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Authority Boards
Kentucky Real Estate Commission
Kentucky Real Estate Appraisers Board
Kentucky Board of Auctioneers
Kentucky Board of Home Inspectors

Heather L. Becker, General Counsel
Kentucky Real Estate Authority

Kentucky Real Estate Commission
MEETING MINUTES
October 18, 2018

Commission Members

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

Commission Members Absent

Billy Beckham
Tom Waldrop

KREA Staff

H.E. Corder II, Executive Director
Heather L. Becker, General Counsel
Alex Gaddis, Deputy General Counsel
Christi Moffett, Administrative Coordinator
Haley Bradburn, Board Administrator
Nick Van Over, KREC Licensing Coordinator
Hannah Carlin, KREC Education Director
Michael Spann, Investigator

Guests Present

Phaedra King, GLAR
Chad Harris, student
Nicole Knudtson, Kentucky Realtors
Ruth Ann Bowen, Kentucky Realtors
Steve Stevens, Kentucky Realtors
Rhonda Richardson, Home Services of Kentucky



Shanna Roberts, Kentucky Career Center (CDC)
Joyce Sterling, Career Development Center (CDC)
Sandye Hackney, BCTC & Hackney R.E.
John Weikel, A-Pass-Weikel Institute
Kathleen Weikel, A-Pass-Weikel Institute
Rene Rogers, C. Rene Rogers PLLC

A regular meeting of the Kentucky Real Estate Commission was called to order by the Commission's Chair, Lois Ann Disponett, at 9:05 AM on Thursday, October 18, 2018. Guests in attendance were welcomed and introductions of guests, staff, and commissioners were made. Roll call was taken and a quorum was present.

Approval of Meeting Minutes

Commissioner Hayden made a motion to approve the September 25, 2018 meeting minutes. Commissioner Biederman seconded the motion and it carried.

Licensing Report

Nick Van Over presented the licensing statistics for the 2018 January to September totals. This was for information only and no action was required by the Commission. He reported that one hundred twenty-three (123) new total licenses were issued for the month of September. The total number of current licensees including both sales associates and brokers stands at twenty-two thousand, five hundred twenty-eight (22,528).

Education Report

Hannah Carlin presented an instructor application to the Commission requesting for their approval for Tyler Hill to teach the FLEX Introduction, FLEX Advanced, and Transaction Desk courses at the Greater Louisville Association of Realtors effective October 18, 2018. Commissioner Biederman made a motion to approve the instructor. Commissioner Hayden seconded the motion and it carried.

Hannah Carlin requested approval for the 2018 courses she reviewed that would be effective October 18, 2018 through December 31, 2018. Commissioner Hayden made a motion to approve the 2018 courses. Commissioner Wiseman seconded the motion and it carried.

The 2019 continuing education and post licensing courses, to become effective January 1, 2019 were presented before the Commission. Commissioner Biederman made a motion to approve the courses. Commissioner Hayden seconded the motion and it carried.

Approval was requested for the 2018 – 2020 pre-license courses. The pre-license courses would become effective November 1, 2018. Commissioner Biederman made a motion to approve the pre-license courses. The motion was seconded by Commissioner Hayden and carried.

Committee Report

Applicant Committee

Commissioner Wiseman shared that the Committee met the day before and asked Counsel Becker to share the Committee's recommendations with the Commission. Counsel shared that five (5) of the six (6) applicants on the agenda appeared in person and were interviewed by the Committee. The Committee recommends the following actions:

- Applicant Patrick Hemmerle, defer for further investigation.
- Applicant Gregory Blake, issue a license subject to the same terms as conditional discharge.
- Applicant Matthew Cooper, issue a license.
- Applicant Troy Koehler, issue a license subject to a phone conference with the principal broker and filing form 200.
- Applicant Tiffany Askin, issue a license subject to the same terms as conditional discharge.
- Applicant Brittany Ford, defer (unresponsive).

Commissioner Wiseman made a motion to approve the above Committee recommendation. Commissioner Hayden seconded the motion and it carried.

Complaint Committee

Commissioner Biederman reported the following Complaint Committee recommendations to the full Commission:

- In the matter of 15-58, modify counsel's settlement authority and require additional continuing education.
- In the matter of 17-002, dismiss the complaint.
- In the matter of 17-020, dismiss the complaint.
- In the matter of 18-C-46, dismiss the complaint.
- In the matter of 18-C-56, dismiss the complaint with a stern warning to the broker.
- In the matter of 18-C-58, accept withdrawal of complaint.
- In the matter of 18-K-3, issue a warning to licensee.
- In the matter of an anonymous complaint, defer for discussion.
- In the matter of an unnumbered HUD complaint, ask for response.
- In the matter of 18-C-11, dismiss the complaint.
- In the matter of 18-C-12, request response.
- In the matter of 18-C-13, request response.
- In the matter of 18-C-17, dismiss the complaint.
- In the matter of the CE Delinquency Cases (settlement authority), the Committee agrees with proposed agreed orders and advises that these settlements be used as a template moving forward for similar cases.

Education Committee

Commissioner Hayden, chair of the Education Committee, shared the following dates that the Education Committee will meet:

- March 12, 2019

- June 11, 2019
- September 10, 2019
- December 10, 2019

These meetings will be held the second Tuesday of the month quarterly at 1:00 p.m.

Legal Report

Counsel Gaddis shared an update on 17-007, notifying the Commission that a motion to hold in abeyance will be filed by next meeting.

Counsel Becker similarly shared 18-C-35, asking for the Commission's approval to hold in abeyance. Commissioner Biederman made a motion of approval. Chair Disponett seconded the motion and it carried.

Counsel Becker advised the Commission that an appeal pending in Jefferson court had been settled. She also shared the ethics guidelines that govern and apply to the Commissioners. She touched on the progress of the regulation review and said that they will continue to hold meetings and work on this.

Counsel Becker shared how the education grant proposals have been under review the past couple months, but no action has been taken. Legal is working with the accounting department on an invoice and materials and should hopefully have everything complete by the end of next week. The Commission released Legal to move forward with the grant reimbursement from the recovery fund. Commissioner Wiseman made a motion that Legal move forward with the education grant subject to receiving additional documents needed and invoicing. Commissioner Hayden seconded the motion and it carried.

Legal presented several email inquiries before the Commission seeking their guidance on some particular situations.

The first email reviewed was regarding 201 KAR 11:170 section 4 and proposed a question asking if a brokerage could make a special agreement with an education provider and offer discounted education fees. Commissioner Biederman shared concern over putting all the big brokerages in a position to monopolize. Director stated that he wants to be careful that we do not eliminate the ability of the broker to pay for continuing education for employees. The Commission asked to confirm if this is for new licensees, continuing education, or both. They indicated that if this was regarding new licensees, then they would not allow this. The Commission asked that the matter be looked into further and deferred to the next meeting.

A second email regarding a flat fee question was discussed. Commissioner Biederman said it appears to be legal as other companies do it, however, he believes it is a loophole to the MLS system. The Commission advised for the matter to be looked into further to determine whether it is legal or not.

The third email generated discussion surrounding how to handle the records of a deceased broker. In this particular situation, the deceased broker was the only one in the firm and the local board's president offered to keep the files five (5) years for the family. This posed the question of how to handle these situations in general, especially when a local board may not be willing to keep files. In the discussion, Chair Disponett brought up the importance of informing the public of the importance of having tail insurance when settling the estate of deceased broker. The Board concluded that the matter needs to be looked into further.

The fourth email presented was regarding Florida license reciprocity with Kentucky. Discussion ensued on the difference between license reciprocity and license recognition. Kentucky has license recognition with other states and requires that someone licensed in another state coming to Kentucky take only the Kentucky law portion of the exam.

In the fifth email, Counsel Gaddis shared an inquiry he received regarding incentives for referrals and sought the Commission's guidance. These incentives can range from coupons to checks and gift cards. Commissioner Biederman expressed that it is off limits to pay for referrals. In the discussion, KRS 324.020, KRS 324.160 and KRS 324.165 were referred to. Counsel Becker asked if "compensate" means *anything*. The Commission confirmed that compensate means anything. She advised that this needs to be clarified in the new regulations. Commissioner Biederman felt that KRS 324.020 best addressed this situation. The Commission advised that the answer to this email should be no, relaying that incentives for referrals are not allowed. Legal staff will also gather all specific inquiries in relation to this subject as many variations of this same question have been submitted, and they will bring them to the next meeting.

Report on Broker Questionnaire Results

Hannah Carlin presented the broker questionnaire results that were shared with the Commissioners. The Commission noted that more often than not, people are reluctant to change. It was asked what percentage of brokers responded. This information was unavailable. One hundred twenty (120) brokers participated, which was apathetic involvement and mostly resulted in critique. Unfortunately, a lot of work and effort went in and resulted in very little response.

Administrative Coordinator Report

Christi Moffett reminded everyone that the NAR convention in Boston is coming up. Commissioner Biederman made a motion to vote to approve Director Corder and Chair Disponett's travel and attendance at the convention. Commissioner Wiseman seconded the motion and it carried.

Real Estate Authority Executive Director Comments

Director Corder shared his gratefulness and thankfulness for the Commission's commitment and work. Mrs. Moffett announced the education conference that the Real Estate Commission will be hosting on November 8, 2018 at 10:00 a.m. at the Frankfort public library. She advised people to register quickly as it is limited to sixty-five people.

KREC Chair Comments

2019 Meeting Calendar

The Commission reviewed the 2019 calendar with meeting dates proposed for the third Thursday of the month. Chair Disponett shared that they want to meet all twelve (12) months. Commissioner Hayden made a motion to accept the calendar as proposed with the exception of looking into holding one meeting in another part of the state. Chair Disponett seconded the motion and it carried. [Please see amendment made to this approved calendar, below in “Other Matters.”] Before opening up the floor for public comments, Chair Disponett shared and thanked the staff and commissioners for all they do.

Public Comments

Cindy Rice Grissom with Rice Insurance Services Company, LLC shared that the insurance renewal letter has been sent. There are no premium increases, and it will need to be approved by the Commission. Chair Disponett inquired as to the timeframe, and Ms. Grissom stated that it needs to be completed by the end of the year and is normally approved by the end of November. Discussion was held about extending the reporting period. Ms. Grissom would like to work with the Commission to educate licensees on how claims made insurance works and the importance of extended reporting. Director Corder and the Commission extended an invitation for Ms. Grissom to come speak at the November 8th education conference. Chair Disponett asked for RISC to provide information to the Commission on tail coverage.

John Weikel with A-Pass-Weikel Institute spoke next. He first asked to apologize. Weikel Institute made a duplication error and copied instructor resumes instead of the appropriate form which were sent via fax to KREC and then correct versions were hand delivered to the KREC office Tuesday. Certain technical errors were also corrected and sent in on Tuesday. Mr. Weikel asked the Commission to vote to approve the courses today. He also shared that moving forward, they are going to hire an assistant to help cross check submissions. Chair Disponett advised that there are also some other courses set for the November meeting. It was also brought up that a special meeting may yet be held in October and Counsel Becker advised that the courses could be voted for approval then.

An education director spoke up with a question regarding post-licensing education. She asked if the KREC website could list the specific categories that licensees get their CE in rather than just listing it as mandatory versus elective. Commission staff responded that this is on their list and they will be working with IT to address this with the system.

Director Corder shared that he wants a secure cloud based calendar, something similar to KHRIS that is utilized by state employees, where supervisors can sign off electronically for boards and apprenticeships.

The education director also asked a second question seeking advice on what to tell people when they do lose their license.

Counsel Becker discussed with the Commission the subject of when people fail to complete their post-licensing education. Currently, only a \$10 activation fee and a completed form 200 with a \$10 fee to reaffiliate, is the only penalty. Counsel Becker pointed out that though it is similar to other license cancellation situations, it is treated differently than failure to reaffiliate cases and CE delinquency plans which require harsher penalties. She asked if the Commission would like to continue treating these cases the same as they have been or treat more like a failure to follow licensing laws. Counsel Becker recommended to the Commission that someone who fails to complete their PLE should provide documentation of completion, complete additional education, and pay a fine. Chair Disponett felt that the current penalty for failure to complete PLE is not enough. Education provider, John Weikel shared that he has a student that was enrolled in a 48 hour course that she didn't complete because she missed day three (3) of the six (6) day program. She is going to attend he missed day in November and has 40 of the 48 hours. Another educator shared that she will just put together an online package for the licensee to complete so that they can still get it in on time. Director Corder expressed the availability of course offerings and the statutory status of a licensee's license if they fail to satisfy the requirement.

Michael Lawrence shared concern for the cancellation of a license without a 13B hearing. Commissioner Biederman advised that cancellation is different from revoked.

Commissioner Biederman addressed the group as he shared this may or may not be his last meeting attending as Commissioner with his term expiring at the end of the month. He shared that a lot has changed since he first started. He complimented Director Corder, stating that he has done an outstanding job getting things in order. He hopes that everyone will continue to represent the licensees in KY that are not Realtors. He also expressed desire for a newsletter to get information out to people and feels this needs to be available.

Commissioner Wiseman asked guests that they introduce themselves when speaking.

Executive Session, Legal Matters, and Case Deliberations

Commissioner Wiseman made a motion for the Commission to enter executive session, pursuant to KRS 61.810, subsection 1 (c) and (j) to discuss proposed or pending litigation and deliberate on individual adjudications in the matter of 18-005 and Commonwealth v. William Dean. Commissioner Biederman seconded the motion and it carried.

The Commission entered into closed session discussion.

Reconvene in Open Session

Commissioner Wiseman made a motion to come out of closed session. Commissioner Hayden seconded the motion and it carried. The Commission voted on the following items.

In the matter of 18-005, Commissioner Hayden made a motion to accept the settlement agreement, Chair Disponett seconded it, and the motion carried.

In the matter of an anonymous complaint of an unlicensed brokerage, Commonwealth v. William Dean, Commissioner Biederman made a motion, seconded by Commissioner Wiseman to seek criminal charges. The Commission voted and the motion carried.

Other Matters

The Commission discussed holding meetings at a better location. The Complaint Committee indicated their desire to hold committee meetings. The Commission discussed holding all committee meetings and the regular commission meeting all on the same day, and at least give it a try for the first couple months of the new year. Commissioner Hayden made a motion that with the 2019 calendar, the regular Commission meet at 11:00 a.m. and use the 9:00 a.m. -11:00 a.m. time for the various committee meetings. Commissioner Wiseman seconded the motion and it carried. Chair Disponett called for a special meeting of the Commission to be held on October 30, 2018 at 9:00 a.m. to continue work on the proposed administrative regulations.

Next Meeting

The next meeting of the Kentucky Real Estate Commission will be a special held meeting on Tuesday, October 30, 2018 at 9:00 AM at the Kentucky Real Estate Authority, 656 Chamberlin Avenue, Suite B, Frankfort, KY 40601. The next regular meeting of the Kentucky Real Estate Commission is November 15, 2018 at 9:00 AM.

Meeting Adjournment

Commissioner Biederman made a motion, Commissioner Hayden seconded it, and the Commission voted unanimously to adjourn at 11:44 AM.

1. 2018 Continuing Education Courses

Northern Kentucky University

Course Name	Instructor(s)	CE Hours
<i>CRB- Building a Business Plan that Gets Results</i>	Marlene Burkhart	3 elective
<i>CRB- Performance Leadership- Coach, Manage & Mentor</i>	Marlene Burkhart	3 elective

2. 2018 Continuing Education and Post-Licensing Education Courses

Council of Residential Specialists

Course Name	Instructor(s)	CE Hours	PLE Hours
RS 201: Listing Strategies for the Residential Specialist	Lee Barrett, Dale Carlton, Gee Dunsten, Mark Given, Chandra Hall, James Nellis, Rich Sands, Mike Selvaggio, Frank Serio	6 elective	6 elective
RS 202: Effective Buyer Strategies	Lee Barrett, Gee Dunsten, Chandra Hall, Jackie Leavenworth, James Nellis, Rich Sands, Mike Selvaggio, Frank Serio	6 elective	6 elective
RS 203: Business Planning and Marketing for the Residential Specialist	Lee Barrett, Dale Carlton, Gee Dunsten, Mark Given, Chandra Hall, James Nellis, Mark Porter, Rich Sands, Pat Zaby	6 elective	6 elective
RS 204: Buying and Selling Income Properties	Chris Bird, Dale Carlton, Pat Zaby	6 elective	6 elective

Lexington Bluegrass Association of Realtors

Course Name	Instructor(s)	CE Hours	PLE Hours
Closing Time Hazards	Jonah Mitchell	3 law	3 elective

1. 2019 Continuing Education and Post-Licensing Education Courses

Lexington Bluegrass Association of Realtors

Course Name	Instructor(s)	CE Hours	PLE Hours
Agents, Ethics, and the Law	Jonah Mitchell	3 law	2 risk management, 1 elective
Bad Boys: Whatcha Gonna Do?	Doug Myers	3 law	3 disclosure
Breaking News Not the Rules	Jonah Mitchell	3 law	2 risk management, 1 elective
Building a Successful Foundation in Real Estate with Rapattoni MLS Training	Debbie Hamilton	3 elective	3 technology and data security
Business Building by Prospecting	Cindy Crutcher, Darlene Hirth	3 elective	3 elective
Closing Time Hazards	Jonah Mitchell	3 law	3 elective
DotLoop- A Paperless Solution for Agents	Cindy Crutcher, Darlene Hirth	3 elective	3 technology and data security
Expireds- Like Catching Fish in a Barrel	Doug Myers	3 elective	3 elective
Fair Housing	Jonah Mitchell	3 law	3 fair housing
Home Inspections: What You Need to Know	Steve Pruitt	3 elective	3 elective
Opportunities and Advantages of Home Warranty Disclosure	Kelley DeGeorge	3 elective	3 elective
Real Estate Mortgage Fraud	Larry Disney	3 law	3 finance
Renovation Financing	Joe Daly	3 elective	3 finance
The Buyer and Sller Agency Form	Cindy Crutcher, Darlene Hirth	3 law	3 agency
The Consumer Guide to Agency and the Sller Disclosure Forms	Cindy Crutcher, Darlene Hirth	3 law	3 elective
You Before Me- Demystifying Fiduciary Duties	Doug Myers	3 law	3 agency

Wilson Education Group

Course Name	Instructor(s)	CE Hours	PLE Hours
ANSI Residential Measuring Standards	Misty Gammon, Benjamin Wilson, C.W. Wilson	3 law	3 elective
Commercial Sales Introduction	Misty Gammon, Benjamin Wilson, C.W. Wilson	3 elective	3 elective
Comparative Market Analysis 101	Misty Gammon, Benjamin Wilson, C.W. Wilson	3 elective	3 agency
Comparative Market Analysis 102	Misty Gammon, Benjamin Wilson, C.W. Wilson	3 elective	3 agency
How to Measure Anything- BOMA Commercial Measuring Standards	Misty Gammon, Benjamin Wilson, C.W. Wilson	3 elective	3 elective
Residential Environmental Standards	Misty Gammon, Benjamin Wilson, C.W. Wilson	3 law	2 risk management, 1 elective
The Money Pit	Misty Gammon, C.W. Wilson	3 law	2 risk management, 1 elective

1. 2018-2020 Pre-licensing Courses

American School of Real Estate Express

Course Name	Instructor(s)	Pre-licensing Hours
Kentucky Real Estate Principles	Linda Leavitt	96

Career Development Center

Course Name	Instructor(s)	Pre-licensing Hours
Kentucky Pre-license Classes- From the Ground Up	Joyce Bea Sterling	96

Century Real Estate School

Course Name	Instructor(s)	Pre-licensing Hours
48-Hour Broker Law	Steve Medved	48
Broker Management	Steve Medved	48
KY 96-Hour Salesperson Pre-license Course (Classroom)	Lucy Brooks, Steve Medved	96
KY 96-Hour Salesperson Pre-license Course (36-Hour Classroom, 60-Hour Online)	Lucy Brooks, Steve Medved	96
KY 96-Hour Salesperson Pre-license Course (Online)	Lucy Brooks, Steve Medved	96

Cooke Real Estate School

Course Name	Instructor(s)	Pre-licensing Hours
Kentucky Broker Investment	Frank L. Cooke Jr.	48
Kentucky Commerical Real Estate	Frank L. Cooke Jr.	48

Kentucky Essentials of Real Estate Finance	Frank L. Cooke Jr.	48
Kentucky Property Management	Frank L. Cooke Jr.	48

HomeServices Real Estate Academy

Course Name	Instructor(s)	Pre-licensing Hours
Broker Law	Clifford Eddleman, Donna Miller, Doug Myers	48
Broker Management	Clifford Eddleman, Donna Miller, Doug Myers	48
Principles and Practices of Real Estate- 96 Hours	Clifford Eddleman, William Tom Huber, Donna Miller, Doug Myers, Kristen Reese, Denise Wade	96
Principles and Practices of Real Estate (60 online and 36 classroom)	William Tom Huber, Donna Miller, Doug Myers	96

Kentucky Realtor Institute

Course Name	Instructor(s)	Pre-licensing Hours
Kentucky Real Estate Pre-licensing	Sandy Huwel	96

The CE Shop

Course Name	Instructor(s)	Pre-licensing Hours
Kentucky 96-Hour Salesperson Pre-license Course	Chris Alford	96

Thornton's Real Estate Academy

Course Name	Instructor(s)	Pre-licensing Hours
Principles and Practices of Real Estate	Todd Thornton	96

University of Louisville, School of Urban and Public Affairs

Course Name	Instructor(s)	Pre-licensing Hours
Real Estate Development	William J. Cahaney	48
Real Estate Finance & Investment	William J. Cahaney	48
Real Estate Market Analysis (classroom)	Sumei Zhang	48
Real Estate Market Analysis (online)	Sumei Zhang	48
Real Estate Principles	William Cahaney	48
Site Planning	Julia Williams	48

Ward Elliot Institute

Course Name	Instructor(s)	Pre-licensing Hours
Broker Management	Ward Elliot	48
Principles and Practices of Real Estate	Ward Elliot	96

Wilson Education Group

Course Name	Instructor(s)	Pre-licensing Hours
Basic Appraisal Principles	Michael Gammon, Misty Gammon, Benjamin Wilson, C.W. Wilson	30
Basic Appraisal Procedures	Michael Gammon, Misty Gammon, Benjamin Wilson, C.W. Wilson	30
Capitalization Applications	Michael Gammon, Misty Gammon, Benjamin Wilson, C.W. Wilson	15
Expert Witness Testimony	Michael Gammon, Misty Gammon, Benjamin Wilson, C.W. Wilson	15
National USPAP	Benjamin Wilson, C.W. Wilson	15

Residential Market Analysis and Highest and Best Use	Michael Gammon, Misty Gammon, Benjamin Wilson, C.W. Wilson	15
Residential Report Writing	Benjamin Wilson, C.W. Wilson	15
Residential Sales Comparison Approach	Michael Gammon, Misty Gammon, Benjamin Wilson, C.W. Wilson	15
Residential Site Valuation and Cost Approach	Michael Gammon, Misty Gammon, Benjamin Wilson, C.W. Wilson	15
Site and Improvement Inspection and Documentation	Michael Gammon, Misty Gammon, Benjamin Wilson, C.W. Wilson	15
Statistics, Modeling, and Finance	Michael Gammon, Misty Gammon, Benjamin Wilson, C.W. Wilson	15