



Andy Beshear
Governor

Robert L. Astorino
Executive Director

Kerry B. Harvey
Secretary

Molly B. Cassady
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Kentucky Real Estate Authority
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KENTUCKY REAL ESTATE COMMISSION
(KREC)

MEETING MINUTES

October 21, 2021

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 Steve Cline
Commissioner James Simpson
Commissioner James King
Commissioner Raquel Carter
Commissioner Anthony Sickles

KREA Staff

Robert Laurence Astorino, Executive Director
Molly Cassady, General Counsel
John Hardesty (former General Counsel), Director of Claims and Appeals
Brian Travis, Investigator
Terri Hulette, Executive Administrative Secretary
Angie Reynolds, Administrative Specialist III

Guests Present

270-783-2404

502-558-8894

Carol Spaulding

Gina Schaal

Janice Wilson

Jason Vaughn

Jennifer Allen

Jim DeMaio

Joyce Sterling

Jubei Spaulding

Kimberlee Perry

Linda Cecil

Margie Harper

Mark Haynes

Mary Bess Pedigo-Scott

Mary Elizabeth Brown

Nicole Knudtson

Rhonda Richardson

Shawn Withers

Shelly

Spaulding Realty

Steve Steven

Victoria Dickerson

Virginia Lawson

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 October 21, 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 **September 29, 2021 Meeting Minutes** Commissioner King seconded the motion. With all in favor, the motion carried.

Education and Licensing Report

Ms. Hannah Carlin presented the Commission the following:

1. PSI Testing Statistics

September 2021 (First Time)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity-Broker	0	0	0	0	0
License Reciprocity-Salesperson	4	66.67	2	33.33	6
Broker- National	8	80.00	2	20.00	10
Broker- State	5	50.00	5	50.00	10
Salesperson- National	130	72.63	49	27.37	179
Salesperson- State	100	55.87	79	44.13	179
TOTAL	247	64.32	137	35.68	384

September 2021 (Repeat)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
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License Reciprocity-Broker	1	33.33	2	66.67	3
License Reciprocity-Salesperson	3	75.00	1	25.00	4
Broker- National	2	50.00	2	60.00	4
Broker- State	6	60.00	4	40.00	10
Salesperson- National	42	37.84	69	62.16	111
Salesperson- State	59	44.03	75	55.97	134
TOTAL	113	42.48	153	57.52	266

2021 (Cumulative)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity-Broker	18	46.15	21	53.85	39
License Reciprocity-Salesperson	78	61.42	49	38.58	127
Broker- National	93	63.70	53	36.30	146
Broker- State	87	54.04	74	45.96	161
Salesperson- National	1,322	58.68	931	41.32	2,253
Salesperson- State	1,302	52.12	1,196	47.88	2,498
TOTAL	2,900	55.51	2,324	44.49	5,224

2. Licensing Statistics

As of October 14, 2021

Type	Active	Inactive	TOTAL
Sales Associate	12,258	5,770	18,028
Broker	3,877	818	4,695
TOTAL	16,135	6,588	22,723

Licensees cancelled in September 2021: 13 (1 broker, 12 sales associates)

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			
November			
December			
TOTAL	1,304	94	1,398

The September 2021 Continuing Education Applications were reviewed for compliance with 201 KAR 11:170 and recommended to the Commission for approval by Hannah Carlin.

Ms. Carlin presented the September 2021 licensing requests:

Education Provider

- Building Industry Association of Greater Louisville

Continuing Education and Post-License Education Courses

HomeServices Real Estate Academy

Course Name- Course Number	Instructors	CE Hours	PLE Hours
Negotiations: By the Book (23401)	Dana Anderson	3 law	3 elective

Continuing Education Courses

Web CE, Inc.

Course Name- Course Number	Instructors	CE Hours
Negotiating for a Win/Win (23399)	Tom Jensen	3 elective
Section 1031 Real Property Like-Kind Exchanges (23400)	Tom Jensen	3 elective
Working with Senior Clients in Real Estate (23398)	Tom Jensen	3 elective

Commissioner King 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. Carlin presented the September 2021 licensing requests:

1. **273084:** The individual passed the sales associate exam and submitted an application before completing the pre-licensing course. According to the individual, he didn't realize the course had a final exam. There were issues between the education provider and the online proctor that prohibited him from taking the final exam immediately. The individual is requesting the Commission to accept his exam results and grant him a license upon completion of the final exam.

Commissioner Carter made the motion to deny. Commissioner Simpson seconded the motion. Commissioners Disney and Sickles opposed. Having the majority in favor, the motion carried.

2. **273787:** Commissioner King made the motion to deny. Commissioner Sickles seconded the motion. Having all in favor, the motion carried.
3. **274042:** Commissioner King made the motion to approve. Commissioner Sickles seconded the motion. Having all in favor, the motion carried.

Executive Director Comments

Concerning the E&O biennium insurance, the policy changes are progressing. The formal bid period should conclude over the next 30 to 45 days, so hopefully we will know by the end of the year.

He enjoyed the opportunity to go to the Kentucky Realtor convention last month. He had the opportunity to go around the tradeshow and was impressed by the many different varieties of vendors that are supported by real estate.

Staff are working to enhance the existing website language and make it as user friendly as possible. Staff is extremely busy and by directing questions to the website it enables them to assist more individuals.

Committee Reports

Education Committee

There was no Education Committee meeting for this month.

Form Committee

There was no Form Committee meeting for this month.

Diversity, Equity, & Inclusion Subcommittee

Commissioner Carter reported that herself, Commissioners Disney, and Sickles along with staff Director Astorino, Ms. Carlin and General Counsel (GC) Cassidy have officially met and worked

on the details of the DEI Scholarship Proposal. Hopefully by the next meeting, they will have it ready to be reviewed and voted on by the Commission.

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 deny M.H. a license.
2. To approve J.K. a license.
3. To defer R.S. until next month.
4. To defer B.M. until next month.
5. To approve S.W. a license.
6. To defer M.B. for further investigation.

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. **20-C-040** – The Complainant claims that respondent is engaged in unlicensed real estate brokerage services by offering to pay a finder's fee to people who referred potential sellers to him. The respondent is not a licensed broker in Kentucky and there were no real estate transactions at issue in this complaint. Respondent states that he buys property directly from property owners and denies acting as a real estate broker or offering to pay a finder's fee to real estate brokers. Respondent's actions do not rise to the level of unlicensed real estate brokerage. **The Committee recommends dismissal of the complaint for lack of jurisdiction over respondent.**

Pending Actions

1. **18-C-035** – The Committee recommends referral of case to mediation with a Cabinet hearing officer. Further, the Committee recommends that General Counsel be given authority to resolve the case in accordance with discipline discussed in executive session.
2. **21-C-011** – The Committee found evidence of violations and recommends an informal reprimand, a \$500 fine, 12 hours of CE (6 in law and 6 in agency) in addition to existing CORE requirements. The Committee also recommends that KREC file a complaint against the respondent's principal broker.
3. **Instructor** – The Committee recommends a 60-day suspension followed by a 12-month probationary period. Courses to be monitored and notice of disciplinary action sent to education providers as required by regulation. All previous settlement offers withdrawn.

Executive Session Legal Matters and Case Deliberations

At 9:24 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 6 new applications and the 4 above CRC case recommendations as offered by Commissioner Carter:

1. 18-C-035
2. 20-C-040
3. 21-C-011
4. Instructor

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

Reconvene Open Session and Committee Recommendations

Commissioner Simpson motioned for the Commission to come out of executive session. Commissioner Carter seconded the motion. Commission Chair Disponett resumed the full Commission meeting at 10:01 a.m. and welcomed everyone in attendance back to the teleconference Commission meeting.

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

Commissioner Carter made the motion to adopt the **Complaint Review Committee** recommendations as previously stated for complaints 18-C-035, 20-C-040 and 21-C-011 to the Commission. Commissioner Simpson seconded the motion. Having all in favor, the motion carried.

Commissioner Carter made the motion to adopt the discipline discussed in Executive Session for Instructor, to include a 180-day suspension followed by a 12-month probationary period. Courses to be monitored and notice of disciplinary action to be sent to education providers as required by regulation. All previous settlement offers withdrawn. Commissioner Sickles seconded the motion. Having all in favor, the motion carried.

Public Comment

Chairperson Disponett opened the floor for public comments.

Joyce Sterling stated that she was getting questions from students about taking the state exam online. She would just like to confirm if that will or will not be available to them.

Ms. Carlin answered that it was not available at this time. That would require changing the terms of our contract with Arello and that hasn't been discussed. PSI was working to get the National portion of the exam accredited through Arello, but she has not received an update.

Legal Report

Docket Update

KREC is continuing to experience an uptick in the number of complaints and does not anticipate that they will slow in the foreseeable future.

A new Hearing Officer, Shawn Chapman, has joined the Public Protection Cabinet. Jim Howard is no longer with the Cabinet and his docket is being re-assigned.

KREC is awaiting a recommended order in a recovery fund case that was heard at the end of August; we anticipate this being on next month's meeting agenda.

There are two administrative hearings at the end of October and a first pre-hearing conference scheduled in early November.

Investigator Brian Travis recently attended an ARELLO training in Birmingham, Alabama and was given an opportunity to update the Commission.

New Business

Illinois Reciprocity

Director Astorino reported that staff has relayed the Commission's discussion regarding the language of the reciprocity agreement that took place at last month's meeting to Illinois and negotiations are ongoing.

Indiana Reciprocity

Director Astorino reported that discussions with Indiana are ongoing.

Education Committee

Ms. Carlin reported that, due to COVID, we have seen an uptick in zoom courses or synchronous distance learning courses. These are different from the asynchronous or work at your own pace courses that we have traditionally seen in the past. If an education provider wishes to continue using zoom courses, they will have to meet all of the requirements for distance learning set out in our regulation.

Several other states have regulations regarding synchronous education requirements. Ms. Carlin requested that the Madam Chair Disponett create an Education Committee to research the topic and make a formal recommendation to the Commission on whether to amend 201 Chapter 11 to include specific guidelines for synchronous education courses.

At this time Chair Disponett appointed Commissioners Disney, Cline and Simpson to the Education Committee.

Amendment to 201 KAR 11:121

Former General Counsel, John Hardesty, explained that in order to file the form changes with the Legislative Research Commission (LRC), the Commission would need to amend the regulation that adopts the forms. He then presented the amendments to 201 KAR 11:121, which include the removal of a single disclosure requirement, 'for prior contact with the prospective client,' and changing the dates of the forms to correspond with the effective date of the new forms.

Commissioner Disney made the motion to adopt Amendment to 201 KAR 11:121 as presented. Commissioner Simpson seconded the motion. Having all in favor, the motion carried.

Approval Per Diem

1. Commissioner Disney made a motion to approve the per diem for Commissioners Disney, Commissioner Sickles and Commissioner Carter for the attendance of the October 11, 2021 Diversity, Equity, & Inclusion Subcommittee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Cline 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 Commissioner King for the attendance of the October 20, 2021 Application Review Committee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Cline seconded the motion. Having all in favor, the motion carried.
3. Commissioner Simpson made a motion to approve the per diem for Commissioners Cline and Commissioner Carter for the attendance of the October 20, 2021 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 King made a motion to approve the per diem for the October 21, 2021 KREC Regular meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Carter seconded the motion. Having all in favor, the motion carried.

Meeting Adjournment

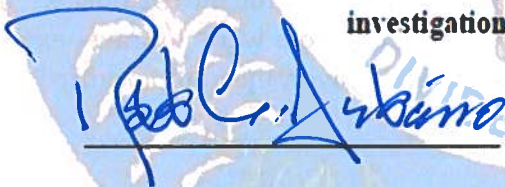
The next KREC meeting will be November 18, 2021 at 9:00 a.m. for the regular meeting. Watch for a zoom link.

Commissioner King made a motion to adjourn the meeting. Commissioner Simpson seconded. Meeting adjourned at 11:36 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 October 21, 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 October 21, 2021