

# Kentucky Real Estate NEWS

A Publication of the Kentucky Real Estate Commission

## GOVERNOR BESHEAR APPOINTS BOB ROBERTS AS COMMISSIONER



On June 26, 2009, Governor Steven L. Beshear appointed Mr. Robert (Bob) J. Roberts to a four-year term as Commissioner of the Kentucky Real Estate Commission. Many of you will remember Mr. Roberts from his sixteen years of previous service as a Commissioner. Mr. Roberts serves as the Consumer Member of the Commission.

Mr. Roberts is the owner of Bob Roberts Insurance and Investment Company, which is located in Richmond, Kentucky. His company has been in business since 1971. Obviously, with all of his insurance experience, Mr. Roberts will be a true asset to the ongoing success of Kentucky's mandated errors and

omissions insurance program.

Mr. Roberts graduated from Eastern Kentucky University (EKU) in 1971 with a degree in political science. In 1994, Mr. Roberts was inducted into the EKU Hall of Distinguished Alumni. Other accomplishments include being a life and qualifying member of the Million Dollar Roundtable. Mr. Roberts also received the Chartered Life Underwriter designation from the American College in Bryn Mawr, Pennsylvania.

The Commission is excited to have Mr. Roberts back on board. He brings with him not only his knowledge of insurance, but many years of experience as a former Commissioner. Mr. Roberts says, "I am looking forward to working with the great people and public involved in the real estate industry."

Mr. Roberts lives in Richmond, Kentucky with his wife, Cathy. They have two sons, Joe and John. In addition, they are the proud grandparents to a two-year old granddaughter, Claire.

Welcome back, Mr. Roberts!!

### CONTENTS

Comments from the Chair
Licensee-Restricted Forms & Contracts
From the Director's Desk
Licensees Cancelled For Non-Renewal
Ten Warning Signs of Mortgage Modification Scams
Norman Brown Retires
Disciplinary Actions
Reminders on Address Changes and C.E. Hours
Michael W. Wooden Hired as New Executive Director
KREC Hosts ARELLO Conference
Farewell to F.M. Sponcil
License Recognition
Escrow Account Information
Licensee Statistics



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## **Comments from the Chair**

by: **Ken Perry,**  
Chair



Of course, with the number of foreclosures and short sales that are going on in this state, numerous legal and ethical issues abound. Licensees are perhaps daily faced with questions about whether a particular program or idea or document or entity is legitimate, or if it is a scam. In many ways, it is difficult to tell. When in doubt, check with the proper authority.

In many instances, licensees will be in a superior bargaining or knowledge position than the buyers and sellers of foreclosed or short-sale properties. For example, if a licensee performs a Broker Price Opinion (BPO) for an asset management company, the licensee may be the only person who has ever seen the property. The asset management company is likely located in another state with a full stack of foreclosures in its portfolio.

It is important, therefore, that licensees always be mindful not to use this superior knowledge in a way that compromises their clients' position or the licensees' fiduciary duties to their clients. If a licensee purchases a listing such as this, full disclosure must be made, including the licensee's status as a principal and a licensee, and the licensee's agency relationship to all parties involved. As

always, it is inadvisable to purchase a property while simultaneously having a listing on that property. It is a better practice to sever that agency relationship before the purchase.

The Commission's Legal Department is available to help licensees through these issues. If a new issue arises, the Commission's legal counsel will consult with the Commissioners about their interpretation of the laws and the legalities of certain ideas. In addition, there are numerous state and federal agencies that can assist licensees in deciphering whether an offer, a company or a practice is legal or not. Call upon these resources; there is no reason to go it alone.

## **Licensee-Restricted Forms & Contracts**

### *User Name & Password*

*Below are the User Name and Password you need in order to access the restricted forms on the Commission's website ([www.krec.ky.gov](http://www.krec.ky.gov)). The link is under Contracts & Forms. Please check the box that says remember my password.*

**User Name: *get*** (lower case)

**Password: *forms*** (lower case)

# From the Director's Desk

by: Michael W. Wooden,  
Executive Director



On August 1, 2009, Governor Beshear appointed me as the new Executive Director of the Kentucky Real Estate Commission. I am honored to serve the consumers and licensees of this great state. I have a true passion for the real estate industry, and I know together we will accomplish great things.

First off, I want to extend my sincere appreciation to Norman Brown for all of his hard work and dedication over the past ten years and also for his generous help in transitioning me into my new position. He has helped me become familiar with the mission of the Kentucky Real Estate Commission, and I hope to continue to promote that mission.

Secondly, I want to outline the new law changes that were recently passed. During the 2009 legislative session, the Kentucky General Assembly passed House Bill 401, which contains several changes to some of the Kentucky's real estate licensing statutes. A summary of the changes is outlined below.

**KRS 324.111** - This change requires principal brokers to report to the Commission overdrafts of their escrow accounts that are not corrected within 72 hours. The Commission now

has emergency power to address alleged escrow violations and can order emergency hearings.

**KRS 324.141** - This is a big change in that the Commission will no longer enter into reciprocal agreements with other states for out-of-state licensees who want to obtain a Kentucky license. The Commission will now utilize license recognition. The out-of-state licensee's foreign license will be recognized and the out-of-state licensee must complete the application forms, pass the state law portion of the real estate exam and fulfill a few other requirements. In most cases, this new process will make it much easier than it had been in the past. A more detailed explanation is on the opposite page.

**KRS 324.310 and KRS 324.312** - This change requires principal brokers to return licenses to the Commission within five (5) days, when the principal broker has received notification from a licensee that the licensee wants to end his or her affiliation agreement. If a principal broker does not return the license within five (5) days, he or she will be in violation of KRS 324.160 (4)(u). If the principal broker is out of town, the Commission allows an office representative to sign and stamp the principal bro-

ker's name on the back of the license. If the principal broker cannot find the license, he or she can send a letter to the Commission releasing the licensee with a statement that the license has been lost.

**KRS 324.010(11)** - This new law created a new definition of a "designated manager," which is a licensed sales associate who manages a main or branch office.

**KRS 324.2812** - This new law clarifies that the Commission does not regulate nor have jurisdiction over community management associations.

**KRS 324.160(m)** - The language regarding inducements and rebates, which became unenforceable in 2005 due to an agreement between the U.S. Department of Justice and the Kentucky Real Estate Commission has been removed. Although the language had been in the statutes, it has not been enforced by the Commission since 2005.

## Licensees Cancelled For Non-Renewal

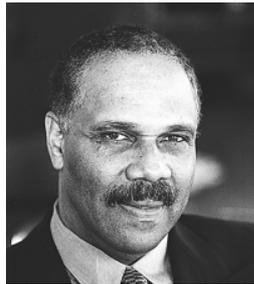
*The licensees listed below were active until March 31, 2009, but were cancelled on April 1, 2009 because they did not renew their 2009/2010 license:*

S. Jay Bailey	Doris D. McCarty
James E. Beavers	Dorothy McClure
William K. Brewer	J. Barry McDermott
Wyonna Pruitt Brown	Diane M. Miller
William Burchard, Jr.	Virgil E. Miller
Jeffrey A. Caldwell	Martin Mitchell
John Stephen Carr	Geneva N. Mize
Matthew Case	Stephen R. Neff
Jerry D. Catlett	U Gene Noble, Jr.
Edwin Clark, Jr.	Harold W. Ritchey
Lillie B. Gleave	Betty A. Roark
Richard O. Gregory	Laurence C. Roberts
Lewis Alonzo Guess	Guy S. Shelburne
William J. Hadden	Maurice V. Smith
Richard M. Hamilton	J. Phil Sousa III
Charles E. Hamlin	Donna S. Stacy
Charles J. Haynes	Martin R. Twist
Harold M. Hurst	Curtis R. Underwood
Patricia G. Hutton	Herbert L. Uphaus
Charles W. Johnson	Michael Walker
Stephen D. Kyles	William E. Wilson
Allan Lynn Linson	Angela C. Wright
William F. Lippy	

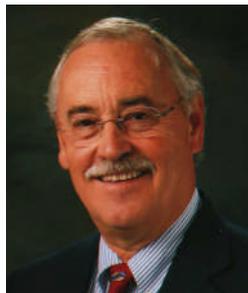
# Ten Warning Signs of a Mortgage Modification Scam



Ken Perry



Ron Smith



Glenn Thomas



Jim Huff



Bob Roberts

*Excerpted from Consumer Advisory 2008-1,  
Issued by the U.S. Comptroller of the  
Currency, Administrator of National Banks*

1. "Pay us \$1,000, and we'll save your home." Some legitimate housing counselors may charge small fees, but fees that amount to thousands of dollars are likely a sign of potential fraud — especially if they are charged up-front, before the "counselor" has done any work for you. Be wary of companies that require you to provide a cashier's check or wire transfer before they take any action on your behalf.
2. "I guarantee I will save your home – trust me." Beware of guarantees that a person or company can stop foreclosure and allow you to remain in your house. Unrealistic promises are a sign that the person making them will not consider your particular circumstances and is unlikely to provide services that will actually help you.
3. "Sign over your home, and we'll let you stay in it." Be very suspicious if someone offers to pay your mortgage and rent your home back to you in exchange for transferring title to your home. Signing over the deed to another person gives that person the power to evict you, raise your rent, or sell the house. Although you will no longer own your home, you still will be legally responsible for paying the mortgage on it.
4. "Stop paying your mortgage." Do not trust anyone who tells you to stop making payments to your lender and services, even if that person says it will be done for you.
5. "If your lender calls, don't talk to them." Your lender should be your first point of contact for negotiating a repayment plan, modification, or short sale. It is vital to your interests to stay in close communication with your lender and services, so they understand your circumstances.
6. "Your lender never had the legal authority to make a loan." Do not listen to anyone who claims that "secret laws" or "secret information" will be used to eliminate your debt and have your mortgage contract declared invalid. These scammers use sham legal arguments to claim that you are not obligated to pay your mortgage. These arguments don't work.
7. "Just sign this now; we'll fill in the blanks later." Take the time to read and understand anything you sign. Never let anyone else fill out paperwork for you. Don't let anyone pressure you into signing anything that you don't agree with or understand.
8. "Call 1-800-Fed-Loan." This may be a scam. Some companies trick borrowers into believing that they are affiliated with or are approved by the government or tell you that you must pay them high fees to qualify for government loan modification programs. Keep in mind that you do not have to pay to participate in legitimate government programs. All you need to do is contact your lender to find out if you qualify.
9. "File for bankruptcy and keep your home." Filing bankruptcy only temporarily stops foreclosure. If your mortgage payments are not made, the bankruptcy court will eventually allow your lender to foreclose on your home. Be aware that some scammers will file bankruptcy in your name, without your knowledge, to temporarily stop foreclosure and make it seem as though they have negotiated a new payment agreement with your lender.
10. "Why haven't you replied to our offer? Do you want to live on the streets?" High-pressure tactics signal trouble. If someone continually contacts you and pressures you to work with them to stop foreclosure, do not work with that person. Legitimate housing counselors do not conduct business that way.

## Norman Brown Retires From KREC, Leaving a Legacy



After ten-and-a-half years of exceptional service and dedication to the real estate industry, Norman Brown will retire on August 31, 2009.

Norman started at the KREC on December 11, 1998, and he never stopped with his pursuit to improve the real estate industry. Norman is a licensee himself, as well as a consumer advocate, so he was a true asset to the Commission. Norman is a visionary, he always wanted to move the Commission forward. He was a key factor in many of the accomplishments of the Commission. During his tenure, he visited boards and offices throughout the state to increase the lines of communication between the Commission and the many licensees.

A few of his other achievements include: initiating the development of the "Home Sweet Home" course, which teaches high school students about the benefits of homeownership and making wise economic choices; implementing the annual Half-Century Awards Banquet; leading the charge for criminal background checks; serving on the

ARELLO Board of Directors and other committees; constantly improving the website and other technological advancements; developing and overseeing the Commission's budget and finances; promoting consumer awareness by participating in the Kentucky State Fair for the last eight years; and diligently working with the General Assembly to pass progressive statutes and regulations. This list could go on and on.

Perhaps Norman will best be remembered by the staff as not only an excellent leader, but a very close and compassionate friend. Norman had a unique style of management that encouraged people to work hard, but enjoy themselves at the same time. He was always ready with a joke or a wisecrack when needed, but was also always there to provide words of wisdom for the staff. The staff liked to tease Norman that he was a "father figure," but he liked to think of himself more like a brother. His blend of leadership and charismatic personality made him an excellent boss.

Norman has achieved many great things in his career, and we are sure this will continue beyond the Commission. He is a retired school teacher and principal, a former magistrate, and a real estate agent. In his personal life, Norman is a devoted husband, the father of three daughters and grandfather of seven. He is also a friend to everyone he meets.

Norman says, "I have truly enjoyed my ten-and-a-half year

tenure here, and I feel very blessed that I was chosen for this job. I was already retired once, and I never dreamed that I would find a second career as wonderful as this one. I have learned so much, experienced so much and grown so much. Most of all, it has been a pleasure working with my excellent staff and the many dedicated Commissioners who have come and gone throughout my term as Executive Director. And, of course, I have very much enjoyed getting to know the licensees and consumers that we serve across this wonderful state. I will keep my finger on the pulse of the real estate industry, even in retirement. I hope that our paths will cross again many times in the future. My advice to everyone is to keep moving forward, keep thinking of ways to improve this industry to make property ownership a true reality for Kentuckians. I am proud of what I accomplished, but there is always more to do, so do it! God bless."

In his retirement, you will probably be able to find Norman on the golf course. (He might not be in the fairway, but he'll be on the course.) He will most surely enjoy spending more time with his grandkids, traveling with his wife and most likely, beginning another career.

We will miss Norman greatly and want to extend our sincere appreciation for his time at the Commission. He has certainly left his mark, and we hope he stops by often to visit. Thank you so much, Norman.



# Disciplinary Actions



## Elijah Zusstone

Case #08-0036 (Louisville)

**Violation:** Mr. Zusstone stipulated to an unintentional violation of KRS 324.160(4)(c), resulting from a chain of events that began with him entering into a poorly-drafted rebate agreement, relying upon his good-faith, but mistaken, belief that the parties to it had reached a meeting of the minds relative to it.

**Disposition:** Mr. Zusstone agreed to pay a sum of four thousand seven hundred fifty-two dollars (\$4,752.00) to the Complainant in this matter.

## Paul Pantoja

Case #08-0089 (Louisville)

**Violation:** Mr. Paul Pantoja stipulated to a violation that he unintentionally and inadvertently violated KRS 324.160(4)(b) and (v), resulting from his mistaken belief that the circumstances did not require him to provide a buyer-customer with copies of written notices previously received from the Planning and Zoning Commission, containing relevant information about the zoning requirements for the property at issue.

**Disposition:** Mr. Pantoja agreed to pay a fine in the amount of one thousand dollars (\$1,000.00), and he agreed to attend six (6) additional hours of continuing education and (3) additional hours of continuing education in agency. He also agreed to accept a formal reprimand.

## Kenneth W. Kaiser

Case # 07-0317 (Louisville)

**Violation:** Mr. Kaiser stipulated to an unintentional violation of KRS 324.160(4)(b), resulting from a chain of events that began with an entry error that he inadvertently made while inputting data into a multiple listing service.

**Disposition:** Mr. Kaiser agreed to cause a payment to be made in the total amount of ten thousand dollars (\$10,000.00) to the Complainants. Mr. Kaiser agreed to successfully complete six (6) hours of continuing education in law. Mr. Kaiser also agreed to accept a formal reprimand.

## John Gray

Case #07-0255 (Louisville)

**Violation:** Mr. John W. Gray stipulated to violations of KRS 324.160(4)(f) and (u); specifically, 201 KAR 11:400 and KRS 324.111(1), for causing a commission payment to be paid directly to him instead of to the principal broker who had replaced him; for failing to satisfy agency disclosure requirements; and for failing to document, in his escrow account records, a disputed contract deposit in a real estate transaction involving the purchase of his property.

**Disposition:** For this violation, he agreed to pay a fine in the amount of five hundred dollars (\$500.00) and to complete three (3) hours of continuing educa-

tion in law, in addition to any hours already required by law.

## Stephanie Gilezan

Case #08-0146 (Prospect)

**Violation:** Ms. Stephanie Gilezan stipulated to a violation of KRS 324.160(4)(h) for failing to remit the funds at issue to the complainant.

**Disposition:** For this violation, she agreed to take six (6) hours of continuing education in law, in addition to any hours she is already required by law to complete.

## Bruce Spence

Case #08-0131 (Alvaton)

**Violation:** Mr. Bruce Spence agreed to stipulate to a violation of KRS 324.160(4) for violating KRS 324.010(1) and (9); KRS 324.117(3); 201 KAR 11:245, Sections 3 and 4; KRS 324.117(4); 201 KAR 11:420; and KRS 324.160(4)(f) for running a property management company outside his brokerage.

**Disposition:** Mr. Spence agreed to pay a fine in the amount of two thousand dollars (\$2,000.00) and to complete six (6) additional hours of continuing education in law. In addition, Mr. Spence must change the name of his property management company to remove his name, as he is not a licensed broker.

## Emma Kirby

Case # 08-0131 (Franklin)

**Violation:** Ms. Emma Kirby

## Disciplinary Actions

*Continued from Page 6*

agreed to stipulate to a violation of KRS 324.160(4)(u) for violating KRS 324.111(1) and (7); and KRS 324.160(6) for allowing one of her agents to run a property management company outside her brokerage.

**Disposition:** For these violations, she agreed to pay a fine in the amount of one thousand dollars (\$1,000.00) and to complete six (6) hours of continuing education in addition to the hours already required by law.

### **Deloise W. Adams**

Case #08-0100 (Franklin)

**Violation:** Ms. Deloise W. Adams stipulated to a violation of KRS 324.160(4)(u) for violating KRS 324.111 for carrying negative balances in her escrow account on numerous occasions.

**Disposition:** Ms. Adams agreed to accept a formal reprimand from the Commission and to attend six (6) hours of additional continuing education in law, within one (1) year of the date of the Commission's order. She also agreed to have her license placed on probation for a period of twelve (12) months, during which the Commission will randomly audit her escrow account.

### **Mary Beth Lovett**

Case #07-0253 & #07-0249 (Stanford)

**Violation:** Ms. Mary Beth Lovett stipulated to an unintentional violation of KRS

324.160(4)(b) and KRS 324.160(4)(u); specifically, 201 KAR 11:121(5), resulting from a chain of events that began with Ms. Lovett negligently misrepresenting the sized of two adjoining properties, while acting in the capacity of an agent/builder/owner in the real estate transactions in this matter. Ms. Lovett failed to act timely, reasonably, and diligently in response to her buyer-client's request for a copy of a plat, caused the buyers in one transaction to discover that they do not own their entire driveway, which caused the buyer in the second transaction to discover that the second buyer owns part of her neighbor's driveway and that her own driveway will not be connected to the road.

**Disposition:** The Commission and Ms. Lovett agree that suspension is the appropriate sanction for Ms. Lovett's violations; however, the parties agree that the sanction of suspension shall be probated for one (1) year, since Ms. Lovett has reported the matter to her errors and omissions insurance provider. Ms. Lovett also agreed to accept a formal reprimand.

### **James R. Estes**

Case #08-0002 (Owensboro)

**Violation:** Mr. James R. Estes stipulates to an unintentional violation of KRS 324.160(4)(v), resulting from his failure to act diligently to confirm his good-faith, but mistaken, belief that four of another broker's written listing contracts for a builder/seller-client, who Mr.

Estes and he have separately represented, were not valid.  
**Disposition:** Mr. Estes agreed to accept a formal reprimand.

### **Nicolas P. Cambron**

Case #07-0301 (Owensboro)

**Violation:** Mr. Nicholas P. Cambron stipulated to a violation of KRS 324.160(4)(u) for violating 201 KAR 11:121(1)(4), 201 KAR 11:250(3) and 201 KAR 11:045(1), resulting from his failure to take appropriate steps to ensure the inclusion of the required back-up offer language in his buyer-client's offer and his failure to ensure that the seller's counteroffer to same was presented to his buyer-client.

**Disposition:** For this violation, Mr. Cambron agreed to pay a fine in the amount of one thousand dollars (\$1,000.00) and successfully complete three (3) hours in a Commission-approved law course, in addition to any hours already required by law.

### **Gary L. Maglinger**

Case # 07-0301 (Owensboro)

**Violation:** Mr. Gary L. Maglinger stipulated to a violation of KRS 324.160(4)(u) for violating 201 KAR 11:250(3), resulting from his failure to take appropriate steps to ensure the inclusion of the required back-up offer language in the counteroffer to his seller-client.

**Disposition:** For this violation, Mr. Maglinger agreed to pay a fine in the amount of one thousand dollars (\$1,000.00) and successfully complete three (3) hours in addition to any hours already required by law.

*continued on page 8*

**Disciplinary  
Actions**  
*Continued from  
Page 7*

**James R. Estes**

Case # 07-0301  
(Owensboro)

**Violation:** Mr. James R. Estes stipulated to a violation of KRS 324.160(6) resulting from his failure to adequately supervise Mr. Cambron, who had sought guidance from him.

**Disposition:** For this violation, Mr. Estes agreed to pay a fine in the amount of one thousand dollars (\$1,000.00) and successfully complete three (3) hours in a Commission-approved law course, in addition to any hours already required by law.

**John J. Roby**

Case # 08-0178  
(Miramar Beach,  
Florida)

**Violation:** Mr. Roby stipulated to a violation of KRS 324.160(4)(u) for failing to timely complete the additional continuing education hours that were ordered in Case Number 06-0246.

**Disposition:** For this violation, Mr. Robey agreed to pay a fine n the amount of \$500.00.

**Donna Stacy**

Case #08-0176 -  
(Lawrenceburg)

**Violation:** Ms. Donna Stacy stipulates to a violation of KRS 324.160(4)(u) for violating KRS 324.330(2) for failing to update her residence address with the Commission.

**Disposition:** For this violation, she agreed to remove herself as principal broker of Gateway Realty and turn in all necessary paperwork. She also agreed to attend three (3) hours of continuing education, in addition to any hours already required by law.

**Joseph C. Hines**

Case #09-0026  
(Elizabethtown)

**Violation:** Mr. Joseph C. Hines agrees to a stipulation of a violation of KRS 324.160(4)(u) for failing to timely submit his FBI report to the Commission.

**Disposition:** For this violation, he agreed to a formal reprimand, to pay a fine in the amount of two hundred fifty dollars (\$250.00) and to complete three hours of continuing education in law, before removing his license from escrow.

## REMINDERS

### UPDATE YOUR ADDRESS

During the 2009/2010 Renewal Period, the KREC received over **one thousand** pieces of mail returned due to incorrect home addresses. Having a correct home address is imperative to ensure that you are receiving the latest information and updates from the KREC.

There is no charge to update your home address. Simply email [mary.owheatley@ky.gov](mailto:mary.owheatley@ky.gov) with your name, license number, old and new address and a contact phone number. Instead of email, you can also fill out Form #205 (under contracts and forms public access at [www.krec.ky.gov](http://www.krec.ky.gov)) and fax it to 502-429-7246. If you have moved outside of Kentucky, we also need Form #407. Remember, it is a violation of law for any licensee (active or in escrow) to not inform the Commission of a home address change.

### GET YOUR CE HOURS

If you are an active licensee and are subject to continuing education, please remember to complete your 2009 hours by December 31, 2009. Active licensees must take six hours, with at least three hours in law. The KY Core course must also be taken at least once every four years and will suffice for that year's continuing education credit. If you are unsure if it is your year to take the KY Core course, you can logon to the Commission's website and click on the KREC database. Check the disclaimer box, type in your name and then click on the plus sign (+) beside your name. Once your information is displayed, click on the continuing education link. This will list what is required of you in the current year, as well as the information posted for last year.

**PLEASE avoid the \$500.00  
penalty and  
complete your education on  
time.**

# Michael W. Wooden Hired as the NEW Executive Director of the Kentucky Real Estate Commission



On August 1, 2009, Mr. Michael W. Wooden became the new Executive Director of the Commission. Mr. Wooden received his Bachelor's Degree in History and Masters Degree in Secondary Education from the University of Louisville. He has an extensive background in public and governmental affairs for organizations such as the Kentucky Hospital Association and Humana. In 1992, he founded Wooden & Associates, Inc., a strategic communications and governmental representation firm. The company serves corporate, education and non-profit organizations in communications (leadership and management development, organizational transformation and strategic planning) and external communications (federal and state government relations). Mr. Wooden has been a registered Legislative Agent and Executive Agency Lobbyist in Kentucky for over thirty years.

Mr. Wooden has held several elected positions in Louisville and Kentucky. He has served as a State Representative in the Kentucky General Assembly, a member and past chairman of the Jefferson County Board of Education and as Alderman for the City of Louisville. He has served both the City of Louisville and Commonwealth of Kentucky in numerous volunteer and appointed capacities. He is a graduate of the Leadership Kentucky program (class of 1988).

In addition, Mr. Wooden has been an owner and investor in numerous residential and commercial real estate properties. He has served as President of CLMS Properties, Inc., a company established to own and manage commercial real estate properties in downtown Louisville. Currently, the company owns and manages an office building located at 624 West Main Street in Louisville. He is a former board member and president of the Louisville Downtown Management District.

Mr. Wooden lives in Louisville with his wife, Cecelia Wooden, Ed.D. He has two adult children, Kelly Spitler (Matthew) and Kenton Wooden (Elizabeth), one granddaughter (Mikayla

Spitler), and a grandson expected to arrive later this year (to be named Liam Wooden). In addition to spending time with the family, Mr. Wooden is an avid baseball fan and enjoys playing golf and attending University of Louisville sporting events. He enjoys thoroughbred horse racing and for the past twenty-one years, at the invitation of Churchill Downs, has served as a participant in the Kentucky Derby Host Program. He is a collector of New York Yankee and Kentucky Derby memorabilia. He also enjoys reading American history and political biographies.

Mr. Wooden says: "The Kentucky Real Estate Commission represents the blend of public interest and industry professionalism. I look forward to leading the organization in partnership with the Commissioners and staff to meet the Commission's statutory responsibilities to ensure the highest industry standards and accountability. I am confident we will meet the challenges and opportunities that lie ahead."

The Commissioners and staff would like to take this opportunity to welcome Mr. Wooden to his new position.

## ***KREC Hosts ARELLO Districts 2 & 3 Conference in Louisville***

KREC was the host for the Association of Real Estate License Law Officials Conference held June 25 -27, 2009 at the Louisville Marriott. There were about eighty-five regulators from around the country who attended the Conference. Along with educational sessions, the attendees also enjoyed night racing at Churchill Downs and a reception at the Kentucky Center for the Arts. Below are a few pictures.



## *A Fond Farewell to Former Commissioner F. M. Sponcil*



The Commissioners and staff would like to thank former Commissioner F. M. Sponcil for his time and service to the Commission. Mr. Sponcil was appointed to the Commission by Governor Ernie Fletcher on January 4, 2007 and served until June 25, 2009. Mr. Sponcil served in the capacity of Consumer

Member.

Mr. Sponcil was a very dedicated Commissioner and showed extreme compassion and concern for licensee and consumer issues. He was committed to continuing to improve the real estate industry. His support to the Kentucky Real Estate Commission staff and Commissioners is something that will be greatly missed. Mr. Sponcil made it a point to get to know each and every staff member and developed strong friendships.

He was not only a great Commissioner to work for, but he was a loyal and trusted friend. Whether it was a work issue or a personal issue, he would regularly say, "if you need anything, you let

me know." If you were privileged enough to meet Mr. Sponcil, you would have been greeted with a smile and, most likely, a big hug.

Mr. Sponcil was active with both ARELLO and the Kentucky Association of REALTORS®, attending many conferences and meetings throughout the state and country.

Mr. Sponcil and his wife, Patsy, reside in Montgomery County, where they own and operate Regan Ridge Farm.

We want to wish Mr. Sponcil the best of luck in all of his future endeavors and extend our sincere thanks for his services. You will be greatly missed!!

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## STATUTE CHANGE: License Reciprocity Out And License Recognition In

As of June 24, 2009, the Commission will no longer engage in reciprocal agreements with other states. The Commission will be utilizing license recognition, as defined under House Bill 401, passed in the 2009 General Assembly, to provide licensure to out-of-state licensees. This change will now require any active out-of-state licensee to pass the state portion of our exam and submit all required application materials in order to be licensed in Kentucky. This new law makes our application process much less confusing and more uniform.

How does this affect licensees in Kentucky who want to get a license in another state? Since each state is different, Kentucky licensees must contact that state directly to obtain their specific requirements.

If you received your license through reciprocity or through license recognition, you still must comply with the continuing education requirements each year. All active licensees licensed after June 19, 1976 are

subject to the continuing education requirements regardless of how they obtained their license.

To apply for licensure under this new statute, an individual must be actively licensed as a sales associate or broker in good standing in another state, apply in the same capacity or status as licensed in the qualifying jurisdiction, complete a criminal background check with the FBI as prescribed by the Kentucky Real Estate Commission, obtain certificates of licensure from any and all states in which the applicant is or has ever been licensed as a sales associate or broker and take and pass the state law portion of the Kentucky Exam for a sales or broker's license.

The Commission has drafted a regulation to outline more of the specifics at a later date. For more detailed information on this new process, please click on "applicant information" on the Commission's website ([www.krec.ky.gov](http://www.krec.ky.gov)).



## Escrow Account Information

This year, the Commission received several renewal checks, which were “drawn from” of the companies’ escrow accounts. Since that is a violation of KRS 324.111, the Commission issued formal complaints against principal brokers responsible for those escrow accounts. Remember, renewal checks can never be “drawn from” an escrow account. Escrow accounts are solely to be used for money belonging to others - not to pay personal or company expenses.

## Licensee Statistics

Total Number of  
Licensees  
26,209

Total Number of  
Principal Brokers  
3,254

Total Number of  
Active Licensees  
14,177

Total Number of  
Licensees in Escrow  
12,032

Please Save Our  
Website As A  
Favorite!!

*ADDRESS*

[www.krec.ky.gov](http://www.krec.ky.gov)

There is a wealth of information located on our website and we encourage licensees to become familiar with the forms and documents available. We have legal forms and contracts, as well as our database and continuing education records. Get on it today!

Kentucky Real Estate Commission  
10200 Linn Station Road, Suite 201  
Louisville, KY 40223  
Phone: (502) 429-7250 Fax: (502) 429-7246  
Toll Free: 1-888-373-3300  
Web Address: [www.krec.ky.gov](http://www.krec.ky.gov)

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The Kentucky Real Estate Commission will be closed on:

September 7 2009  
(Labor Day)

November 11, 2009  
(Veteran’s Day)

November 26, 2009  
&  
November 27, 2009  
(Thanksgiving)