



Andy Beshear  
Governor

Kerry B. Harvey, Secretary  
Public Protection Cabinet

**Kentucky Real Estate Commission**  
Mayo-Underwood Building  
500 Mero Street, 2NE09  
Frankfort, Kentucky 40601  
Telephone: (502) 564-7760  
Fax: (502) 564-3969

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## MEMORANDUM

To: Kentucky Real Estate Commission Licensees  
From: John L. Hardesty, General Counsel, KREA  
Date: May 22, 2020  
Re: KREC Resolution Regarding the Use of “Realty” or “Real Estate” in Group and Team Names

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The Kentucky Real Estate Commission convened a regular meeting on May 21, 2020. At that meeting, the Commission addressed the question of whether the use of the phrases “realty” or “real estate” in a team or group name constitutes a violation of 201 KAR 11:105(4)(3)(a) and 201 KAR 11:105(5)(2)(c).

201 KAR 11:105(4)(3)(a) provides that an alternate or assumed name shall not contain terms that may lead the public to believe the licensee or licensees approved to use the alternate or assumed name is offering real estate brokerage services independent of the principal broker, unless the alternate or assumed name is for the real estate brokerage company.

201 KAR 11:105(5)(2)(c) provides an advertisement is false, misleading, or deceptive, if the advertisement would lead a reasonable observer to believe that real estate brokerage services were being offered by an affiliated licensee or licensees independent of their real estate brokerage company or principal broker.

On May 21, 2020, The Commission passed a resolution providing that a team or group name that includes the phrases “realty” or “real estate” will constitute a violation of 201 KAR 11:105(4)(3)(a) and will be considered misleading in violation of 201 KAR 11:105(5)(2). Therefore, the use of a team or group name containing these phrases may subject the licensees in that team or group to discipline.