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PUBLIC PROTECTION CABINET

Kentucky Real Estate Commission

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Jacqueline Coleman
Lieutenant Governor

KENTUCKY REAL ESTATE COMMISSION (KREC)

MEETING MINUTES

July 20, 2023

**Mayo-Underwood Conference Room 229NE
500 Mero Street, Frankfort, Kentucky 40601**

*** This meeting also occurred via Zoom video teleconference, pursuant to KRS 61.826***

Commission Members Present

Commissioner Chair, Lois Ann Disponett
Commissioner Anthony Sickles
Commissioner James King
Commissioner James Simpson
Commissioner Jennifer Brown-Day
Commissioner Raquel Carter
Commissioner Larry Disney

KREA Staff

August Pozgay, General Counsel
Hannah Carlin, Deputy Executive Director
René Rogers, Staff Attorney III
Terri Hulette, Executive Administrative Secretary
Seth Branson, Executive Administrative Secretary
Angie Reynolds, Administrative Specialist III

The Kentucky Real Estate Commission (“KREC” or “Commission”) meeting was called to order by Commission Chair, Lois Ann Disponett, at 9:00 a.m. on **July 20, 2023**. Roll call was taken, and a quorum was present. Guests were welcomed and an introduction to staff and Commissioners were made.

Approval of Meeting Minutes

Commissioner Day made a motion to approve the **June 15, 2023** KREC Meeting Minutes, Commissioner Simpson seconded the motion. Commissioners Disney and Carter abstained from the discussion and the vote. Remaining all in favor, motion carried.

Kentucky Real Estate Authority Report

Kentucky Real Estate Authority (“KREA”) Deputy Executive Director, Hannah Carlin welcomed everyone. She congratulated Seth Branson on his promotion to a procedural development specialist position within the Real Estate Authority. Deputy Director Carlin also gave the Commission a brief update on the vacant positions within KREA. KREA is in the process of filling the vacant administrative specialist position and requested to raise the personnel cap by two additional administrative specialist positions. Ms. Carlin did not have an update regarding the vacant Executive Director position.

Commissioner Simpson asked about the current status of the proposed reciprocity with Indiana. Deputy Executive Director Carlin reported that the Commission sent a proposal to the Indiana Real Estate Commission, which largely resembled its agreements with other jurisdictions. However, the Indiana Real Estate Commission rejected the proposal due to the provision that required incoming licensees to complete a forty-hour reciprocal course. Neither the Authority nor the Commission has not received any additional communications from the Indiana Real Estate Commission.

Education and Licensing Report

Deputy Director Carlin presented the Commission the following licensing and education statistics:

1. PSI Testing Statistics

2023 June (First Time)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity-Broker	1	25.00	3	75.00	4
License Reciprocity-Salesperson	5	41.67	7	58.33	12
Broker- National	2	50.00	2	50.00	4
Broker- State	2	50.00	2	50.00	4
Salesperson- National	99	67.35	48	32.65	147
Salesperson- State	74	48.68	78	51.32	152
TOTAL	183	56.66	140	43.34	323

2023 June (Repeat)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity-Broker	0	0.00	0	0.00	0
License Reciprocity-Salesperson	9	60.00	6	40.00	15
Broker- National	1	50.00	1	50.00	2

Broker- State	1	50.00	1	50.00	2
Salesperson- National	50	37.59	83	62.41	133
Salesperson- State	68	42.50	92	57.50	160
TOTAL	129	41.35	183	58.65	312

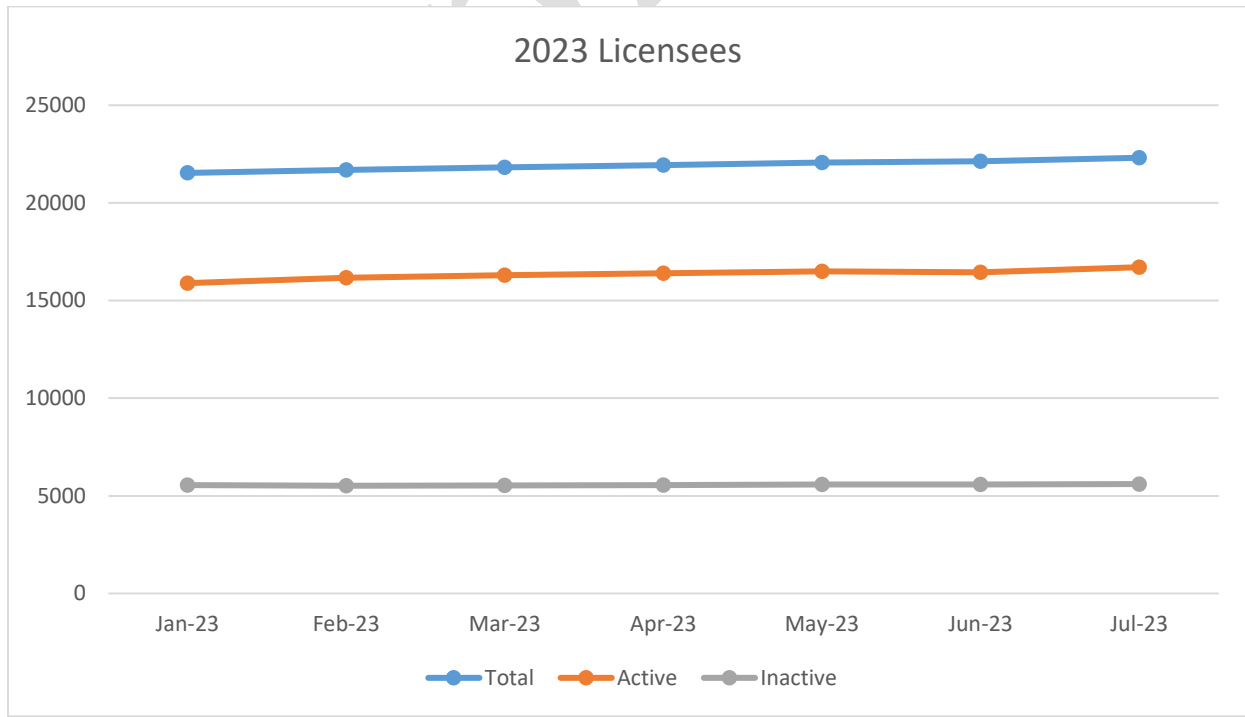
2023 (Cumulative)

Type of Exam	Passed	% Passed	Failed	% Failed	Total Exams
License Reciprocity- Broker	27	46.55	31	53.45	58
License Reciprocity- Salesperson	97	57.40	72	42.60	169
Broker- National	27	64.29	15	35.71	42
Broker- State	26	57.78	19	42.22	45
Salesperson- National	841	53.16	741	46.84	1,582
Salesperson- State	827	46.78	941	53.22	1,768
TOTAL	1,845	50.35	1,819	49.65	3,664

2. Licensing Statistics

As of July 14, 2023

Type	Active	Inactive	TOTAL
Sales Associate	12,928	4,935	17,863
Broker	3,779	669	4,448
TOTAL	16,707	5,604	22,311



New Licenses Issued in 2023 (by month)

Month	Sales Associate	Broker	Total
January	74	2	76
February	117	8	125
March	112	13	125
April	144	4	148
May	98	0	98
June	168	6	174
TOTAL	713	33	746

Instructors

1) Instructors

- a) A.S.
- b) A.H.
- c) H.N.H.
- d) T.H.
- e) E.S.
- f) D.R.

Continuing Education and Post-License Education Courses

- 1) Kentucky Real Estate College – 1 Course
- 2) Kaplan Real Estate Education – 3 Courses
- 2) Pre-License Courses
 - a) Century Real Estate School – 2 Courses

Commissioner Simpson made a motion to approve the education applications as presented by Deputy Director Carlin, Commissioner Carter seconded the motion. Commissioner Disney abstained from the discussion and the vote. Remaining all in favor, motion carried.

Legal Report

General Counsel Pozgay had provided a written update to Commissioners on case **23-CI-473** (Franklin Circuit Court) and advised if the Commission would like further information that they discuss the matter in closed session.

Regarding the license suspension of **M.T.K.** from last month, the licensee accepted the conditions of that suspension, and the suspension has been processed in the Commission’s database.

Mr. Pozgay reported several inquiries regarding **House Bill 62 (2023)**. Copies of the inquiries were provided in the Commission’s meeting packet for review. Responses have been provided consistent with the statement that was previously approved and prepared for the KREC website.

The Commission has started receiving allegations of unlicensed activity of persons selling an equity interest in real property contracts and advertising without a license issued by the Commission.

Regarding administrative action **23-KREC-003**, prior to any deliberation or review by the Commission, Mr. Pozgay recommended the Commission wait until the time for the licensee to file an exception to the hearing officer runs. Once that is completed, the matter will be brought forward for review at the next Commission meeting.

Committee Reports

Applicant Review Committee (“ARC”)

Commissioner Sickles presented the following recommendations of the ARC:

1. To approve license application of T.M.C.
2. To approve a one-year probationary period, with quarterly background checks and mandatory drug testing for the license application of T.C.B.
3. To approve license application of A.N.D.
4. To approve license application of E.M.G.
5. To approve license application of N.D.T.

The following applications were **administratively approved**:

- | | |
|----------------------------------|----------------------------------|
| 6. In Re: Application of T.V.H. | 15. In Re: Application of J.B. |
| 7. In Re: Application of M.M.S. | 16. In Re: Application of R.W. |
| 8. In Re: Application of B.K.B. | 17. In Re: Application of J.L. |
| 9. In Re: Application of J.A.C. | 18. In Re: Application of A.W. |
| 10. In Re: Application of C.D.J. | 19. In Re: Application of A. D. |
| 11. In Re: Application of P.P. | 20. In Re: Application of R.O. |
| 12. In Re: Application of J.R. | 21. In Re: Application of J.S.M. |
| 13. In Re: Application of Z.S.G. | 22. In Re: Application of J.M.R. |
| 14. In Re: Application of A.G. | 23. In Re: Application of M.D.F. |

Complaint Screening Committee (“CSC”)

Commissioner Day presented the report of the CSC:

1. **Alleged Unlicensed Activity of I.B.S.** – General Counsel to draft a letter to be approved by the KREC Chair asking for a response within 10 business days of its receipt. If no response within those 10 business days than an automatic referral for investigation.
2. **21-C-012** - Refer for investigation by the staff investigator.
3. **21-C-019** - Refer for investigation by the staff investigator.
4. **21-C-021** - Refer for investigation by the staff investigator.
5. **21-C-041** - Refer to the full board without a recommendation due to lack of quorum, due to a recusal.

Closed Session Legal Matters and Case Deliberations

At 9:19 a.m. Commissioner Sickles moved to enter closed session, with agency staff and counsel,

pursuant to KRS 61.810(1)(c), regarding litigation 23-CI-473 (Franklin); pursuant to KRS 61.810(1)(j), to deliberate on individual adjudications in the matters of the recommendations of the ARC regarding applicants as listed above in the ARC report, the recommendations of the CSC regarding complaints as listed above in the CSC report, the licensee requests of D.F.B, E.C., C.R., P.A., S.A., G.D. and M.K., and the alleged unlicensed activity of H.B.; and pursuant to KRS 61.810(1)(k) and KRE 503 to receive legal advice regarding the status of inquiries regarding HB 62 (2023) and to receive legal advice regarding a letter from Kentucky Realtors. Commissioner Disney seconded the motion and the Commission entered into closed session.

Reconvene Open Session and Committee Recommendations

Commissioner King moved for the Commission to come out of closed session. Commissioner Disney seconded the motion. The motion carried. Commission Chair Disponett resumed the full Commission meeting at 11:05 a.m. and welcomed everyone in attendance back to the Commission meeting.

Applicant Review Committee (“ARC”)

Commissioner Sickles moved to adopt the **Applicant Review Committee** full recommendations as presented to the Commission, and recited the recommendations as listed above in these minutes. Commissioner Disney seconded the motion. Having all in favor, the motion carried.

Complaint Screening Committee (“CSC”)

1. **Alleged Unlicensed Activity of I.B.S.** – Commissioner Day made a motion for General Counsel to draft a letter to be approved by the Commission Chair asking for a response within 10 business days of its receipt. If no response within those 10 business days than an automatic order for investigation. Commissioner King seconded the motion. Having all in favor, the motion carried
2. **Alleged Unlicensed Activity of H.B.** – Commissioner Day made a motion for General Counsel to draft a letter to be approved by the Commission Chair asking for a response within 10 business days of its receipt. If no response within those 10 business days than an automatic order for investigation. Commissioner King seconded the motion. Having all in favor, the motion carried.
3. Commissioner Day made a motion to refer **21-C-012, 21-C-019** and **21-C-021** for further investigation. Commissioner King seconded the motion. Having all in favor, the motion carried.
4. **21-C-041** - Commissioner Day made a motion to refer or further investigation. Commissioner King seconded the motion. Remaining all in favor, motion carried. Commissioners Carter recused from discussion of 21-C-041 during closed session; and abstained from this vote in open session.

Commissioner Simpson motioned to authorize counsel and staff to send the drafted letter in response to a letter recently received from **Kentucky Realtors**. Commissioner Disney seconded the motion. Having all in favor, the motion carried.

Applicant and Licensee Requests

1. **In Re: License of D.F.B:** No action taken at this time. The license has terminally expired.
2. **In Re: License of E.C.:** Commissioner Simpson made a motion to deny the request, Commissioner Disney seconded the motion. Having all in favor, the motion carried.
3. **In Re: License of C.R.:** Commissioner Simpson made a motion to deny the request, Commissioner Disney seconded the motion. Having all in favor, the motion carried.
4. **In Re: License of P.A.:** Commissioner Day made a motion to approve the license reinstatement of the license of P.A. if P.A. provides proof of completion of deficient continuing education or completes a delinquency plan, Commissioner King seconded the motion. Having all in favor, the motion carried.
5. **In Re: License of S.A.:** Commissioner Day made a motion to approve the license reinstatement of the license of S.A. if S.A. provides proof of completion of deficient continuing education or completes a delinquency plan, Commissioner King seconded the motion. Having all in favor, the motion carried.
6. **In Re: License of G.D.:** Commissioner Carter made a motion to deny the request to waive an administrative fine, Commissioner King seconded the motion. Having all in favor, the motion carried.
7. **In Re: License of M.K.:** Commissioner Carter made a motion to authorize Commission staff to notify former licensee M.K. that if M.K. remits payment of \$1030.00, the license will be reinstated Effective April 20, 2023. Commissioner King seconded the motion. Having all in favor, the motion carried.

New Business

Commissioner Carter moved to authorize and direct staff to explore obtaining an independent evaluation of internal processes and to bring to KREC for review and approval. Commissioner Disney seconded the motion. Having all in favor, the motion carried

Deputy Director Carlin reminded the Commissioner that the **ARELLO Membership** dues were currently due and asked if they would like to stay members. Commissioner King made a motion to pay the **ARELLO Membership dues**, Commissioner Disney seconded the motion. Having all in favor, the motion carried.

Commissioner Simpson motioned to authorize the Commission's investigator to attend the **ARELLO Regulatory Investigations Seminar** in Omaha NE. Commissioner Disney seconded the motion. Having all in favor, the motion carried.

At the request of the Commission, Mr. Pozgay read the following statement: As an update on **HB 62 (2023)**, KREC has received multiple complaints regarding alleged unlicensed activity, and is proceeding with investigation. KREC has also received indications of potential compliance with HB 62 including an interest in obtaining licensure; or proceeding with the marketing of equitable interests in real property using a licensed real estate broker. Further questions may be directed to august.pozgay@ky.gov.

Public Comment

Randy Huston asked about the timeline for the application process. At the invitation of Chair Disponett,

Mr. Pozgay informed Mr. Huston that the application process is outlined in the Commission's administrative regulations.

Approval Per Diem

1. Commissioner King made a motion to approve the per diem and travel expenses for the July 18, 2023 ARC Meeting for Commissioner Disney and Commission Sickles. Commissioner Carter seconded the motion. Having all in favor, the motion carried.
2. Commissioner Disney made a motion to approve the per diem and travel expenses for the July 18, 2023 CSC Meeting for Commissioner Day and Commissioner Carter. Commissioner Simpson seconded the motion. Having all in favor, the motion carried.
3. Commissioner Simpson made a motion to approve the per diem and travel expenses for the July 20, 2023 KREC Regular meeting. Commissioner King seconded the motion. Having all in favor, the motion carried

Meeting Adjournment

Commissioner Day made a motion to adjourn the meeting. Commissioner Sickles seconded. With all in favor, the meeting adjourned at 11:26 a.m.

APPROVED

Next Meeting

The next Commission meeting will be Thursday, August 17, 2023 at 9:00 a.m.

Pursuant to KRS 324B.060, I, Kristen R. Lawson,
Acting Executive Director, for the Kentucky Real Estate Authority (KREA),
have reviewed and Approved the expenditures for the meeting of the
Kentucky Real Estate Commission (the Commission) held on
July 20, 2023. This Approval is based upon my review of the expenditures as
described in the minutes and in greater detail as on file with the KREA. I
did not review, nor did I participate in discussions, deliberations, or
decisions regarding the actions taken by the Commission at this meeting
related to individual disciplinary matters, investigations, or applicant
reviews.

The Commission approved the minutes of its July 20, 2023 meeting at its
meeting held on August 17, 2023.

Kristen R. Lawson

Date: 08/23/2023