

Kentucky Real Estate NEWS

A Publication of the Kentucky Real Estate Commission

James H. Huff Appointed Commissioner



On November 15, 2007, former Governor Ernie Fletcher appointed James "Jim" H. Huff to a four-year term as Commissioner. Many of you may remember that Mr. Huff previously served as a Commissioner and from 1981 until 1997. He was then reappointed to fill an unexpired two-year term from 1998 to 1999. The Commission will obviously benefit from all of Mr. Huff's prior experience as a Commissioner.

Mr. Huff began his real estate career as a sales associate in 1972. In 1975, Mr. Huff opened the first Huff Realty in Ft. Mitchell. Over the next thirty years, he grew the company into the second leading residential real estate brokerage in Greater Cincinnati. In March 2006, Mr. Huff solidified the Huff name as a leader in the local real estate market by brokering a deal that resulted in Huff Realty's acquisition by HomeServices of America, Inc., a Berkshire

Hathaway affiliate, the second largest home services provider in the United States.

A few of Mr. Huff's other accomplishments include: Director of the Association of Real Estate License Law Officials, REALTOR® of the year in 1981 by Kenton-Boone Board of REALTORS®, and Past President of the Kenton-Boone Board of REALTORS®. He also established the statewide errors and omissions insurance platform for real estate licensees, and he contributed to the establishment of property management regulations while serving as a Commissioner.

Mr. Huff currently serves on the Greater Cincinnati/Northern Kentucky International Airport Board and is a past member of the Tri-County Economic Development Corporation. He also served as chairman, secretary and board member for the Northern Kentucky Chamber of Commerce and has served on numerous other boards throughout Northern Kentucky. He is also a renowned personality in the tri-state area and avidly supports and contributes to its communities.

Mr. Huff resides in Ft. Mitchell with his wife Bert. They have two adult children, Susan and Rodney, and they are the proud grandparents of Jessica, Jamie, Maria, Justin, Jacob and Emily.

Welcome back, Commissioner Huff!

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Printed with State Funds
Issue No. 207, Fall 2007

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Comments from the Chair

by: **Lois Ann Disponett,
Chair**



Each year, the Kentucky Real Estate Commission provides grants to colleges and universities throughout the Commonwealth to fund educational courses and programs for real estate applicants and licensees. In fiscal year 2006/2007, the Commission awarded a total of \$306,581 in grant funds.

One of the grants was given to Northern Kentucky University to do a continuing education study and to provide the Commission with qualitative and quantitative findings. The study was conducted by Matthew D. Shank, Ph.D., Professor of Marketing and Jan Hillard, Ph.D., Associate Provost for Regional Stewardship, both of Northern Kentucky University.

The study was presented to the Commission at our August 2007 meeting, and I wanted to share some of the findings with you. Many licensees participated in the study either through mailings or focus group discussions. We appreciate those who took the time to give us their input.

Overall, the study revealed that licensees are generally satisfied with the continuing education courses they have taken in the last six months. They were most satisfied with the convenient locations and pricing of courses. Licensees were least satisfied with the variety of topics that were offered.

Wednesday was rated as the day of the week that licensees prefer to take

continuing education courses and mornings were rated as the preferred time of day.

You also told us that you prefer face-to-face instruction over Web/Internet instruction, but one third of the licensees responding said they would enroll in a web-based course.

The most preferred courses were current issues, internet based marketing techniques and ethics courses. However, legal issues and marketing topics were most important to the success of licensees. The other topic most mentioned by licensees were advanced courses dealing with commercial real estate issues. The majority of licensees said that they would be willing to pay \$45 to \$55 per course and prefer that the Commission communicate with them through email.

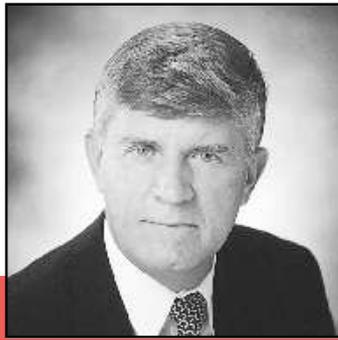
The bottom line is that licensees are ready for new instructors, new topics, more exercises and case studies as well as more interactive classes.

From this study we have begun working with Northern Kentucky University to develop a commercial core course as well as more commercial courses. We are also working on obtaining email addresses to better communicate with licensees. This is just the first step as we continue to improve the entire educational program.

As always, if you ever have any suggestions or comments, please contact the Commission.

From the Director's Desk

by: Norman E. Brown,
Executive Director



It seems like the end of the year has arrived more quickly than usual! We have been involved in so many interesting and productive projects this year that the time has literally flown by!

As always, the Commission has been out in the community promoting the real estate industry and seeking ways to improve our laws. We sponsored a booth at the Kentucky State Fair and gave out jar openers to thousands of passers-by. In addition, we once again provided sponsorship funds to the Affordable Housing Conference, which was held in Louisville this year. We also hosted our ninth-annual awards celebration for licensees who have held a license for 50 years. You can see the picture of this happy event on page 10.

Our staff has also been out in the state and the country, learning and teaching. We have been to numerous sales meetings, Board of REALTORS® meetings, KAR conferences, ARELLO conventions, and the like, to promote Kentucky, to tell others what we know and to soak in all of the information that is out there.

We have been active in updating and improving the informa-

tion on our website. You will soon be able to check your CE credits online, and we also have Spanish-language documents, interactive forms and commercial contracts on our website.

As you can see in Chairman Disponett's column, we have also been very active in our education department. We conducted a study to see what you, the licensee, would like to change about our CE offerings. We are also revamping our core course, developing a broker course, implementing commercial courses and looking into amendments to many of our education regulations, all to ensure that the quality and quantity of our offerings meets your needs.

2007 has been such a busy time, I can't imagine 2008 could be any busier, but I'm sure it will be. We look forward to working with you in the coming year and, as always, we encourage you to reach out to our staff or our Commissioners if you ever have an idea that could benefit you and the other licensees in this state. Our staff contact information can be found on our website.

See you next year!

Do You Have Your Continuing Education Hours?

What is the Requirement?

All non-exempt, active licensees must complete six (6) hours of continuing education by the end of each calendar year, with at least three of the six hours in a real estate law course. The hours must be completed by December 31, 2007. Active non-exempt licensees must also complete the Kentucky Core Course once every four (4) years. If you took the Core Course this year, it fulfills your six (6) hour continuing education requirement, and no other education is needed in 2007.

Who is Exempt?

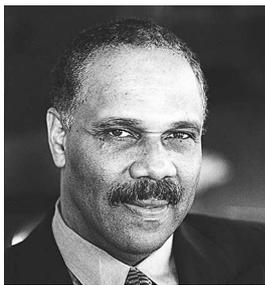
1. Persons licensed in Kentucky prior to June 19, 1976.
2. New licensees who are in their first calendar year of licensure.
3. All licensees who are in escrow on or before December 31, 2007.

Who are the Providers?

There are more than 20 providers approved to offer continuing education. Licensees can find a list of providers under the Education Section of our website (www.krec.ky.gov) Licensees need to contact the provider directly for schedules and registration.

What happens if you don't complete the hours?

An education penalty fine of \$200 will be assessed, and licensees must fill out a "Delinquency Plan" by February 15th. If a Delinquency Plan is not completed, the license will be cancelled. If a licensee does not comply with the terms of the Delinquency Plan, the licensee will be suspended for six months.



Ron Smith



Lois Ann Disponett



Ken Perry



F.M. Sponcil



James H. Huff

LEASE OPTION CONTRACTS

Not As Simple As They Appear!

**By: Virginia L. Lawson
Attorney**

Now that the market is slowing down, many sellers will be asking their agents about the possibility of finding a buyer who wants to enter into a lease option. Sellers may think that it is better to have a property leased to help make their monthly mortgage payment. Unfortunately, many sellers have discovered too late that it may be better to leave the property vacant. On the other hand, with lenders tightening up requirements for loan approval, buyers may think it is a good idea to enter into a lease option while trying to repair their credit or save a down payment. Unfortunately, many buyers have discovered too late that after their credit is repaired, they still can't purchase the property.

Let's look at the seller's issues first. A seller who enters into a lease option is bound by the contract. The terms are set and the seller has no "option" to later change his/her mind. Basically, the seller is stuck with the decision of the buyer to purchase or not.

Most mortgages have "due on sale" clauses. This is the clause that states the seller cannot transfer an equitable interest in the property. A lease option is an equitable interest. Therefore, by entering into a lease option, the seller is running the risk of having his/her current mortgage foreclosed. If the seller's mortgage company learns of the lease option, the company may begin a foreclosure action because the seller is in default of the mortgage. Sellers who think a lease option is a viable option should consult a tax professional. It is likely that the IRS will treat the lease option

as a sale which may result in unintended tax consequences. Sellers may lose their one-time exemption for deferring capital gains. The effect would be to turn a residential property into investment property.

Probably the biggest problem for the seller, and one that cannot be avoided, arises if the buyer does not pay the lease payments as agreed. Normally, when a tenant defaults, the landlord goes into District Court and forcibly removes the tenants from the property. This can usually be accomplished in about 30 days with minimal expense. However, with a lease option, because an equitable ownership interest arises when a lease option is entered into, instead of a forcible detainer action the seller must file a foreclosure action in Circuit Court. A foreclosure action takes a much longer time (sometimes up to 9-12 months) and the costs are much higher (\$1,000 - \$1,300). During that period the buyer will not be making a lease payment, although the seller will be paying the mortgage payment. To make matters worse, when an owner has to file a foreclosure action the current mortgage company must be named in the lawsuit. If the owner's lender didn't know about the lease option before, it will now when it gets sued. And, of course, the seller will have to pay his/her lender's legal fee to defend the lawsuit.

Another major problem is the condition of the property. If the buyer chooses not to exercise the option and moves out of the house, there is no guarantee for the seller that the condition of the house will be the same as when the buyer took possession. A seller could be looking at major repairs to get the property ready to

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LEASE OPTION CONTRACTS

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place back on the market.

Buyers may not fare much better with a lease option. The only advantage for the buyers is that they may be able to avoid some of the pitfalls.

If a buyer pays the lease payment as agreed, the seller may not be using that money to pay the mortgage payment. If the seller does not pay the mortgage payment, the seller's lender can foreclose and sell the property on the courthouse steps regardless of the payments paid by the buyer. Because the mortgage was in place prior to the lease option, the lender does not have to honor the lease option. Of course, a wise buyer can make an arrangement with the seller to pay the mortgage directly to the lender and avoid this problem.

Another pitfall for the buyer is the title. Many buyers have tried to purchase the property at the end of the lease only to learn there is a title defect that cannot be cleared. In that event, although the buyer has performed, the seller cannot pass clear title and the buyer may lose all of the money invested. Again, a buyer can avoid some of the risk by having a title search prior to making the first payment and by recording the lease option in the county clerk's office in the county where the real estate is located to give notice that there is a lease option on the property. Of course, that recording may alert the seller's lender to the lease option and result in the lender foreclosing under the "due on sale" clause.

A buyer may pay all payments as agreed and still be unable to purchase the property if he/she cannot repair his/her credit before the end of the option period, if the interest rates increase dramatically, or if the amount of down payment required increases. Because there is no guarantee on the availability of mortgage money, the interest rate, or down payment underwriting requirements, a buyer is only gambling that by the end of the option period, the rates and underwriting requirements will be favorable.

Both the seller and buyer have concerns relating to the property insurance. The seller's home insurance

carrier may not pay a loss, because the seller is not living in the property. A buyer can't purchase homeowner's insurance, because the buyer is really a tenant and needs tenant insurance. Of course, a tenant's insurance does not pay for the structure. If the seller changes his homeowner's insurance to landlord's insurance, his lender may then learn that an equitable interest has passed, thereby activating the "due on sale" clause.



Clearly, lease options are not as simple as they may first appear. A licensee who is approached by a seller or buyer who want to enter into a lease option should be advised to consult an attorney who practices real estate law, an accountant who practices in the area of federal and state tax, and a property insurance agent who can advise on the best type of insurance to cover both the seller and buyer. Licensees should never complete a form lease option contract for a buyer or seller

- completing such a form is the practice of law.

And, last, but certainly not least, when will you get paid? Most lease options state that the agent does not get paid until the lease option is exercised - many times 1-3 years down the road. Of course, if the lease option is not exercised the commission will never be paid. And, in the event a dispute arises between the seller and buyer because of the lawsuit, the agent can be dragged into that lawsuit.

Now, do you think a lease option is a good option?

LICENSEE-RESTRICTED FORMS & CONTRACTS

Below are the User Name and Password you need in order to access forms on the Commission's website (www.krec.ky.gov). The link is under General Information.

User Name: get (lower case)

Password: forms (lower case)

Be sure to check the box that says, "remember my password."



Disciplinary Actions

**William L. Thompson**

(Florence) Case No. 07-0161

Violation: Mr. Thompson failed to submit his sworn answer to a written complaint; therefore, all of the allegations are deemed true and he is in violation of KRS 324.160(4)(v).

Disposition: Mr. Thompson is in default, and his license is revoked.

Donna Hayes

(Rineyville) Case No. 07-0174

Violation: Ms. Hayes failed to submit her sworn answer to a written complaint; therefore, all of the allegations are deemed true and she is in violation of KRS 324.160(4)(s), (h) and (v).

Disposition: Ms. Hayes is in default, and her license is revoked.

Michael D. Herron

(Morganfield) Case No. 03-0053

Violation: Mr. Herron stipulated to a violation of KRS 324.160(4)(j) for being convicted of a felony while holding a Kentucky real estate license. He also stipulated to a violation of KRS 324.160(4)(u) for violating a provision of a Final Order issued by the Commission.

Disposition: Mr. Herron agreed to voluntarily surrender his license, in lieu of revocation. After three (3) years fol-

lowing the surrendering of his license, Mr. Herron may petition the Commission for issuance of another license.

Virginia Peppiatt Schlegel

(Paris) Case No. 07-0099

Violation: Ms. Schlegel stipulated to a violation of KRS 324.160(4)(e) for failing to disclose her personal interest in a property she was purchasing.

Disposition: Ms. Schlegel agreed to accept a formal reprimand from the Commission and to attend six (6) hours of continuing education in law, in addition to the hours already required by law. She also agreed to pay a fine in the amount of one thousand dollars (\$1,000.00).

Brenda Baise

(Burkesville) Case No. 07-0010

Violation: Ms. Baise stipulated to a violation of KRS 324.160(4)(v) for improper conduct for interfering with an agency relationship.

Disposition: Ms. Baise agreed to attend six (6) hours of continuing education, in addition to any hours already required by law, to pay a fine in the amount of one thousand dollars (\$1,000.00) and to accept a formal reprimand from the Commission.

Joseph Bryant

(Burkesville) Case No. 07-0010

Violation: Mr. Bryant stipu-

lated to a violation of KRS 324.160(4)(v) for improper conduct for interfering with an agency relationship.

Disposition: Mr. Bryant agreed to attend six (6) hours of continuing education, in addition to any hours already required by law, to pay a fine in the amount of one thousand dollars (\$1,000.00) and to accept a formal reprimand from the Commission.

Douglas Cull

(Ft. Thomas) Case No. 06-0038

Violation: Mr. Cull stipulated to a violation of KRS 324.160(4)(u) for violating KRS 324.117 for improper advertising, as the name of the management company is not the name on Mr. Cull's license and is not registered with the Commission, as required by law. He also stipulated to a violation of KRS 324.160(4)(u) for violating 201 KAR 11:062 for failing to retain all brokerage records for five (5) years, as required by law.

Disposition: Mr. Cull agreed to accept a formal reprimand from the Commission and to pay a fine in the amount of one thousand dollars (\$1,000.00). Mr. Cull did not admit to any wrongdoing pertaining to the allegations made by the complainant in this

continued on page 7



Disciplinary Actions



matter.

Partha Martin

(Campbellsville) Case No. 06-0247

Violation: Ms. Martin stipulated to a violation of KRS 324.160(4)(u) for violating KRS 324.111 for failing to maintain an earnest money deposit in her escrow account, as stated in the purchase contract signed by the complainant.

Disposition: Ms. Martin agreed to attend six (6) hours of continuing education, in addition to any hours already required by law, to pay a fine in the amount of one thousand dollars (\$1,000.00), and to accept a formal reprimand from the Commission.

James R. Yeckering, III

(Owensboro) Case No. 07-0087

Violation: Mr. Yeckering stipulated to a violation of 201 KAR 11:420 for improperly advertising on the Internet.

Disposition: Mr. Yeckering agreed to pay a fine in the amount of five hundred dollars (\$500.00).

Jennifer L. Yeckering

(Owensboro) Case No. 07-0087

Violation: Ms. Yeckering stipulated to a violation of 201 KAR 11:420 for improperly advertising on the Internet.

Disposition: Ms. Yeckering agreed to pay a fine in the amount of five hundred dollars (\$500.00).

Glenn Bond

(Louisville) Case No. 07-0045

Violation: Mr. Bond stipulated to a violation of of KAR 11:105 for an advertising violation.

Disposition: Mr. Bond agreed to pay a fine in the amount of two hundred fifty dollars (\$250.00).

Karen Bond

(Louisville) Case No. 07-0045

Violation: Ms. Bond stipulated to a violation of KAR 11:105 for an advertising violation.

Disposition: Ms. Bond agreed to pay a fine in the amount of two hundred fifty dollars (\$250.00).

Lawrence D. Newton

(Murray) Case No. 07-0005

Violation: Mr. Newton stipulated to a violation of KRS 324.160(4)(u) for violating 201 KAR 11:105, for advertising properties on his website without a written listing agreement or consent of the listing broker.

Disposition: Mr. Newton agreed to pay a fine in the amount of two hundred dollars (\$200.00).

Steve Bailey

(Prospect) Case No. 07-0085

Violation: Mr. Bailey stipulated to a violation of KRS 324.160(4)(u) for violating 201 KAR 11:105 for advertising property on his website without a written listing agreement or consent of the listing broker.

Disposition: Mr. Bailey agreed to pay a fine in the amount of two hundred dollars (\$200.00).

Rebecca Bailey

(Prospect) Case No. 07-0085

Violation: Ms. Bailey stipulated to a violation of KRS 324.160(4)(u) for violating 201 KAR 11:105 for advertising property on her website without a written listing agreement or consent of the listing broker.

Disposition: Ms. Bailey agreed to pay a fine in the amount of two hundred dollars (\$200.00).

David Parks

(Louisville) Case No. 07-0013

Violation: Mr. Parks stipulated to a violation of KRS 324.160(4)(u) for violating 201 KAR 11:440, for failing to obtain written permission from the seller to have an unlicensed assistant host an open house.

Disposition: Mr. Parks agreed to pay a fine in the amount of five hundred dollars (\$500.00) and to attend six (6) hours of continuing education in law, in

Disciplinary Actions

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addition to any hours already required by law.

Miriam Antonovich

(Louisville) Case No. 07-0013

Violation: Ms. Antonovich stipulated to a violation of KRS 324.160(4)(u) for violating 201 KAR 11:440, for failing to obtain written permission from the seller to have an unlicensed assistant host an open house.

Disposition: Ms. Antonovich agreed to pay a fine in the amount of five hundred dollars

(\$500.00) and to attend six (6) hours of continuing education in law, in addition to any hours already required by law.

David J. Hall

(Gilbertsville) Case No. 07-0021

Violation: Mr. Hall stipulated to an unintentional violation of KRS 324.160(4)(u) for violating KRS 324.117 and 201 KAR 11:420, resulting from unintentionally advertising unlicensed individuals on his website under the heading of "agents".

Disposition: Mr. Hall agreed to pay a fine in the amount of two hundred dollars (\$200.00) and to complete three (3) hours of continuing education

in a Commission-approved law course.

Bruce Gene Huffman

(Danville) Case No. 07-0149

Violation: Mr. Huffman stipulated to a violation of KRS 324.160(4)(u) for violating 201 KAR 11:121 in the promotion and presentation of an ERA buy-out program.

Disposition: Mr. Huffman agreed to develop a waiver form that must be signed by all sellers who do not want to participate in the buy-out program. He also agreed to attend six (6) additional hours of continuing education in law, in addition to any hours already required by law.

Disciplinary Actions (Unlicensed Brokerage)

Jeffrey Thomas

(Nashville, TN)
Case No.06-0181

Violation: Mr. Thomas stipulated to a violation of KRS 324.020(2) for engaging in the practice of real estate in Kentucky without an active license.

Disposition: Mr. Thomas agreed to cease and desist all unlicensed brokerage activity in the state of Kentucky.

Ed May

(Belfry, KY) Case
No. 05-0326

Violation: Mr. May stipulated to a violation of KRS 324.020(2) for engaging in the practice of real estate in Kentucky without an active license.

Disposition: Mr. May agreed to cease and desist all unlicensed brokerage activity in the state of Kentucky.

POLICY STATEMENT REGARDING REAL ESTATE BROKERAGE BASED UPON FEDERAL LAWSUIT RULING

The Federal District Court for the Western District of Kentucky has issued a preliminary injunction in the case of River Oaks v. Brown. The federal court has upheld the Commission's right to require licensure for real estate brokerage activity in this state. The Commission is issuing this policy statement in order to outline its interpretation of the judge's ruling and to give notice of its enforcement policies under this ruling. The Commission will regulate any real estate brokerage activity, as defined by KRS 324.010, that is conducted within the borders of this state. This activity includes, but is not limited to, physical actions, such as showings and negotiations, within the state, Internet advertisements or other advertisements directly seeking Kentucky clients or customers and phone calls and e-mails seeking Kentucky clients or customers. In accordance with the ruling, the Commission will no longer enforce KRS 324.020(4) or 201 KAR 11:121, Section 1(9). If you have any questions about whether an activity will constitute real estate brokerage activity within this state, please contact the Commission's Legal Department before proceeding.

Staff Spotlight



We are very happy to introduce a new addition to our team. Patricia "Tricia" Lawson was hired on July 9, 2007 as an Assistant in the Legal Department.

After several months of interviewing applicants, Tricia finally walked through our door and impressed everyone who met her. She is very hard working, dedicated and fit right in with everyone in the Legal Department.

Tricia has worked in office settings in the past and she graduated in 2006 with an Associate Degree in Office Administration from Sullivan College.

Tricia's duties include processing applicants with a criminal background, compiling the Commission's monthly agenda, processing all final orders and closing out case files, as

well as assisting all three attorneys in the Legal Department.

Tricia had this to say about working at the Commission: "I really enjoy working for the Kentucky Real Estate Commission. This is a great atmosphere to work in, and and it is wonderful that everyone here is so very knowledgeable and efficient at what they do. I am so thankful to have been brought into such a great work family."

We feel the same way about her and could not be happier to have her on board.

Welcome to the team, Tricia.

Regulation Change Affects Real Estate Firms with Outside Errors and Omissions Insurance

On August 31, 2007, a change to 201 KAR 11:220 Section 3 (2) was passed. This change affects real estate firms with outside errors and omissions insurance. Specifically the amended regulation lowered the the aggregate amount requirements.

Prior to the change, real estate firms were required to carry either a \$1,000,000.00, \$3,000,000.00, or \$5,000,000.00 annual aggregate, depending on the number of the licensees in the firm.

The new regulation requires firms with one to forty licensees to carry a \$1,000,000.00 annual aggregate and firms with over forty licensees must carry a \$2,000,000.00 annual aggregate. The limit of liability is still \$100,000.00 for any one claim and the maximum deductible, which may be separate, are still \$2,500.00 for judgment or settlement and \$1,000.00 for the cost of investigation and defense.

If you have outside coverage, you may want to contact your insurance carrier and discuss a possible refund if you lower your aggregate amount to the new requirement. We know at least one company that is issuing refunds for firms that drop to the new aggregate amounts.

Hopefully, this change will allow more insurance companies to write outside errors and omissions policies for firms wishing to go outside the group plan. Before the change, some licensees had a hard time finding an insurance company to write a policy with the high aggregate amount requirements.

As always, if you have any questions about the requirements for group errors and omissions insurance, please do not hesitate to contact Shelly Saffran at 888-373-3300 (extension 15) or email her at shelly.saffran@ky.gov. She will be more than happy to help you.

Another Fabulous Fifty-Year Awards Reception

In 1999, the Commission held its first-ever reception honoring licensees who have held a real estate license for fifty years. The enjoyment from that reception was so great that this event has become a wonderful tradition. On October 23, 2007, the Commission held its ninth annual fifty-year awards reception at the Louisville Marriott East.

The reception began with a delicious breakfast buffet. Following breakfast, entertainment was provided by the Light Brigade Quartet. They sang a variety of songs including “Run For The Roses” and “My Old Kentucky Home”.

Attendees were also treated to guest speaker, Stan Cave, Chief of Staff of Governor Fletcher’s office. Mr. Cave and former Commissioner Jerry McMahan presented each recipient with a plaque to honor their achievements.

Congratulations to all of the licensees who received this prestigious award. Your fifty years of dedication to the real estate industry is a truly remarkable accomplishment.



Pictured left to right, front row: Betty Hurst, Oliver Buckner, Robert Blunk and Charles Cooper; back row: K. Fred Wunderlich and Mary Seligman.

Licensees honored but not present were: Maurice Arnett, G. Phillip Deeb, Sr., Gerald Dixon, Lawrence Flynn, Lillie Gleaves, James Hardy, Charles Johnson, George Kyle, Joe Moore, William Newman, David Schoepf, and Doris Shouse-Nemore.

A Fond Farewell To Jerry McMahan

The Commissioners and staff want to thank former Commissioner Jerry McMahan for all of his hard work and dedication over the last eight years. His commitment, contributions and passion for the real estate industry will truly be missed.

Jerry was originally appointed on September 23, 1999 by former Governor Paul Patton. He was also reappointed to another four-year term on in 2003, which expired on November 15, 2007.

Jerry was such a strong influence at the Commission. He was not shy about voicing his opinion, yet always with the best interest of the real estate licensees and consumers in mind. He spent countless hours preparing for meetings and his decisions were very well thought out. He brought a lot of knowledge to the Commission from his personal experience of over 39 years in the real estate industry. His passion and love of the real estate profession was such an asset to his position as a Commissioner.

During his eight years at the Commission, he served as Chair in 2002 and 2007. He was instrumental in ensuring that licensees could obtain affordable outside errors and omissions insurance and in revamping the criminal background check process. Jerry was also very passionate about making sure that all of the advertising laws were followed by all licensees

He was very active with the Kentucky Association of REALTORS®, and rarely missed a meeting. He was also a member of the Association of Real Estate License Law Officials.

Jerry drew people in with his infectious personality. He had the ability to work hard and have a good time doing it. He made a huge difference during his eight years at the Commission and we wish him well in all of his future endeavors. Thank you again, Jerry, for your time and your talents. Your energy and knowledge of real estate will be greatly missed by all.

Continuing Education Suspensions

The following licensees were suspended for six months, beginning on September 1, 2007, for failing to comply with the 2006 continuing education delinquency plan. These licensees signed an agreement to obtain their 2006 continuing education hours by June 15, 2007 and failed to comply with the agreement.

Bobbie Akins (Louisville)	Jeffrey Comer (Westerfield, IN)	Billye Matheny (Louisville)
Robert Akins (Louisville)	Terry Edwards (Hebron)	Vinu Patel (Dayton, OH)
Kristi Austin (Elsmere)	Charles (Phil) Griffin (California)	Kimberly Rowland (Springfield, IN)
William Barker (Frankfort)	Dana King (Bowling Green)	Jason Storm (Richmond)
Lynn Burks (Louisville)	Bobbie Leisge (Cumberland)	Lance Vincent (Crestwood)
Heather Burns (Louisville)	Gregory Martelli (Winchester)	Stephanie Wayne (Burlington)

The following two licensees were suspended for six months beginning on October 1, 2007.

John M. Billings (Livingston, TN) & **Bradley W. Smith** (Bardstown)

License Numbers Required Beginning January 1, 2008

As you have probably already heard, beginning on January 1, 2008, ALL licensees will be required to know their individual license number (Not Your NAR Number) and should provide this number when registering for continuing education classes. The providers will not be able to provide your number to you, and you will need it in order to receive credit for the course.

You should have received a post card in the mail recently which listed your individual license number. If you did not receive the post card, you can find your license number on our website at www.krec.ky.gov. Simply click on Kentucky Licensees under the "Search the KREC Database" section of our website and type in your name.

As a reminder, along with your license number, always use the name as it appears on your license.

New Affidavit Process For Criminal Background Check

The Commission receives numerous calls every day regarding the delay in processing criminal background checks. We have developed a new affidavit process for applicants with **no misdemeanor convictions within the last five years, no felony convictions in his or her lifetime and/or no pending charges.** If an applicant meets these criteria, he or she may use the affidavit to become licensed while awaiting the results from the FBI. If an applicant uses the alternative affidavit system, he or she will then have 120 days to submit the FBI report to the Commission. If any information on that report contradicts the applicant's affidavit, the license will be automatically suspended. Any applicant who has a criminal history, as referenced above, may not use the affidavit process but must wait for his or her FBI report to come in and must be scheduled for an investigation and a hearing before the Commissioners. There are many more details regarding this process which can be found on our website at www.krec.ky.gov.

**Happy Holidays From
The Kentucky Real
Estate Commission**

Has Your Home Address Changed?

If your address has changed, did you notify the Commission within 10 days? License law requires written notice to the Commission within 10 days of the move. There is no charge for the change. Use the name that appears on your license and include your KREC license number. It is the licensee's responsibility, not the principal broker's, to report this change.

PRINCIPAL BROKERS TAKE NOTE: If your office address is also your home, be sure to note that fact on the written notice to change your office address. By doing so, you will be alerting us that the company address, as well as your residence address, need to be changed. This means changing your address in two different files within the KREC database system.

Thousands of pieces of mail are returned to us each year. All KREC mailings to sales associates and brokers are sent to the residence address. All notices to principal brokers, with the exception of continuing education notices, are sent to the office address. If your address is not current, you may not be receiving important information that could affect the status of your license.

COMING SOON

**An Investor's Guide for
Landlords and Property
Managers**

**Commercial Listing, Lease
and Purchase Contracts**

**Sample Short Sale
Documents**

**Sign-ups for E-mail
Communication**

**Interactive Agency and
Seller Disclosure Forms**

**Kentucky Real Estate Commission
10200 Linn Station Road, Suite 201
Louisville, KY 40223
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Toll Free: 1-888-373-3300
Web Address: www.krec.ky.gov**

**PRESORTED STANDARD
U.S. POSTAGE PAID
LOUISVILLE, KY
PERMIT NO. 73**

**The Kentucky Real
Estate Commission
will be closed on:**

**December 24 & 25, 2007
(Christmas)
&
December 31, 2007
January 1, 2008
(New Year)
&
January 21, 2008
(Martin Luther King, Jr.)**