Education Committee report for this meeting.

Diversity, Equity, & Inclusion Subcommittee

Commissioner Carter reported that they had met a couple of times after the last meeting and they are moving forward. The vision has stayed the same. In alignment of their previously stated vision along with the agreed upon four key goal areas of focus, they wanted to provide the following status and encourage any input and/or feedback.

The vision as stated previously, has stayed the same. The commitment to the principles of inclusion, respect and equity for all people, in accordance with the Commission's duty to protect the public interest. The Commission is committed to fostering a culture of diversity, equity, and inclusion.

And of the four goals, the first being, data collection and evaluation. They have been waiting for the Demographic Survey from KYR which should be available in early May. This should work as a starting point and show what they are working with. In addition to helping to set their goals and metrics moving forward.

The second of their goals was to focus on the Education Initiative. As the Director had mentioned they too had also discussed an intern program. They do not wish to duplicate those efforts and appreciate the Cabinet contact information of those that are doing so. Mona Womack, whom they do plan to reach out to.

It is the recommendation by this subcommittee that the focus in phase one be an initiative to recruit more minority instructors. The group conducted an informal poll and were able to identify only four instructors of color from the Instructor Pool Roster, which is not representative of the population. As the Commission works jointly to develop specific Fair Housing related, Inclusion related and Diversity related courses – it is felt that the mere action of adding additional minority representation, even into the existing curriculum, as instructors will offer additional perspective and knowledge base.

The Subcommittee hopes to review the Instructor Pool Roster and compare it to the current

Demographic make-up. Maybe offer incentives to providers to actively recruit minority instructors; such as fee waiver of courses and an expedited approval process. This is because the providers are the layer in-between the Commission and the Instructors themselves.

The subcommittee would also like to emphasize the ‘Train the Trainer’ courses. These courses have already been established and are conducted on a State level. They would like to incorporate the minority recruitment into the “Train the Trainer” courses. Partnerships with groups like KYR and the Kentucky Real Estate Educator’s Association will help to make that happen. Of course there will need to be course creation. This is in order to expand and to ensure the coverage of more diverse topics.

Applicant Review Committee

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

At this time the Applicant Review Committee made the following recommendations:

1. To approve D. N. a license.
2. To approve R.W. a license.
3. To approve Z.M. a license.
4. To deny S. E. a license.
5. To approve A.S. Agreed Order.
6. To reject T.H. Settlement Proposal.

Complaint Review Committee

Commissioner Carter read the report of the Complaint Review Committee, and the Committee’s recommended action on each Complaint, to be further discussed in Executive Session. The Committee’s recommendations are as follows:

Final Adjudications

1. **19-C-060** – The Complainants claim they listed their cabin to sell and received a contract to sell it but the sale fell through after the buyer backed out. According to the contract, \$500.00 was supposed to be deposited in earnest money, which was to be deposited in Respondents’ (buyer’s agent) escrow account and placed in escrow. After the buyers backed out, Complainants claim Respondent said she did not receive the \$500.00 earnest money deposit from the potential buyers and thus could not pay it to Complainants.

The Respondent claims the contract was not signed by all owners of the property and their spouses, which made it not binding, and the prospective buyers were not required to provide the earnest money deposit until creation of a valid and legal contract. The Respondent also claims her client-buyers began having problems with the sellers

concerning certain issues with the house and therefore refused to tender the \$500.00 earnest money deposit despite her requests.

Lastly, she claims she never received a deposit to tender or place in her escrow account. She claims she still submitted the proposed contract for her clients because she felt it was imperative to get the process started. It does not appear Respondent committed any violation. Her clients would not give her the deposit such that her duty to deposit it in her escrow account arose. **The Committee recommends to the full Commission to dismiss the complaint.**

2. **19-C-064** – The Complainants claim they viewed a home. They liked the property and made an offer. An hour later, they claim they received a call from their agent stating the sellers had received another offer and requested their best and final offer. They claim other issues arose during the purchase process and were continually told that another couple wanted to buy the house and that the Complainants could lose the deal if they did not move quickly. They claim they met the “other couple” who allegedly made the other offer on the property, who allegedly told them they never made a written offer on the property. The Complainants claim that if they had not been misled into believing that there was another offer, they would have stuck with their original offer and possibly saved a significant sum of money.

The Sworn Answers and evidence submitted by the Respondents confirm a second offer was submitted on the property. Therefore, the Respondents did not act inappropriately or commit any violations. **The Committee recommends to the full Commission to dismiss the complaint.**

3. **19-C-071 and 20-C-006** – The Complainant claims she hired Respondents to help her find a home to rent. They went and looked at a home, which had damaged walls and dirty carpet. Complainant claims she had two conditions for leasing the property – that the owner patch the walls and clean the carpet. Complainant alleges Respondent confirmed multiple times the carpets had been cleaned prior to signing the lease, but in the weeks before Complainant filed the complaint, Respondent indicated she did not remember telling Complainant the carpets had been cleaned. Respondent also claimed the carpets had not been cleaned while they owned the property. However, they were told by the prior owners that the carpets had been cleaned when they purchased the property, which they communicated to their agent, who communicated it to Respondent.

Complainant claims she signed her three month lease based solely on information she received from the Respondent. She claims by the time she found out about this misrepresentation, she already signed her second lease. Complainant claims the Respondents’ conduct boils down to dishonesty and a Code of Ethics violation, and she ultimately did not receive what she bargained for.

The Respondent alleges that Complainant requested the carpets be professionally cleaned. When she communicated this to the owner's agent, she claims the agent informed her the carpets already had been cleaned.

Further, there is evidence Respondent had a dog, which could account for dirty carpet. She also did not report or complain about this issue until after living in the property for a significant period of time.

The principal broker Respondent did not file a sworn answer to the complaint.

There is not sufficient evidence that Respondents committed licensing law violations. **The Committee recommends to the full Commission to dismiss the complaint with a letter of caution to respondent associate regarding ensuring she communicates accurate information, and to respondent principal broker regarding his failure to file a sworn answer.**

4. **19-C-073** – The Complainant claims her company made an offer to purchase a property. She claims the offer included a contingency for the Complainant as buyer to have the opportunity to resolve the serious issue of an addition to the house having been built on the rear property line (resulting in there being NO back yard) and over the 10' electric and telephone easement that runs along the rear of the property. She claims communications between the Complainant's agent and the listing agent put the seller on notice that no building permits had been issued by Metro with regard to the addition that was encroaching on the easement and sitting on the rear property line. She claims all of this was confirmed by looking at the recorded plat at the Jefferson County Clerk's Office, and the online LOGIC maps.

Complainant claims the offer was rejected, that the Respondent contacted the Complainant's agent to see if Complainant would reengage in negotiations. Complainant claims that as of the filing of the complaint, the Seller's Disclosures were not changed and still did not mention any of the above issues.

The Complainant feels, at a minimum, the seller and Respondent should be required to include these issues as "possible" on the disclosures.

The Complainant had knowledge of the alleged issues with the property from the outset. This is so because the exact issues were mentioned in Complainant's offer to purchase the property. Thus, Complainant clearly was not misled in any way.

The evidence suggests once Respondent became aware of the alleged issues, he attempted to investigate them by contacting Louisville Metro Government, submitting an open records request, and corresponding with a LOGIC Online employee. Based on his research, he could not verify that any of the property or home encroached onto an easement.

The Respondent notified the seller of the purported issues, as he should, and it appears the seller declined to include the issues on the Seller's Disclosure form. Respondent is correct he, as the agent, is not required or event permitted to complete the Seller's Disclosure form unless specifically requested to do so by the seller-client. There is no evidence here the seller requested he complete the form, or that he, in fact, completed the form. **The Committee recommends to the full Commission to dismiss the complaint.**

5. **19-C-089** – The Complainants claim Respondent, who is a licensee, submitted an offer to personally purchase property listed by an Indiana agent. Respondent had a member of his team, an Indiana agent, submit the offer on his behalf. Respondents claim the Complainant never disclosed on the offer that he was a real estate licensee. They claim they had another offer on the property, and informed Respondent's agent of that.

KRS 324.160(4)(e)(2) requires that "before a licensee becomes a party to a contract to purchase real property, the licensee shall disclose his or her status as a licensee to all parties to the transaction, in writing, on the sales contract or on the offer to purchase."

Here, there is no evidence Respondent made such a disclosure during the transaction or on the sales contract. It was not until he submitted repair requests that Complainants learned he was an agent, and they learned that through their own investigation.

Critically, however, the subject property was located in Indiana and all actions took place related to that property. Thus, the transaction and related activity occurred outside of Kentucky and beyond the jurisdiction of the Kentucky Real Estate Commission. Thus, KREC has no authority to take action against Respondent related to this transaction. **The Committee recommends to the full Commission to dismiss the complaint for lack of jurisdiction.**

6. **J.W. Unlicensed Brokerage Investigation** - On Thursday, February 18, 2021, the Kentucky Real Estate Commission requested further investigation into the real estate activities of said licensee. J.W.'s license had been placed on suspension, for three (3) years beginning in October 2020. The Kentucky Real Estate Commission believes there may be evidence that this licensee has been conducting real estate transactions since her suspension.

Upon further investigation it appears that J.W. was given credit for sales that she did not conduct due to her agency's use of an incorrect LBAR Agent number. However, J.W.'s own LinkedIn, Agency and Facebook accounts present herself as a licensed and active agent. **The Committee recommends to the full Commission to send a Cease and Deist letter to both the Licensee and the Principal Broker regarding these issues.**

Pending Actions

7. **19-C-062 – Recommend holding this action in abeyance pending outcome of civil litigation.**
8. **19-C-085 – The Committee found evidence of violations and recommends a formal reprimand against the Respondent, \$1,000 fine, and CORE CE in addition to existing CORE requirements. It authorized General Counsel to attempt to negotiate a settlement for the recommended discipline.**
9. **19-C-090 - The Committee found evidence of violations and recommends a \$1,000 fine, 30-Day Suspension and CORE CE in addition to existing CORE requirements.**

Executive Session Legal Matters and Case Deliberations

At 9:46 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 discuss proposed or pending litigation concerning an Education Instructor Issue, the Education Provider Issue and deliberate on individual adjudications and to discuss 6 new applications reviewed by the ARC, and the 9 above CRC case recommendations as offered by Commissioner Carter:

- | | | |
|----------------------------|------------|---------------|
| • 19-C-060 | • 19-C-073 | • J.W. |
| • 19-C-062 | • 19-C-085 | Unlicensed |
| • 19-C-064 | • 19-C-089 | Brokerage |
| • 19-C-071 and
20-C-006 | • 19-C-090 | Investigation |

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

Reconvene Open Session and Committee Recommendations

Commissioner Disney motioned for the Commission to come out of executive session and Commissioner Simpson 2nd the motion. Commission Chair Disponett resumed the full Commission meeting at 11:01 a.m. and welcomed everyone back attending the teleconference Commission meeting.

Commissioner Disney made the motion to adopt the **Applicant Review Committee** recommendations as previously recommended to the Commission. Commissioner Sickles 2nd the motion. Having all in favor, motion carried.

Commissioner Simpson made the motion to adopt the **Complaint Review Committee** recommendations as previously recommended to the Commission. Commissioner Cline 2nd the motion. Having all in favor, motion carried.

Education Instructor Issue

Commissioner Simpson made the motion to defer discussion before the Commission for one month as to work with General Counsel. Commissioner Sickles 2nd the motion. Having all in favor, motion carried.

Education Provider Issue

Commissioner Disney made the motion to send a letter of intent to withdraw the provider's approval for 90 days and/or place it on probation for four (4) years. If the provider violates the probation, their approval would be immediately withdrawn for a set period. The action would also require the provider to send a response within 30 days of receipt of the letter responding to the Commission's intent and explaining how the school will stay in compliance with KREC's statutes and regulations. Once response is received, Commission will determine what, if any, disciplinary action to take. Commissioner Sickles 2nd the motion. Having all in favor, motion carried.

Public Comment

Chairperson Disponett opened the floor for public comments.

Jim DeMaio (RASK) asked the Commission to simplify the E&O insurance and C.E. processes, he finds it to be too complicated.

Ms. Cindy Rice-Grissom of Rice Insurance Services wanted to update the Commission regarding enrollment. There were 12,909 people that enrolled with an April 1, 2021 effective dates. Of those there were 738 licensees that purchased after April 1, she stated that was very similar to last year's numbers. She agrees that a two year coinciding insurance renewal would be a good thing. However there would need to be an amendment to the insurance contract because it was only approved for one year. If the Commission chooses to do so just let her know.

Tom Cox wanted to note that there is an issue with the current Agency Agreement form and the consistent updating it. Where that the agent has to create an agency agreement at the listing, which needs to be updated throughout the transaction. He asked the Commission to look into how Indiana conducts their Agency Policy program.

Cathy Corbett asked if the Regulation discussed in the last meeting, where they removed the "written listing agreement" from the regulation, if it would be readdressed again or reviewed when all of the regulations are done together. General Counsel noted that he felt that the Commission had made their voice clear at that meeting. Potential changes to other regulations have been discussed, including the changes to the forms. These will also have to be approved and incorporated into the regulation as needed.

Ms. Corbett wanted to go on record as saying that it was negligent not to address this. She did speak with Legislator Randy Bridges, who is the liaison for “Regulatory Changes”. He is willing to spear head a change to this if we need his help to do so. She is hoping that the Commission will reconsider. She feel that it is causing horrible issues within the industry that it is facilitating to this “Coming Soon” loop hole.

General Counsel stated that if the General Assembly wants to amend the statute to create a policy to require a ‘listing agreement’, he would no longer have the same legal concerns that he has regarding the Commission trying to make those changes on its own.

There were no additional comments at this time.

Legal Report

Docket Update

There has been an influx of complaints over the past couple months, this may be due to the increase in the market.

General Counsel stated that we are continuing to work through the pending cases. Ten were moved today. We continue to move several cases towards administrative hearings and all are moving towards final hearings, in addition to working on settlements for disciplinary actions. The goal is to move each complaint to the next step. It is not a quick process but this is how the statutes and regulations are written. If you need an update please do not hesitate to send us a request. Due to there being many inherited complaints, the goal was to move through them as quickly as possible, one by one, chronologically. There were over 100 complaints for 2019 alone. All have been moved to the next step and we are hoping to be out of those and into the 2020 complaints very soon. He thanked Brian Travis and Angie Reynolds for their efforts.

Commissioner Carter noted that as much as she appreciated the legal team and she recognizes they are working as hard as they possible can – they still remain under staffed. They need more support. That there is a public perception that there is no point in even filing a claim. It takes too long and that the back log is too much. On an Association level, the executives may have something to contribute. They say that they are seeing more complaints filed through their offices. Many are internal and among the licensees. They claim that this is due to Real Estate agents looking for other avenues as to resolve their grievances or report one another for misconduct.

There is no possible way that the current legal team can get through these quickly. But without the Associations reporting these complaints and/or these problems to the Commission there is no way to know the depth or the scope of the issues that are out there. The Commission doesn’t

know all of the complaints or the things that are happening because licensees are choosing not to file their complaints with the Commission.

She believes it to be a topic of continued discussion and hopes that maybe the local boards and executives may have something to offer regarding the complaints that they are seeing that may need to go through the Commission as well.

General Counsel agreed that there may be some issues that need to be considered or looked at from our side of things. He shares Commissioner Carter's concern, if someone has a complaint or has witnessed a violation whether it is an agent, client and/or consumer, we want to encourage those individuals to file a complaint with the Commission. It is the only way the Commission can track trends and potential changes to the enforcement, education, or to update regulations and statutes. We will get to each complaint and they each will be addressed.

Commissioner Cline stated that "Coming Soon" was an issue that needed to be addressed as well. He stated that he does not believe it to be good for the agent or the consumer. He asked that it be made unallowable in the state of Kentucky. General Counsel stated it had been his understanding that there had been a lot of discussion leading up to making the prior regulation changes and that was one of the things the Commission wanted to allow. It was not allowed under the prior regulations. Some of the regulation changes that were made opened the door for it to be allowable. It didn't expressly prohibit or address it as a violation. However, General Counsel was not with KREA at the time and only has second hand knowledge of this.

Commissioner Carter noted that a lot of the Associations' complaints are centered around the "Coming Soon" advertising issue. They are seeing ethic complaints, agent against agent complaints, and more. She stated that the way the "Coming Soon" is being handled currently is the issue. She doesn't have an opinion on it, yet, but she is just seeing a lot of issues being generated from it as of right now.

General Counsel noted he would go back and research the subject, but he doesn't believe that there is anything that expressly prohibits it. If it is a concern then it is definitely something that the Commission would need to address.

Commissioner Cline also wanted to address the agents taking 'on-call back ups'. Which they are doing so that they can be allowed to keep it on social media sites. However, the property is already off the market and under contract. It may be more of an MLS thing, but it is something that the Commission needs to keep in their minds when those issues arise. Agents and the public are looking at what they think are potential homes that they have no way of possibly purchasing as a lure to build the buyer another identical home. General Counsel feels that this could constitute as 'false or misleading advertising' as stated in the current regulations and statutes.

New Business

Creation of Forms Committee

Chairperson Disponett appointed Commissioners Simpson and Disney to work on the Form Committee. She also ask that they return to the Commissions with recommendations. The Commissioners accepted the appointment.

Approval Per Diem

1. Commissioner Carter made a motion to approve the per diem for Commissioners Simpson and Commissioner King for the attendance of the April 13, 2021 Application Review Committee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Disney 2nd the motion. Having all in favor, the motion carried.
2. Commissioner Carter made a motion to approve the per diem for Commissioners Disney and Commissioner Sickles for the attendance of the April 13, 2021 Complaint Review Committee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Simpson 2nd the motion. Having all in favor, the motion carried.
3. Commissioner Simpson made a motion to approve the per diem for the April 15, 2021 KREC Regular meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Carter 2nd the motion. Having all in favor, the motion carried.

Meeting Adjournment

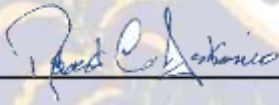
The next KREC meeting will be May 20, 2021 at 9:00 a.m. for the regular meeting. Watch for a zoom link.

Commissioner Disney made a motion to adjourn the meeting. Commissioner Cline seconded. Having all favor, the motion carried and the meeting adjourned at 11:56 a.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 April 15, 2021.

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 15, 2021