



**Andy Beshear**  
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**KENTUCKY REAL ESTATE COMMISSION  
(KREC)**

**MEETING MINUTES**

**March 18, 2021**

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

**Commission Members Present**

Commissioner Chair, Lois Ann Disponett  
Commissioner Larry Disney  
Commissioner James Simpson  
Commissioner Steve Cline

Commissioner Raquel Carter  
Commissioner James King  
Commissioner Anthony Sickles

**KREA Staff**

Robert Laurence Astorino, Executive Director  
John Hardesty, General Counsel  
Hannah Carlin, Education Coordinator  
Terri Hulette, Executive Administrative Secretary  
Angie Reynolds, Administrative Specialist III

**Guests Present**

502-330-5834	Janie Wilson	Nicole Knudtson
859-421-8984	Jim DeMaio (RASK)	Pam Carroll
Bod Sorey	Johnson	Rene Rogers
Brenda Goolin	Joyce Sterling	Rhonda Richardson
Cathy Corbett	Judy Ball	Richard Wilson
Christine Morgan	Lester Sanders	Ron Brossart
Cindy Rice-Grissom	Linda Flickinger	Steve Stephens
Danta Foreman	Marcie Estep	Sue Ann Collins
Dennis Stilger	Margie Harper- HKAR	Tom Cox
Douglas Myers	Mike Parker	Virginia Lawson

**Call to Order and Guest Welcome**

The Kentucky Real Estate Commission meeting was called to order through video teleconference by Commission Chair, Lois Ann Disponett, at 9:00 a.m. on March 18, 2021. Roll call was taken and a quorum was present. Guests in attendance were welcomed and introductions of guests, staff, and commissioners were made.

**Approval of Meeting Minutes**

Commissioner Carter made a motion to approve the **February 18, 2021** Commission Meeting Minutes. Commissioner King seconded the motion. With all in favor, the motion carried.

**Education and Licensing Report**

Ms. Carlin presented the Commission the following:

**1. PSI Testing Statistics**

**February 2021 (First Time)**

<b>Type of Exam</b>	<b>Passed</b>	<b>% Passed</b>	<b>Failed</b>	<b>% Failed</b>	<b>Total Exams</b>
License Reciprocity- Broker	1	33.33	2	66.67	3
License Reciprocity- Salesperson	5	71.43	2	28.57	7
Broker- National	8	72.73	3	27.27	11
Broker- State	5	45.45	6	54.55	11
Salesperson- National	103	77.44	30	22.56	133
Salesperson- State	82	61.19	52	38.81	134
<b>TOTAL</b>	<b>204</b>	<b>68.23</b>	<b>95</b>	<b>31.77</b>	<b>299</b>

**February 2021 (Repeat)**

<b>Type of Exam</b>	<b>Passed</b>	<b>% Passed</b>	<b>Failed</b>	<b>% Failed</b>	<b>Total Exams</b>
License Reciprocity- Broker	2	100.00	0	0.00	2
License Reciprocity- Salesperson	2	66.67	1	33.33	3
Broker- National	4	100.00	0	0.00	4
Broker- State	4	80.00	1	20.00	5
Salesperson- National	20	32.79	41	67.21	61
Salesperson- State	45	55.56	36	44.44	81
<b>TOTAL</b>	<b>77</b>	<b>49.36</b>	<b>79</b>	<b>50.64</b>	<b>156</b>

**2. Licensing Statistics**

**As of March 10, 2021**

<b>Type</b>	<b>Active</b>	<b>Inactive</b>	<b>TOTAL</b>
Sales Associate	11,625	5,647	17,272
Broker	3,984	796	4,780
<b>TOTAL</b>	<b>15,609</b>	<b>6,443</b>	<b>22,052</b>

**Licensees cancelled in February 2021:** 60 (8 brokers, 52 sales associates)

**New Licenses Issued in 2021 (by month)**

<b>Month</b>	<b>Sales Associate</b>	<b>Broker</b>	<b>Total</b>
January	109	10	119
February	172	14	186
March			
April			
May			
June			
July			
August			
September			
October			
November			
December			
<b>TOTAL</b>	<b>281</b>	<b>24</b>	<b>305</b>

The March 2021 **Continuing Education Applications** were reviewed for compliance with 201 KAR 11:170 and recommended to the Commission for approval by Hannah Carlin.

**Reciprocal License Law Courses**

**Kentucky Realtor Institute**

<b>Course Name- Course Number</b>	<b>Instructors</b>	<b>Hours</b>
<b>Tennessee Reciprocity (23260)</b>	Art Reed, Dennis Stilger	40

**Post-license Education Courses**

**Kaplan Real Estate Education**

<b>Course Name- Course Number</b>	<b>Instructors</b>	<b>CE Hours</b>
<b>Avoiding Deceptive Practices OnDemand Course V1.0 (23263)</b>	Ted Highland	3 advertising
<b>Understanding Credit and Improving Credit Scores: What You Need to Know V3.0 (23264)</b>	Ted Highland	3 elective

**Continuing Education Courses**

**CCIM Institute**

<b>Course Name- Course Number</b>	<b>Instructors</b>	<b>CE Hours</b>
CI 101: Financial Analysis for Commercial Investment Real Estate (18064)	David Bickell, Barbara Crane, Joseph Fisher, William Moss, Alec Pacella, James Rosen	3 elective
CI 102: Market Analysis for Commercial Investment Real Estate (21781)	Thomas Bothen, S. Mark Cypert, Eric Hillenbrand	3 elective
CI 103: User Decision Analysis for Commercial Investment Real Estate (21782)	Walt Clements, Barbara Crane, Joseph Fisher, William Moss, Alec Pacella	3 elective
CI 104: Investment Analysis for Commercial Investment Real Estate (18065)	Barbara Crane, Joseph Fisher, Charles McClure, William Moss, Alec Pacella, James Rosen	3 elective

**Cincinnati Area Board of Realtors**

<b>Course Name- Course Number</b>	<b>Instructors</b>	<b>CE Hours</b>
<b>Commercial Real Estate Values: What Are We Facing? (23258)</b>	Eric Gardner, Derek Street	2 elective

**McKissock**

<b>Course Name- Course Number</b>	<b>Instructors</b>	<b>CE Hours</b>
<b>Helping Clients Understand Real Estate Financing (23256)</b>	Robert Fleck	3 elective
<b>Performing Quality BPOs (23257)</b>	Robert Fleck	4 elective
<b>Taking the Distress Out of Distressed Properties (23261)</b>	Robert Fleck	3 elective

**Continuing Education and Post-License Education Courses**

**Kaplan Real Estate Education**

<b>Course Name- Course Number</b>	<b>Instructors</b>	<b>CE Hours</b>	<b>PLE Hours</b>
<b>Your Client's Financing: Dos and Don'ts Online Video Course V1.0 (23262)</b>	Ted Highland	2 elective	2 elective

**The CE Shop**

<b>Course Name- Course Number</b>	<b>Instructors</b>	<b>CE Hours</b>	<b>PLE Hours</b>
<b>Current Issues: Cooperation, Negotiation, iBuyers, and Disaster Preparedness (23259)</b>	Jill Malloy	3 elective	3 elective

## Broker Electives/NAR Designation Courses

### Lexington Bluegrass Association of Realtors

Course Name- Course Number	Instructors	Broker Elective Hours	CE/PLE Hours
At Home with Diversity (23255)	Socor Chatman-Thomas	6	CE- 3 law, 3 elective PLE- 3 fair housing, 3 elective

### The CE Shop

Course Name- Course Number	Instructors	Broker Elective Hours	CE/PLE Hours
Accredited Buyers Representative Designation Course (23266)	Jill Malloy	16	CE- 3 law, 3 elective

### Instructors

- a. Socor Chatman-Thomas
- b. Eric Gardner
- c. Derek Street

Commissioner Cline made a motion to approve the list of applications. Commissioner Sickles seconded the motion. Commissioner Disney abstained from the discussion and the vote. Remaining all in favor, motion carried.

Ms. Carlin presented the **March 2021 licensing requests:**

### BACKGROUND

1. **269139- Licensing Request** - Commissioner Disney made the motion to approve. Commissioner Sickles 2nd. Having all in favor, motion carried.
2. **268781- Licensing Request** - Commissioner Disney made the motion to deny. Commissioner Cline 2nd. Having all in favor, motion carried.
3. **269344- Licensing Request** - Commissioner King made the motion to approve. Commissioner Carter 2nd. Commissioner Cline voted 'nay'. Commissioner Disney abstained because licensee had reached out to him prior. Remaining Commission members were all in favor, motion carried.

## **Executive Director Comments**

Director Astorino stated that he had heard some discussion prior regarding response times. He asked Ms. Carlin what the current response time was for license approval of an application. Ms. Carlin was happy to report that we are now at 7 to 10 business day turnaround for completed applications. Which is an improvement from the previous of 10 to 15 business days. He finds this to be outstanding, especially while staff continues to work remotely and for only having five members of staff dedicated to it. This is in retrospect of seeing how other states are handling the same issues. This is the kind of response we are getting for licensing responses from five committed people on the KREC licensing staff. He is very proud of that.

The Director noted that two of those five people are also primarily dedicated to answering the incoming phone calls, so that no call goes unanswered. We have two people that are dedicated to this, not only do they cover the eastern time zone but the central time zone as well. So their shifts are staggered.

Each month we receive a print out of all the calls received for the month prior. We use that to randomly survey the performance of the front line. In the past two quarters our approval rating has been an excess of 95% on these surveys. This month it dipped a little to 90% but that is only because a few people gave us a 'satisfactory' vs a 'very satisfactory' rating. We are yet to get a 'dissatisfactory' rating on any of these surveys. He wants the Commissioners to feel confidence that licensees are being taken care of with this five member staff.

He asked the Commissioners for their help. The Director stated that many of the calls that come in pertain to issues that can be answered via the website. The website is not perfect, but staff is currently going through it correcting any errors or ambiguities. He asks that everyone out there that has a brokerage or is a practicing licensee to try to first go to the website to find your answer rather than relying on the old school method of calling up and asking what the answer is. Use of the website will help to take the strain off the staff. They are working to make the website better and he asked that the Commission work with staff in directing people to the website.

For those that are interested in restoring the licensing agreements with bordering states, we contacted and received interest from Illinois in a reciprocity agreement. They were comfortable with our current language model. It appears that their education and experience requirements coordinate with our own. So it looks like Illinois will be next. In line is also Indiana and Florida. Both of these states have unique differences in their experience and education requirements than Kentucky. These differences need to be resolved before we can present an agreement that is satisfactory and that can protect the Kentucky consumers. Because of this these will take longer and as the Commission knows we have many other priorities at the moment. Beyond that we may never have an agreement with North or South Carolina. Their conditions are vastly different than our own and are considered mass license recognition states. Other states are not on the radar as of right now.

There are talks of returning to the office, that day gets closer with every vaccine shot that is administered. But we are not there yet. For the duration of this quarter we will be meeting on Zoom.

## **Committee Reports**

### **Education Committee**

There was no Education Committee report for this meeting.

### **Diversity, Equity, & Inclusion Subcommittee**

Commissioner Sickles reported that they are moving forward. There is a lot of information that they are reading through. He feels that by the next meeting that they will have something a little more solid to present to the Commission.

### **Applicant Review Committee**

Commissioner Simpson read the report of the Application Review Committee and the Committee's recommended action on each licensee:

At this time the Applicant Review Committee made the following recommendations:

1. To defer A. S. for one month as to negotiate a licensing agreement.
2. To defer to D. B. to the April meeting.
3. To approve D. F. a license.
4. To approve G. W. a license.
5. To approve R. W. a license.

### **Complaint Review Committee**

Commissioner Carter read the report of the Complaint Review Committee, and the Committee's recommended action on each Complaint, to be further discussed in Executive Session. The Committee's recommendations are as follows:

### **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 collect 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 to keep the property transferred to them, resulting in the clients effectively obtaining the tract 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.

**Executive Session Legal Matters and Case Deliberations**

At 9:41 a.m. Commissioner Disney made a motion to enter executive session, pursuant to KRS 61.810(1)(c) and (j), and KRS 61.815 to discuss proposed or pending litigation concerning an Education Instructor Issue and deliberate on individual adjudications and to discuss 5 new applications reviewed by the ARC, and the 7 above CRC case recommendations as offered by Commissioner Carter:

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

Commissioner Simpson seconded the motion and the Commission entered into closed session discussion.

**Reconvene Open Session and Committee Recommendations**

Commissioner Disney motioned for the Commission to come out of executive session and Commissioner King 2<sup>nd</sup> the motion. Commission Chair Disponett resumed the full Commission meeting at 11:01 a.m. and welcomed everyone back attending the teleconference Commission meeting.

Commissioner King made the motion to adopt the **Applicant Review Committee** recommendation as follows;

1. To defer A. S. for one month as to negotiate a licensing agreement.
2. To defer to D. B. to the April meeting.
3. To approve D. F. a license.
4. To approve G. W. a license.
5. To approve R. W. a license.

Commissioner Simpson 2<sup>nd</sup> the motion. Having all in favor, motion carried.

Commissioner Carter made the motion to adopt the **Complaint Review Committee** recommendation as previously submitted for the following complaints;

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

Commissioner Cline 2<sup>nd</sup> the motion. Having all in favor, motion carried.

**Education Instructor Issue**

Commissioner Carter made the motion to monitor the instructor's classes for the next month as to conduct a follow up investigation concerning certain items and then to consider additional action against the instructor at the April meeting.

Commissioner Cline 2nd the motion. Having all in favor, motion carried.

### **Public Comment**

Chairperson Disponett opened the floor for public comments (2 minutes per speaker).

Ms. Cindy Rice-Grissom of Rice Insurance Services announced that the company has been acquired by another company. They are currently going through the assignment process concerning all of their contracts and the states in which they do business. They are working with Kentucky and everything seems to be moving rather quickly. The good news is that the customers will not be seeing any changes. The company has retained all of the same information, including office locations, contact information, and employees. The only change will be the ownership of the company. They will no longer be a L.L.C. but a D.B.A. It will still be Rice Insurance Services, however they will now be a division of shared partners instead of being owned by the Rice family, where she will no longer be the C.E.O but the agency President.

### **Legal Report**

#### **Docket Update**

General Counsel stated that we are continuing to work on our pending cases. These primarily consist of disciplinary cases against licensees. The docket is down to under a 100 cases now, significantly more manageable than when he first began. He thanked both Mr. Travis and Angie Reynolds for their hard work.

There are several cases that are in the administrative process, cases that were previously referred to a hearing by the Commission. Those are being worked until a final hearing. One of those hearing is scheduled for the second part of April, another is set for further out. There are a few others that are scattered throughout that. There are also some settlements that they are working towards with licensees with disciplinary action. General Counsel is please with where that is heading.

General Counsel offered a reminder to the Commissioners concerning the 'form discussion' which will be discussed at a future meeting. He asked if they had any input or comments to provide those to staff prior to those discussions so that all can be on the same page and using the same drafts.

### **New Business**

There was no new business at this time.

### **Approval Per Diem**

1. Commissioner Disney made a motion to approve the per diem for the March 3, 2021 KREC Special meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Simpson 2nd the motion. Having all in favor, the motion carried.
2. Commissioner Carter made a motion to approve the per diem for Commissioners Simpson and Commissioner King for the attendance of the March 17, 2021 Application Review Committee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Disney 2nd the motion. Having all in favor, the motion carried.
3. Commissioner Simpson made a motion to approve the per diem for Commissioners Carter and Commissioner Cline for the attendance of the March 17, 2021 Complaint Review Committee meeting. Because it was teleconferenced, there were no travel expenses. Commissioner King 2nd the motion. Having all in favor, the motion carried.
4. Commissioner Carter made a motion to approve the per diem for the March 18, 2021 KREC Regular meeting. Because it was teleconferenced, there were no travel expenses. Commissioner Simpson 2nd the motion. Having all in favor, the motion carried.

### **Meeting Adjournment**

The next KREC meeting will be April 15, 2021 at 9:00 a.m. for the regular meeting. Watch for a zoom link.

Commissioner Disney made a motion to adjourn the meeting. Commissioner King seconded. Having all favor, the motion carried and the meeting adjourned at 11:10 a.m.

I, Robert Astorino, Executive Director of the Kentucky Real Estate Authority, have reviewed and pursuant to KRS 324B.060, have (Approved or Disapproved) the expenditures of the KY Real Estate Commission (Insert name of Board) as described in these attached minutes.

Meeting Date March 18, 2021

I have not reviewed, nor did I participate in discussions, deliberations, or decisions regarding, the actions of the Board as it relates to individual disciplinary matters, investigations, or applicant reviews.

  
\_\_\_\_\_ Robert Astorino, KREA Executive Director

Date April 15, 2021