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Executive Director

**Heather L. Becker**  
General Counsel

## **KREC MEETING MINUTES** **July 19, 2018**

### **Commission Members**

Lois Ann Disponett, Chair  
Tom Biederman  
Joe Hayden  
Shirley McVay Wiseman  
Tom Waldrop

### **Commission Members Absent**

Bill Beckham

### **Commission Staff**

Nick Van Over, Licensing Coordinator  
Hannah Carlin, Education Director  
Maryellen Mullikin, Licensing

### **KREA Staff**

H.E. Corder II, Executive Director (joined via conference call)  
Heather Becker, General Counsel  
Alex Gaddis, Deputy General Counsel  
Haley Bradburn, Board Administrator  
Michael Spann, Investigator  
Vatishia Hunter, Accountant

### **Guests Present**

Jeff W. Davis – Exit Realty Heartland  
Vickie Grimes – Exit Realty Heartland  
Jack Morris – New Applicant

Dennis Stilger – Attorney/Teacher  
Rob Jent – Huff  
Ruth Ann Bowen – Bowen Real Estate Services/ KRI President  
Sandye Hackney – BCTC/ Hackney Realty  
Paul Ogden – Re/Max East

A regular meeting of the Kentucky Real Estate Commission was called to order by the Commission's Chair, Lois Ann Disponett, at 9:00 AM on Thursday, July 19, 2018. A quorum was present. Guests in attendance were welcomed and introductions were made. KREA staff introduced themselves and new staff members, Alex Gaddis and Michael Spann were introduced. Mr. Gaddis is joining the KREA legal team and Mr. Spann is serving as an investigator for the KREA.

### **Approval of Meeting Minutes**

A motion was made by Commissioner Tom Biederman to approve the June 14, 2018 meeting minutes. The motion was seconded and carried.

### **Licensing Report**

#### **Licensing Statistics Report**

Nick Van Over presented the current licensing statistics. This was for information only and no action was required by the Commission. One-hundred fifty-five (155) new total licenses were issued for the month of June. The total number of current licensees including both sales associates and brokers stands at twenty-two thousand one-hundred thirty-six (22,136). Testing statistics were also shared and it was stated that PSI will have a new national exam coming out in September.

#### **Ohio Reciprocity Report**

At the June Commission meeting, the topic of license reciprocity with Ohio was discussed. Director Corder asked KREC Licensing Department to research license reciprocity with Ohio. Nick Van Over, KREC Licensing Coordinator, contacted the Ohio Real Estate Commission. They responded requesting a letter and detailed explanation of our initial licensing requirements. Commissioner Wiseman made a motion to proceed. Commissioner Hayden seconded the motion and it carried.

#### **Ron Redden KRS 324.425 Request**

A request to close existing business of deceased or incapacitated principal broker (KRS 324.425) was presented to the Commission. Commissioner Biederman made a motion to accept Mr. Redden's request. The motion was seconded and passed.

#### **Linda Blake (Reaffiliation)**

Commissioner Biederman made a motion to accept the proposed agreed order and Chair Disponett seconded it. The motion carried.

### Gregory Howard (Renewal)

Mr. Howard's license was cancelled April 2<sup>nd</sup> for non-renewal due to not purchasing his E&O insurance. Commissioner Wiseman made a motion to fine Mr. Howard \$200. Commissioner Biederman seconded the motion and it passed.

### Amanda Snider-Harmon (Cancellation)

Ms. Snider-Harmon failed to renew while in escrow. Commissioner Wiseman made a motion to allow licensure with requiring 6 hours CE plus Core to total 12 hours of education and payment of all applicable fees. Commissioner Biederman seconded the motion and it carried.

General Counsel Heather Becker had two items for the Commission's attention. First was an old CE case, in the matter of Kyle Kurasek, case no. 16-033. This was dismissed by order of the Commission.

Second, in the matter of Alex Sigman's application, Commissioner Biederman made a motion to recognize the application as withdrawn, however, to flag his name for twenty-four (24) months. The motion was seconded and carried.

Commissioner Hayden inquired on the PSI testing statistics asking if the fail rate was an acceptable level. KREC staff responded that it was a relatively normal rate. Hannah Carlin shared that KREC tracks schools and can pull pass/fail rates. Hannah will look into the issue of pass/fail rates for in-class versus online education and the corresponding statistics and bring it to the next meeting.

## **Education Report**

### Education Statistics

Hannah Carlin presented the education report. She advised that she is drafting a memo to the sixteen (16) individuals who did not complete their delinquency plan.

### Course Applications

Commissioner Joe Hayden made a motion for the approval of the continuing education course applications. Commissioner Tom Biederman seconded the motion and the motion carried. Chair Disponett asked about the course review process which Hannah answered and explained.

### Retroactive Credit Correction

At the April 2018 Commission meeting, Greater Louisville Association of Realtors (GLAR) submitted "At Home with Diversity (NAR Designation)" for continuing education and post-licensing education approval. GLAR originally requested to teach the course for 6 post-licensing credits and 3 continuing education credits. GLAR recently realized their error and requested the Commission grant them retroactive approval for 6 continuing education law hours and 6 post-licensing education hours, effective July 9, 2018. Commissioner Wiseman made a motion to approve and Commissioner Biederman seconded. The motion carried.

### Instructor Application

Hannah Carlin presented concern over an instructor application for reasons of under qualification. Commissioner Hayden made a motion to approve submitted CE and PLE courses *Disclosures: Seller's Disclosure of Property Condition Lead Base Paint Disclosure* taught by instructors Stacy Bauer and Vickie Grimes, *Listing Contracts* taught by instructors Rebecca Brown and Vickie Grimes, and *Sales Contracts* taught by instructors Stacy Bauer and Vickie Grimes but denying the particular instructor applicant in question. Commissioner Biederman seconded the motion and it carried.

### Education Provider Issue

It came to KREC staff's attention that a currently approved education provider did not give notice of disciplinary action on their application, directly violating 201 KAR 11:170. Commissioner Biederman made a motion to take the appropriate steps to revoke approval of this instructor. Commissioner Wiseman seconded the motion and it passed.

### Barbara McKinney PLE Hardship Request

In the matter of Barbara McKinney and her specific request to the Commission, Commissioner Biederman made a motion to give one (1) additional year to complete the PLE requirements. Commissioner Wiseman seconded the motion and it passed.

### **2018-2019 KREC Grant Requests**

Vatishia Hunter presented to the Commission the grant requests submitted for 2018-2019. Last year there were five (5) universities requesting, and this year there are four (4) as Morehead State University is not making a request this year, minimizing requested funds overall. Bluegrass Community Technical College has the highest request usually doubling the amount they utilize. It was explained that this is for adjunct faculty and variable costs. This is a reimbursement grant where funds used are the only funds actually granted. Commissioner Biederman made a motion to approve eighty-six thousand (\$86,000). Commissioner Wiseman seconded the motion and it passed. [Note: During the approval of these July 19, 2018 meeting minutes at the August 16, 2018 meeting, the Commission voted to approve these July minutes with an amendment to revisit the KREC 2018-2019 education grants, by exempting from their meeting minute approval the action taken as described above. At the September 25, 2018 meeting, the Commission voted to approve the August 16, 2018 meeting minutes but with the exception of the attempted amendment to the July 19, 2018 minutes exempting the above decision.]

### **Committee Reports**

#### Applicant Review Committee

Commissioner Wiseman made a recommendation to further investigate four (4) applicants of approximately twenty (20) that were reviewed. Discussion was held on the commission's process and criteria for reviewing criminal history. Commissioner Biederman made a motion to accept the recommendation to further investigate four (4) applicants. Commissioner Hayden seconded the motion and it passed.

### Education Committee

No update at this time.

### Complaint Committee

General Counsel Heather Becker shared that there were roughly 40-50 backlogged complaints that have now been reviewed. Current caseload stands at 75, not including pending cases.

### **Legal Report**

Complaints are being reviewed and complaints are being sent out for response or supplement, as appropriate. The complaint process begins with legal review, then a complaint is sent for a response by the licensee or a supplemental complaint from the complainant. Then legal brings it before the Commission, through the Complaint Review Committees.

The final order in the matter of Crystal Juarbe is final. No appeal was made.

Heather and Alex shared that they are open to taking legal questions and want to be as accessible as possible.

Counsel Becker shared a legal inquiry made regarding a principle broker paying a sales associate's LLC. The Commissioners advised that checks made payable as Licensee dba Licensee LLC would comply with the statutory requirement that only licensees be paid a commission.

Principle broker verification for a licensee was discussed and the Commission decided on reaching out to the old principle broker.

Alex Gaddis shared information surrounding a complaint filed in early 2016 regarding an agent versus agent on a trademark issue. The complainant has requested and filed to withdraw the complaint. Commissioner Biederman made a motion to accept the agreed order, Commissioner Wiseman seconded the motion and it carried.

### **Real Estate Authority Executive Director Comments**

Director Corder was out of state attending a business conference and joined the meeting via conference call. He shared a brief general update and asked the Commissioners if they turned their regulation review homework in. This has not been completed and was postponed.

### **KREC Chair Comments**

Chair Disponett shared that the Commission has reached out to Lee Harris and the Commission is continuing work on the regulation review.

## **Public Comments**

- It was brought to attention that the legal contact information on the KREC website is in need of updating with the new legal members. This is in process.
- A member of the public shared that Commissioner Hayden has a radio show program at 8pm every Thursday.
- Commissioner Hayden discussed taking a look at the KREC website's legal policy to make updates and also clarified with Heather and Alex that they are open to taking licensing legal questions and not just any and everything as they seek to have open communication.
- A member of the public shared how grateful they are for the education environment and how it is being handled by KREC now. Another member also complimented the staff with the reorg on their outstanding professional service and noted the rarity in government.
- There was discussion of amending the statute of limitations relating to private legal actions to litigate professional liability brought against licensees to one year for real estate. Other KREA boards have a one-year statute of limitations. The importance of real estate being recognized as a professional industry was expressed.

## **Other Matters**

Chair Disponett appointed Commissioner Wiseman chair of the Applicant Review Committee.

## **Executive Session, Legal Matters, and Case Deliberations**

Commissioner Shirley McVay Wiseman made a motion to enter executive session pursuant to KRS 61.810, subsection 1 (j) to discuss proposed or pending litigation and deliberate on individual adjudications. Commissioner Joe Hayden seconded the motion and it passed.

## **Reconvene in Open Session**

Commissioner Tom Biederman made a motion to come out of closed session. This motion was seconded by Commissioner Shirley McVay Wiseman and carried. The Commission returned to open session and voted on the following cases:

- ❖ In the matter of case no. 17-029 regarding the final order to Katherine Borders, Commissioner Hayden made a motion to defer to the next meeting, Commissioner Wiseman seconded it, and the motion carried.

- ❖ In the matter of Deborah Richardson and case no. 15-CI-5641, Commissioner Hayden made a motion to dismiss and send agreed order. Commissioner Biederman seconded the motion and the Commission voted in favor.
- ❖ In the matter of John Grigsby and his pending application, Commissioner Hayden made a motion to enter into the proposed agreed order. The motion was seconded by Commissioner Wiseman and passed the Commission.
- ❖ In the matter of Marianne Chen's license application, Commissioner Biederman made a motion to decline settlement. Commissioner Hayden seconded the motion and the motion carried.

### **Miscellaneous Discussion**

Brief discussion was held on the progress of the regulation review. Commission staff want to file regulation amendments this fall. The Commission also discussed the upcoming KREC meeting in September. Currently, a meeting is not scheduled for the month of September, however, the Commission feels that there is work to accomplish and a meeting should probably be held. Various conference opportunities were also mentioned.

### **Next Meeting**

The next regular meeting of the Kentucky Real Estate Commission will be held Thursday, August 16, 2018 at 9:00 AM at the Public Protection Cabinet, 656 Chamberlin Avenue, Suite B, Frankfort, KY 40601.

### **Meeting Adjournment**

Commissioner Hayden made a motion, Commissioner Biederman seconded the motion, and the Commission voted unanimously to adjourn at 12:48 PM.

1. 2018 Continuing Education Course Approvals

CE Shop

<b>Course Name</b>	<b>Instructor(s)</b>	<b>CE Hours</b>
<i>ABR Designation Course</i>	Michael McAllister	3 elective, 3 law

Kentucky CCIM Chapter

<b>Course Name</b>	<b>Instructor(s)</b>	<b>CE Hours</b>
<i>2018 Income Tax Update- Commercial Real Estate</i>	Andy Ackerman, Stephen Lukinovich	1 law
<i>Hot Topics in Commercial Leasing</i>	Phil Charmoli, David Hardy, Tandy Patrick, Anthony Schnell	1 law
<i>Industrial Real Estate Panel and Market Conditions</i>	Robert Duane, Kevan O'Connor, Tom Sims, Robert Walker	1 elective
<i>It's Complicated- Dealing with Ground Leases, Condominiums, and Other Non-Traditional Real Property Collateral Arrangements</i>	Joe Doren, Ben Straus	1 law
<i>Land Use Law Update: New Urbanism and Developing Real Estate Under Local Regulations</i>	Jonathon Baker, Patrick Dominik, Glen Price	1 law
<i>Legal Ethics: Not an Oxymoron</i>	Chandler Hodge	1 law
<i>Louisville Office Brokerage, Development, and Redevelopment</i>	Richard Ashton, Tony Fluhr, Tyler Smith, Lee Weyland	1 elective
<i>Pro Soccer for Louisville: Why, How, and When? Need for Master Development Agreement</i>	Greg Compton, Christopher George, Jeff Mosley, Michael Mountjoy	1 elective
<i>Risk Based Management and</i>	Mark Fackler, Carl Horneman	1 law



<i>Closure of Contaminated Property</i>		
<i>The Current Status of Real Estate Finance</i>	Andrew Holden, Sean Keane, Greg Soloms, James Tutt Jr.	1 elective

Kentucky Realtor Institute

<b>Course Name</b>	<b>Instructor(s)</b>	<b>CE Hours</b>
Avoiding FSBO Fizzle- Working the "For Sell by Owner"	Doug Myers	3 elective
Kentucky Core Course	Doug Myers	6 law
<i>Making the Money Connection- Unraveling the Confusion of Real Estate Finance</i>	Art Reed	3 elective, 3 law
Understanding RESPA- Avoiding the Government Paid Condo	Doug Myers	3 law
"You Before Me"- Demystifying Fiduciary Duties	Doug Myers	3 law

Northern Kentucky Association of Realtors

<b>Course Name</b>	<b>Instructor(s)</b>	<b>CE Hours</b>
Real Estate Safety Matters: Safe Business = Smart Business	Art Reed	3 elective

**2. 2018 Continuing Education and Post-Licensing Education Course Approvals**

Council of Residential Specialists

<b>Course Name</b>	<b>Instructor(s)</b>	<b>CE Hours</b>	<b>PLE Hours</b>
<i>RS 124: Turning New Homes into Ongoing Revenue</i>	Michael Selvaggio	6 elective	6 elective
<i>RS 125: Zero to 60 Home Sales a Year (and Beyond)</i>	Lee Barrett, Dale Carlton, Gee Dunsten, Chandra Hall, James Nellis, Mark Porter, Matthew Rathbun, Frank Serio, Pat Zaby	6 elective	6 elective
<i>RS 126: 7 Things Successful Agents Do Differently- A Proven Business System</i>	Lee Barrett, Kim Cameron, Dale Carlton, Gee Dunsten, Chandra Hall, Mark Porter, Matthew	6 elective	6 elective

	Rathbun, Rich Sands, Frank Serio, Pat Zaby		
<i>RS 127: Succession Planning- Building, Valuing, and Selling Your Business</i>	Mark Given	6 elective	6 elective
<i>RS 128: Succeeding in the Luxury Home Market</i>	Gee Dunsten, John "Jack" Johnson	6 elective	6 elective
<i>RS 130: How Technology Can Ruin Your Real Estate Business</i>	Alex Camelio, Kim Cameron, Craig Grant, Juanita McDowell, Mark Porter, Pat Zaby	6 elective	6 elective
<i>RS 134: Power Up on Smart Home Technologies</i>	Matthew Rathbun	6 elective	6 elective
<i>RS 135: Transforming Difficult Situations Into Profitable Deals</i>	Lee Barrett, Gee Dunsten, Chandra Hall, Monica Neubauer, Rich Sands, Michael Selvaggio	6 elective	6 elective
<i>RS 136: Tax Strategies for the Real Estate Professional</i>	Chris Bird, Dale Carlton	6 elective	6 elective

Greater Louisville Association of Realtors

<b>Course Name</b>	<b>Instructor(s)</b>	<b>CE Hours</b>	<b>PLE Hours</b>
<i>Mediation, Arbitration, Litigation: What's the Difference?</i>	Dennis Stigler	3 law	1 elective, 2 mandatory (risk management)

Home Services Real Estate Academy

<b>Course Name</b>	<b>Instructor(s)</b>	<b>CE Hours</b>	<b>PLE Hours</b>
<i>Safety Matters: Safe Business = Smart Business</i>	Art Reed	3 elective	3 elective
<i>Staging</i>	Jo Potvin	3 elective	3 elective

Kentucky Realtor Institute

<b>Course Name</b>	<b>Instructor(s)</b>	<b>CE Hours</b>	<b>PLE Hours</b>
<i>Connect and Engage</i>	Marki Lemons	3 elective	3 mandatory
<i>Now- Facebook Live for Real Estate Agents</i>			(technology and data security)

<i>Fair Housing's Inspiration</i>	Paula Monthofer	3 law	3 mandatory (fair housing)
<i>Full Circle Leads</i>	Jared James	3 elective	3 elective
<i>Safety Pays! Protected, Professional, and Profitable</i>	Paula Monthofer	3 elective	3 mandatory (risk management)
<i>The Unethical and Unlawful Use of Social Media</i>	Marki Lemons	3 law	3 mandatory (technology and data security)

Northern Kentucky Association of Realtors

<b>Course Name</b>	<b>Instructor(s)</b>	<b>CE Hours</b>	<b>PLE Hours</b>
<i>Structural Training for Realtors</i>	Michael Montgomery	3 elective	3 elective