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Governor

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Secretary

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KENTUCKY REAL ESTATE COMMISSION
(KREC)

MEETING MINUTES

February 18, 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 James King
Commissioner Anthony Sickles

KREA Staff

Robert Laurence Astorino, Executive Director
John Hardesty, General Counsel
Hannah Carlin, Education Coordinator
Terri Hulette, Executive Administrative Secretary
Angie Thomas, Executive Administrative Secretary
Angie Reynolds, Administrative Specialist III

Guests Present

502-494-5978
Brenda Gooslin
Christine Morgan
Derrick Helm
Douglas Meyers
Gina Schaal
Janie Wilson
Norman Jones
Steve Stephens
Todd Thornton
Virginia Lawson

Jeff Smith
Jim DeMaio (RASK)
John Weikel
Joyce Sterling
Judy Ball
Lester Sanders
Margie Harper- HKAR
Sue Ann Collins
Todd Epley

Nicole Knudtson
Pam Carroll
Pam Featherstone
Paul Ogden
Rhonda Richardson
Richard Wilson
Ryan Cecil

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 9:04 a.m. on February 18, 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 Carter made a motion to approve the **January 21, 2021** Commission Meeting Minutes. Commissioner King seconded the motion. With all in favor, the motion carried.

Education and Licensing Report

Ms. Carlin presented the Commission the following:

1. PSI Testing Statistics

January 2021 (First Time)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity- Broker	1	100.00	0	0.00	1
License Reciprocity- Salesperson	4	100.00	0	0.00	4
Broker- National	2	40.00	3	60.00	5
Broker- State	3	50.00	3	50.00	6
Salesperson- National	107	74.31	37	25.69	144
Salesperson- State	82	56.16	64	43.84	146

TOTAL	199	65.03	107	34.97	306
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January 2021 (Repeat)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity- Broker	0	0.00	1	100.00	1
License Reciprocity- Salesperson	0	0.00	0	0.00	0
Broker- National	2	66.67	1	33.33	3
Broker- State	2	66.67	1	33.33	3
Salesperson- National	35	44.30	44	55.70	79
Salesperson- State	48	44.86	59	55.14	107
TOTAL	87	45.08	106	54.92	193

2. Licensing Statistics

As of February 15, 2021

Type	Active	Inactive	TOTAL
Sales Associate	11,564	5,623	17,187
Broker	3,984	793	4,777
TOTAL	15,548	6,416	21,964

Licensees cancelled in January 2021: 111 (15 brokers, 96 sales associates)

New Licenses Issued in 2021 (by month)

Month	Sales Associate	Broker	Total
January	109	10	119
February			
March			
April			
May			
June			
July			
August			
September			
October			

November			
December			
TOTAL	109	10	119

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

Education Providers

Sales Associate Pre-License Course

A-Pass Weikel Institute

Course Name- Course Number	Instructors	Pre-License Hours
Real Estate Principles and Practices (21926)	Leesa Hill, Sandra Jackson, William Miracle, Pam Mooney, Mark Suna, JoAnna Tucker, Robert Vaughn, John Weikel	96

Continuing Education Courses

HomeServices Real Estate Academy

Course Name- Course Number	Instructors	CE Hours
Agency (23233)	Harry Borders, Jennifer Fields	3 law

Continuing Education and Post-License Education Courses

Greater Louisville Association of Realtors

Course Name- Course Number	Instructors	CE Hours	PLE Hours
Recent KREC Cases (23231)	Dennis Stilger	3 law	1 elective, 2 risk management

HomeServices Real Estate Academy

Course Name- Course Number	Instructors	CE Hours	PLE Hours
Pet or Not a Pet (23232)	Donna Miller, Doug Myers	3 law	3 fair housing

Kaplan Real Estate Education

Course Name- Course Number	Instructors	CE Hours	PLE Hours
Buyer Representation (23229)	Ted Highland	6 elective	6 agency

Broker Curriculum Courses

A-Pass Weikel Institute

Course Name- Course Number	Instructors	Broker Curriculum Hours
Brokerage Management (21972)	William Miracle, John Weikel	48
Real Estate Law (21927)	Leesa Hill, William Miracle, Pam Mooney, Mark Suna, JoAnna Tucker, Robert Vaughn, John Weikel	48

Kentucky Realtor Institute

Course Name- Course Number	Instructors	Broker Curriculum Hours
Essentials of Real Estate Investment (23230)	Art Reed	48

Instructors

- | | |
|-------------------|------------------|
| a. Leesa Hill | g. Alan Simmons |
| b. Sandra Jackson | h. Mark Suna |
| c. Paul Lorenzen | i. JoAnna Tucker |
| d. Tom Lundstedt | j. Robert Vaughn |
| e. Pam Mooney | k. Jessica Wemes |
| f. Marcie Roggow | |

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

Ms. Carlin presented the **February 2021 licensing requests**:

BACKGROUND

1. **196761** – Commissioner Cline made the motion to deny. Commissioner Sickles 2nd. Having all in favor, motion carried.
2. **202039** – Commissioner Cline made the motion to deny. Commissioner Sickles 2nd. Having all in favor, motion carried.
3. **213661** – Commissioner Cline made the motion to deny. Commissioner Disney 2nd. Having all in favor, motion carried.
4. **239750** – Commissioner Cline made the motion to deny. Commissioner Simpson 2nd. Having all in favor, motion carried.
5. **262079** – Commissioner Cline made the motion to deny. Commissioner Carter 2nd. Having all in favor, motion carried.
6. **267918** – Commissioner King made the motion to deny. Commissioner Simpson 2nd. Having all in favor, motion carried.

Executive Director Comments

Director Astorino stated that this is the seventh consecutive month where the number of new licensees have been in the triple digits. He noted that this was an extremely heavy load and Hannah and staff have continued to lift it. KREC is maintaining these numbers with the same amount of staff as when dealing with double digits. He gave Hannah and Terri a ‘well done’. He finds this to be exceptional and essential if we are going to survive as a remote operation.

Due to recent weather conditions our building was closed. Because of this we were not allowed to go in and out of the building for routine mail pick up. Outside of that, there has been no disruption of service from KREC. Phone lines have remained open, calls were handled, emails were responded to and licensees were processed. He says this because ‘disruptions’ frequently become the explanation of why we ‘can’t’ do things and we are trying very hard to not let that happen, for the Commission members, the 22,000 licensees and the countless consumers of the Commonwealth. He feels that the staff deserve a vote of thanks.

He is pleased to see the Commission is moving forward with today’s agenda and on other items that he sees in development within the next 60-75 days. KREC is working on the objectives that you as a Commission approved back in January. A ‘well done’ to the Commission for that focus and the ability to continue.

Yesterday he became a consumer of his own product. He had heard about of all the issues others had been having with the insurance website. So he went on line tried this process for himself and found that it took less than ten minutes. The website language was very clear and there should not be any misunderstanding as to how it works. There is help available to those who need it. He called the number and his hypothetical question was answered within 30-seconds. He says this only because we were frustrated last year with what happened and he wanted to make sure that the process for this year was better. The best way to do that is try it for yourself, which he did. He noted that it will be interesting to hear what comes back when people are not able to get their insurance refiled in time.

He reiterated that if you are a brokerage manager you are required by statute, KRS 324.111, to carry an escrow account in a bank that is physically located in Kentucky where the records are accessible.

Ms. Carlin used this time to remind the Commission that the E&O policies through Rice Insurance expire April 1, 2021, as they do every year. This year is a little bit different because we do not have the license renewals to coincide like we normally do. She urges those with a platform to remind licensees to renew their E&O insurance. They do not have to go through Rice, but they are welcome to do so. KREC will be sending out emails reminders starting tomorrow for people whose insurance will expire April 1st. Once someone purchases the coverage they will be required to go on to their online service account with KREC, pay the E&O \$10 processing fee, and update their information. Information about Rice Insurance and the process can be found on our website.

General Counsel asked to add to the Director’s report, this issue has come up in the past – that if a Principal Broker (PB) is ever audited or if a complaint is made against that PB, and it was determined either through allegations in the complaint or an investigation that the PB failed to maintain an escrow account, as mentioned by the Director, and it would be constitute a clear

violation of KRS 324.111.

Committee Reports

Education Committee

There was no Education Committee report for this meeting.

Diversity, Equity, & Inclusion Subcommittee

Commissioner Disney noted that this is a three person group, himself and Commissioners Sickles and Carter. The education of ‘Diversity, Equity, & Inclusion’ is in the beginning process. While he was out, Commissioners Sickles and Carter submitted an outline to the Commission for review. This is for information purposes. It is a shared vision along with an outline of future goals. They envision the partners being the KREC, KYR, the Associations, the Kentucky Banker’s Association, various businesses and college programs. Illinois legislation is currently being reviewed. Commissioner Sickles sent the Courier Journal an article concerning the initiatives of the Louisville Metro Government. Director Astorino submitted a Florida initiative for scholarships for review, which is something that the Commission would like to strive for. Commissioner Carter also presented an informative NAR study regarding ‘sub-conscious’ equity issues concerning mortgage applicants and their denial rate.

Commissioner Carter reiterated that whatever they choose to do they want it to be researched and well thought out. They want to be able to provide actions that apply to them and that can be measured along the way. She and Commissioner Sickles felt that they needed to provide an orderly, thorough and deliberate process. So they were able to get together and to establish a ‘Vision’ and four key ‘Goals’.

VISION: The Kentucky Real Estate Commission is committed to the principles of inclusion, fairness, 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 *equity, diversity and inclusion*.

GOALS: This initiative is comprised of four key goals.

1. **Data Collection and Evaluation** – Data is needed to set goals and determine the metrics for success.
2. **Education Initiative** - Courses to focus on “real life” practices and case law.
3. **Outreach** - Create robust advertising strategies promoting awareness.
4. **Career Support** – Provide resources to support inclusion and success.

Chairperson Disponett thanked them for donating their time and let it be known that the Commission appreciated their hard work.

Applicant Review Committee

Commissioner King 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. J.B. to approve.
2. R.C. to approve.
3. Recommend to defer S.E. for one month for further investigation.
4. Recommend to defer A.S. to the March ARC meeting when her Principal Broker can be present.
5. Recommend to defer R.W. to the March ARC meeting when her Principal Broker can be present.
6. Recommend to J.W. to deny.
7. B.W. Proposed Settlement to be discussed in closed session

Complaint Review Committee

Commissioner Disney 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

- 20-C-047** - The Complainant's complaint asserting claims unrelated to real estate brokerage against a builder and contractors. KREC does not have jurisdiction over such individuals and entities and is not the correct agency to hear the complaint. After being informed of this, the Complainant requested withdrawal of the Complaint. **The CRC Committee would like to recommend to the full Commission to allow the Complainant to withdraw the complaint. Therefore, it is dismissed.**
- 21-C-007** - The Complaint was not submitted on the required complaint form, signed or notarized. Because it was filed anonymously, there is no way for the Commission to request supplemental information which would be needed in this case. **The Committee recommends to the full Commission to dismiss the complaint.**

Pending Complaints

The below complaints all relate to the same Respondent(s):

18-C-037

19-C-067

19-C-069

18-C-047

19-C-068

19-C-070

19-C-081
19-C-083

19-C-088
19-C-092

19-C-096
19-C-097

The CRC found evidence of that could reasonably give rise to a finding of significant violations against Respondents. The CRC recommends to the full Commission to refer these cases to a hearing to permanently revoke the licenses of both the Respondents involved, and to refer the 12 above complaints to the Recovery Fund.

Executive Session Legal Matters and Case Deliberations

At 9:25 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 and deliberate on individual adjudications, including to discuss 7 applicants reviewed by the ARC, the 14 above CRC case recommendations as offered by Commissioner Disney, and to discuss an Education Provider issue regarding any necessary action against the provider for offering expired courses and consideration of student credit for expired courses):

- 18-C-037
- 18-C-047
- 19-C-067
- 19-C-068
- 19-C-069
- 19-C-070
- 19-C-081
- 19-C-083
- 19-C-088
- 19-C-092
- 19-C-096
- 19-C-097
- 20-C-047
- 21-C-007

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

Reconvene Open Session and Committee Recommendations

Commissioner Simpson motioned for the Commission to come out of executive session and Commissioner King 2nd the motion. Commission Chair Disponett resumed the full Commission meeting at 12:28 p.m. and welcomed everyone back attending the teleconference Commission meeting.

Commissioner King made the motion to take the following action on the applications reviewed by the Applicant Review Committee:

- J.B. to approve.
- R.C. to approve.
- J.W. to deny.
- Defer S.E. for one month for further investigation.
- Defer A.S. to the March ARC meeting when her Principal Broker can be present.
- Defer R.W. to the March ARC meeting when her Principal Broker can be present.

- Reject the B.W. Proposed Settlement.

Commissioner Simpson 2nd the motion. Having all in favor, motion carried. Commission Chair Lois Ann Disponett recused herself from the discussion and vote on the B.W. Proposed Settlement for the reasons described in the February 17, 2021 Application Review Committee Meeting Minutes.

Commissioner Cline made the motion for further investigation of the **J.W. Unlicensed Brokerage**. Commissioner Simpson 2nd the motion. Having all in favor, motion carried.

Commissioner Disney made the motion to adopt the **Complaint Review Committee** recommendations as stated. Commissioner Carter 2nd the motion. Having all in favor, motion carried.

Commissioner Carter made the motion that the **Education Provider (re: Necessary Action against Provider for Offering Expired Courses and Consideration of Student Credit for Expired Courses)** will be sent a letter of intent to withdraw the provider's approval for 90-days and/or place the provider on a 4-years probation pursuant to 201 KAR 11:170 Section 12, as to provide the school an opportunity to address the notice, in writing, within thirty (30) days of the date of the notice of intent to withdraw approval.

Responding to that intent and in addition to, the **Education Provider** is required to provide a plan regarding how the school will stay in compliance with KREC's Statutes and Regulations. Upon receipt of that response letter the Commission will consider which of the proposed actions to take.

Commissioner Cline 2nd the motion. Having all in favor, motion carried. Commissioner King abstained from the vote. Chairperson Disponett also voted on this item because Commissioner Sickles was having technical difficulties and could not be heard to vote. Quorum was met.

Commissioner Carter made the motion to give **Hardship Credit** for applicants K.O. completion of pre-licensing course work during the time the **Education Provider's** course was expired. She wanted to make note that this motion is in no way an approval of this course but an acknowledgement as to not allow the students to fall victim to the **Education Provider's** lack of compliance with KREC Statutes and Regulations. Any students that fall under this scenario should submit a request for exception along with the appropriate documentation to the Commission for review. Commissioner Simpson 2nd the motion. Having all in favor, motion carried.

Public Comment

Chairperson Disponett stated that due to time constraints public comments were reduced to a

minute per speaker. There were no public Comments at this time.

Legal Report

Docket Update

General Counsel stated that we are continuing to make good progress while consistently moving these cases along. There were fourteen cases on the agenda today. Twelve of those were related to what he would consider one of the more serious matters before the Commission, which involves allegations of stolen property management funds. As the Commission heard it has been referred to a hearing for permanent revocation of the Respondents licenses. As well as for **Recovery Fund** proceedings to assess the damages for the Complainants. He commended Brian Travis for his very thorough and prompt investigation of the case. Mr. Travis had picked up the investigation from the previous investigator and ran with it.

General Counsel stated that he was very happy with the progress that they have been making on the complaints. That we are a far cry from where we started. The Docket has been reduced to below a hundred active cases. He thanked both Mr. Travis and Angie Reynolds for their hard work.

New Business

Commissioner Disney reported that the **Illinois Diversity Legislation** is currently sitting in the legislative committee right now, who require certain steps when adopting Diversity, Equity, & Inclusion language in a Bill for both the Real Estate Licensees and Appraisers. He wanted people to stay aware of it. He thinks that it has really good language. However, it is not currently moving through this session and very well may not make it out of committee right now. Commissioner Disney will keep the Commission posted.

Reciprocity Agreements

Director Astorino proposed the West Virginia Reciprocity Agreement for the Commission's approval. Language has been negotiated and there has been some minor changes from our prior agreement with Tennessee, but nothing material. The language has been approved by Cabinet. Though it has not been approved by the West Virginia Commission yet, KREC met first, but he was informed by their Education Director that they will approve it.

If approved this will be the third Reciprocity agreement executed with a border State and there are many more to come. In the interim he heard back from Indiana and that we should expect something within the next 30-days. He does believe the others may be more challenging. It is time consuming but we are trying to get Kentucky surrounded by partners again for business development. Which he thinks is a good thing.

Commissioner Carter made the motion to accept the presented signed Reciprocity Agreement with the state of West Virginia. Commissioner Disney 2nd the motion. Having all in favor, motion carried.

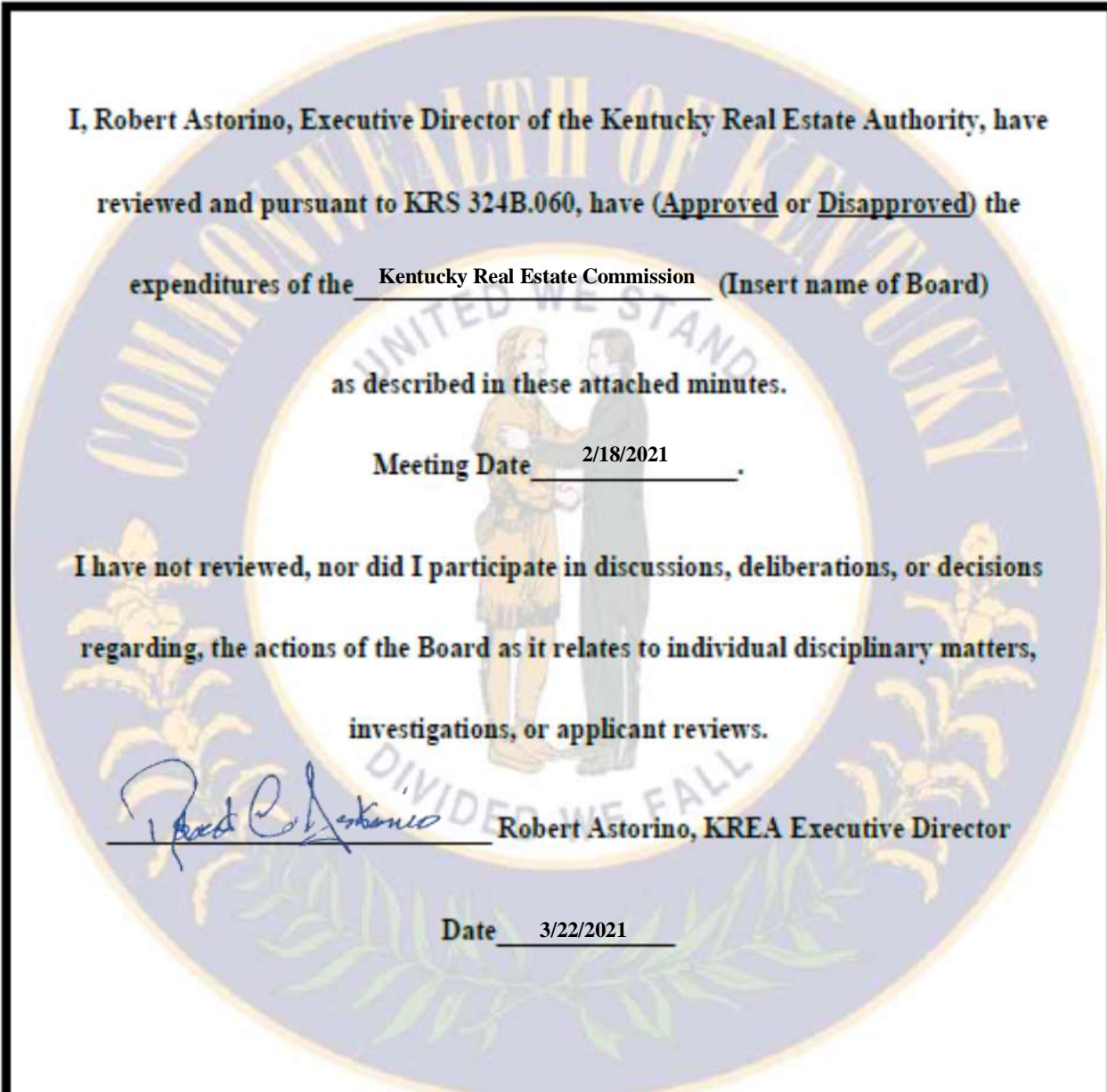
Approval Per Diem

1. Commissioner Carter made a motion to approve the per diem for Chairperson Disponett and Commissioner King for the attendance of the February 17, 2021 Application Review Committee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Simpson 2nd the motion. Having all in favor, the motion carried.
2. Commissioner Simpson made a motion to approve the per diem for Commissioners Disney and Commissioner Sickles for the attendance of the February 17, 2021 Complaint Review Committee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner King 2nd the motion. Having all in favor, the motion carried.
3. Commissioner King made a motion to approve the per diem for the February 18, 2021 KREC 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 March 3, 2021 at 1:00 p.m. for a Special meeting addressing 'Written Consent v. Listing Agreement' and the disclosure forms, and then March 18, 2021 at 9:00 a.m. for the regular meeting. Watch for a zoom link.

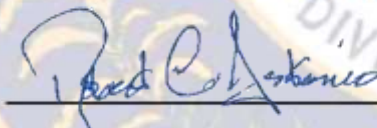
Commissioner Disney made a motion to adjourn the meeting. Commissioner King seconded. Having all favor, the motion carried and the meeting adjourned at 12:41 p.m.



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 2/18/2021.

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 3/22/2021