



Andy Beshear
Governor

Kerry B. Harvey
Secretary

Ray A. Perry
Deputy Secretary

Robert L. Astorino
Executive Director

John L. Hardesty
General Counsel

Kentucky Real Estate Authority
Kentucky Real Estate Commission
Mayo-Underwood Building
500 Mero Street, 2NE09
Frankfort, Kentucky 40601
Phone: (502) 564-7760
<https://krec.ky.gov>

KENTUCKY REAL ESTATE COMMISSION
Complaint Review Committee

MEETING MINUTES

March 17, 2021

1:30 p.m.

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

Committee Members Present

Commissioner Steve Cline
Commissioner Raquel Carter

KREA Staff

John Hardesty, General Counsel
Brian Travis, Investigator
Angie Reynolds, Board Administrator

Call to Order and Guest Welcome

A meeting of the Complaint Committee was called to order by Commissioner Carter at 1:34 p.m. on March 17, 2021.

Committee Meeting Minutes

Commissioner Carter made a motion to approve the February 17, 2021 Complaint Committee Meeting Minutes. Commissioner Cline seconded the motion. With all in favor, the motion carried.

Executive Session Case Deliberations

Commissioner Cline made a motion for the Complaint Committee to enter executive session, pursuant to KRS 61.815(1) and 61.810(1)(c) and (1)(j) at 1:56 p.m. to discuss proposed or pending litigation and deliberate on individual adjudications in:



- 19-C-046
- 19-C-049
- 18-C-079 and 20-C-046
- 20-C-014
- 20-C-015
- 19-C-086

Commissioner Carter seconded the motion and the meeting was ordered into executive session discussion.

Reconvene in Open Session

At 3:01 p.m. Commissioner Carter motioned for the Complaint Committee to come out of executive session. Commissioner Cline seconded the motion to come out of executive session.

Committee Recommendations

Commissioner Carter made a motion for the Complaint Committee to recommend disposition of the following cases to the full Commission in the following manner. Commissioner Cline seconded the motion. Having all in favor, the motion carried.

Final Adjudications

1. **19-C-049** – The Complainant claims that the Respondents were engaging in unlicensed real estate brokerage under KRS 324.990, which constitutes a Class A misdemeanor for the first offense and a Class D felony for any subsequent offenses.

The Complainant also claims that the Respondents purchase tax liens and collects rent through their company. He believes that they sell and manage property through a realty company. He claims Respondents do not hold a real estate or a brokerage license.

Respondents admit that they are not real estate licensees and have never claimed to be, but deny they have committed unlicensed real estate brokerage or property management. KREC’s investigation established the Respondents only managed/brokered property owned by them or their company. Further, it found the tax ticket allegations did not constitute unlicensed brokerage. **The CRC recommends to the full Commission to dismiss the complaint with a letter of caution to the Respondents.**

2. **20-C-014** – Complainants claim the Respondent sold them property that they believed had an inhabitable home, electricity, and sewer service on it. They moved into the home only to learn later through the PVA that the property Respondent transferred to them did not contain any of those things. KREC’s investigation determined the Respondent made an honest mistake in researching and transferring the property, and honestly, but mistakenly, believed the property he was transferring to Complainants contained the home and utility services. Once Respondent learned of his mistake, he took all necessary and appropriate action to make the situation right for his clients, including paying them a significant monetary settlement and allowing them the keep the property transferred to them, resulting in the clients obtaining the tract basically for free. Investigation further revealed Complainants were able to place a trailer on the tract with some of the proceeds paid to them by Respondent. There was no evidence Respondent violated any provisions of KRS 324.160. The Commission felt that his actions, at most, rose to the level of ordinary negligence, and that he acted as any honest, trustworthy agent should in attempting

and ultimately succeeding in remedying for his clients a problem he caused. However, there is no evidence that he violated any provision of KRS 324.160. **The Committee recommends to the full Commission to dismiss the complaint.**

3. **20-C-015** – Complainant failed to supplement the complaint upon request. Original complaint did not state a prima facie case of a license law violation. CRC recommended dismissal as required by KREC’s statutes.

Pending Actions

1. **18-C-079 and 20-C-046** – The CRC Committee recommends to the full Commission to hold each complaint in abeyance until such time as the Respondent has recovered and is able to defend herself in these cases.
2. **19-C-046** - The CRC recommended to refer the case for further investigation to determine if violations occurred.
3. **19-C-086** - The CRC recommended to refer the case for further investigation to determine if violations occurred.

Meeting Adjournment

Commissioner Carter made a motion to adjourn the meeting of the Complaint Committee. Commissioner Cline seconded the motion. There being no objection, the meeting was adjourned at 3:02 p.m.

Next Scheduled Meeting

The next regular meeting of the Kentucky Real Estate Commission’s Complaint Review Committee is to be determined.