



Andy Beshear
Governor

Jacqueline Coleman
Lieutenant Governor

PUBLIC PROTECTION CABINET
Kentucky Real Estate Authority
Kentucky Real Estate Commission
500 Mero Street, 2NE09
Frankfort, KY 40601
Phone: (502) 564-7760

Ray A. Perry
Secretary
DJ Wasson
Deputy Secretary

KENTUCKY REAL ESTATE COMMISSION
(KREC)

MEETING MINUTES

September 19, 2024

9:00 a.m.

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

*** This meeting occurred via Microsoft Teams video teleconference, pursuant to KRS 61.826***

Commission Members Present

Commissioner Chairperson, Larry Disney
Commissioner Anthony Sickles
Commissioner Deni Hamilton
Commissioner Anne West Butler
Commissioner Jennifer Brown-Day
Commissioner Raquel Carter

KREA Staff

Tracy Carroll, Executive Director
Gerald Florence, Deputy Executive Director
Patrick Riley, General Counsel
René Rogers, Staff Attorney III
Seth Branson, Procedures Development Specialist I
Randy Kloss, KREA Investigator
Terri Hulette, Executive Administrative Secretary
Angie Reynolds, KREC Board Coordinator
Dréa Helton, Paralegal

Call to Order and Guest Welcome

The Kentucky Real Estate Commission meeting was called to order by Commission Chairperson, Larry Disney, at 9:01 a.m. on **September 19, 2024**. 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 **August 15, 2024**, KREC Meeting Minutes. Commissioner Carter seconded the motion. Having all in favor, motion carried.

KREA Executive Director Update

Executive Director, Tracy Carroll, thanked everyone for their time and attendance. She updated everyone that she, Deputy Executive Director, Gerald Florence, General Counsel, Patrick Riley, and Staff Attorney III, René Rogers, would be attending the ARELLO Conference in Chicago, IL next week.

Deputy Executive Director, Gerald Florence reviewed the current budget with the Commissioners and those in attendance.

Real Estate Commission						
58-677-677A-677E-JEE0-13N8						
		FY23 Actual	FY24 Actual	FY25 Operating Budget 7/2024	FY25 9/1/24	YTD
	Source of Funds					
	Restricted Funds					
	Balance Forward	1,826,814.29	1,565,978.02	2,822,100.00	2,822,101.48	
R382	License Examination Fee		60.00			
R383	Initial License Fee	99,302.00	91,370.00	100,000.00	13,730.00	
R384	Renewal License Fee	7,380.00	1,199,170.00	25,000.00	3,984.00	
R385	Reinstatement License Fee	27,290.00	16,960.00	40,000.00	2,831.00	
R386	Other Fees Related To Licenses	54,420.00	64,019.00	60,000.00	6,357.00	
R404	General Fees From Public	37,035.00	174,095.00	50,000.00	4,195.00	
R701	Fines	189,150.00	355,000.00	150,000.00	17,200.00	
R839	Other Deposits	180.00	51.68			
	Total Revenue	414,757.00	1,900,725.68	425,000.00	48,297.00	
	<i>Cash to Real Estate Authority</i>	<i>(817,000.00)</i>	<i>(817,000.00)</i>	<i>(1,415,000.00)</i>	<i>(353,600.00)</i>	

	Total Balance Forward + Revenue - Cash	1,424,571.29	2,649,703.70	1,832,100.00	2,516,798.48
	Expenses				
E114	Per Diem (Boards & Comm)	34,200.00	29,100.00	34,200.00	6,900.00
E121	Employers FICA	2,616.30	2,226.15	2,600.00	527.85
	Total Per Diem and Fringe Benefits	36,816.30	31,326.15	36,800.00	7,427.85
	Other Personnel Costs	(186,094.64)	(204,204.50)	62,800.00	5,352.50
	Total Personnel Costs	(149,278.34)	(172,878.35)	99,600.00	12,780.35
	Total Operating Costs	7,871.61	480.57	21,800.00	265.02
	Total Expenditures	(141,406.73)	(172,397.78)	121,400.00	13,045.37
	Total Revenue + Balance Forward minus Total Expenditures	1,565,978.02	2,822,101.48	1,710,700.00	2,503,753.11

Real Estate Commission Educ Res & Recovery						
58-677-677A-677E-JEF0-13N5						
		FY23 Actual	FY24 Actual	FY25 Operating Budget 7/2024	FY25 9/1/24	YTD
	Source of Funds					
	Restricted Funds					
	Balance Forward	4,393,603.76	4,518,154.61	5,962,200.00		5,962,175.05
R382	License Examination Fee					120.00
R383	Initial License Fee	959,520.00	84,970.00	70,000.00		12,780.00
R384	Renewal License Fee	7,500.00	1,204,080.00	10,000.00		3,840.00
R385	Reinstatement License Fee	(370.00)	(40.00)			
R386	Other Fees Related To Licenses	(20.00)	(455.00)			
R404	General Fees from Public		(40.00)			
R701	Fines	1,000.00	(3,000.00)			

R771	Interest Income		246,132.19	185,000.00	
		74,962.41			38,397.95
	Total Revenue	1,042,592.41	1,531,647.19	265,000.00	55,137.95
	<i>Cash to Real Estate Authority</i>	-	-	-	-
	Total Balance Forward + Revenue - Cash	5,436,196.17	6,049,801.80	6,227,200.00	6,017,313.00
	Expenses				
E114	Per Diem (Boards & Comm)	-	-	-	-
E121	Employers FICA	-	-	-	-
	Total Per Diem and Fringe Benefits	-	-	-	-
	Other Personnel Costs			10,000.00	
		7,000.00			
	Total Personnel Costs	7,000.00	-	10,000.00	-
	Total Operating Costs			50,000.00	
		47,471.56	87,626.75		7,653.13
	Total Expenditures	54,471.56	87,626.75	60,000.00	7,653.13
	Total Revenue + Balance Forward minus Total Expenditures	5,381,724.61	5,962,175.05	6,167,200.00	6,009,659.87

Deputy Executive Director, Florence also updated the Commission regarding KREC’s two new employees; one, part-time Paralegal and the other a full time KREC Administrative Specialist set to start within the next few weeks. General Counsel Riley offered to provide a staff flow chart once reassignments have been made.

Both Deputy Executive Director, Florence and Executive Director Carroll discussed with the Commission the ever-changing fluid roles of both staff and administration regarding the uptake of complaint resolution, application processing and the execution of new statute changes. In addition, there was a ‘Staff Suggestion Inquiry’ conducted by leadership that asked staff as to what efficiency changes, they would like to see implemented in the workplace. Currently they are waiting to see if any of the suggestions made by KREC and Real Properties staff will be excepted and adopted by the Secretarie’s Office for use by both.

Education and Licensing Report

Deputy Executive Director, Florence, presented to the Commission the following licensing and education statistics:

1. PSI Testing Statistics

For the Period of 08/01/24 - 09/01/24		
KY Broker	KY Real Estate Broker - State	KY Real Estate Broker - National
First time Passes:	3 (37.5 %)	8 (100.0 %)
First time Fails:	5 (62.5 %)	0 (0.0 %)
Repeat Passes:	3 (100.0 %)	0 (0.0 %)
Repeat Fails:	0 (0.0 %)	0 (0.0 %)
Total	11	8
KY License Reciprocity Broker	KY License Reciprocity Broker - State	
First time Passes:	2 (66.67 %)	
First time Fails:	1 (33.33 %)	
Repeat Passes:	2 (100.0 %)	
Repeat Fails:	0 (0.0 %)	
Total	5	
KY License Reciprocity Salesperson	KY License Reciprocity Salesperson - State	
First time Passes:	9 (60.0 %)	
First time Fails:	6 (40.0 %)	
Repeat Passes:	5 (45.45 %)	
Repeat Fails:	6 (54.55 %)	
Total	26	
KY Sales Associate	KY Real Estate Sales Associate - State	KY Real Estate Sales Associate - National
First time Passes:	46 (41.07 %)	62 (55.36 %)
First time Fails:	66 (58.93 %)	50 (44.64 %)
Repeat Passes:	55 (46.22 %)	40 (40.4 %)
Repeat Fails:	64 (53.78 %)	59 (59.6 %)
Total	231	211

Commissioner Hamilton made a motion to create a KREC Education and Testing Committee to explore possible ways to improve Kentucky's national averages; in addition to working more efficiently with P.S.I.

Commissioner Sickles seconded the motion. All in favor, motion carried. Commissioners Sickles, Hamilton and Chairmen Disney volunteered themselves to serve as the members of new the KREC Education and Testing Committee ad-hoc committee.

Seth Branson, Procedures Development Specialist, reported the following educational requests:

1) **Instructors**

- | | | |
|---------|---------|---------|
| a. A.P. | f. J.T. | k. S.T. |
| b. A.G. | g. J.B. | l. T.C. |
| c. B.C. | h. K.G. | m. W.B. |
| d. G.S. | i. M.C. | |
| e. J.R. | j. S.B. | |

2) **Continuing Education & Post-Licensing Education Courses**

a. Greater Louisville Association of Realtors

Post NAR Settlement: Applications for Agents and Consumers

Instructor(s): Jennifer Fields

CE Law: 3

PLE Hours: 3 Electives

b. Kentucky Realtor Institute

NAR Settlement, Buyer Representation Forms, and Other Agreements

Instructor(s): John Billings

CE Law: 2

PLE Hours: 1 Contract, 1 Finance

Buyer Agency

Instructor(s): Alicia Soldat, Pam Featherstone

CE Hours: 3

PLE Hours: 3 Disclosure

Residential Property Inspection

Instructor(s): Alicia Soldat, Pam Featherstone

CE Law: 1

PLE Hours: 1 Agency

Risk Management Instructor(s): Alicia Soldat, Pam Featherstone

CE Hours: 4

PLE Hours: 1 Disclosure, 3 Risk Management

c. Kentucky CCIM

Ethically Evolving: Consideration for the use of Artificial Intelligence in Real Estate Transactions

Instructor(s): Ben Coffman, Sydney Tucker
CE Law: 1

Impact of Rising Insurance Costs on Real Estate Deals
Instructor(s): Wesley Thomas, Nathan Shanks, Jason Bukowski
CE Law 1

Multifamily Financing Updates
Instructor(s): Tyler Chesser, Ashley Gillenwater, Kaitlyn George, Brad Butler
CE Law: 1

3) **Pre-Licensing Education Courses**

Colibri
Kentucky Real Estate Principles
Instructor(s): Linda Leavitt
PL Hours: 96

4) **Instructor Training Courses**

a. **2 My Classes LLC**

Old Dogs and New Tricks
Instructor (s): Jill Mallory
Instructor Training Hours: 3

b. **Kentucky Realtor Institute**

Instructor Development: Instructional Techniques and Engaging Learners
Instructor(s): Alicia Soldat, Melanie McClane
Instructor Training Hours: 3

Mr. Branson requested the Commission's approval of the education and instructors' applications as presented, Commissioner Carter made a motion to approve the education and instructors' applications as presented by Mr. Branson; Commissioner Hamilton seconded the motion. Chairperson Disney abstained from the discussion and the vote. Remaining five Commissioners were in favor and establishing a quorum the motion carried.

Deputy Director Gerald Florence requested that the Commission send four individuals to the **ARELLO Investigator Training Seminar** in **Columbus, Ohio** next month. Commissioner Sickles made a motion to approve attendance of four individuals to the **ARELLO Investigator Training Seminar** as requested. Commissioner Day seconded the motion. Having all in favor, the motion carried.

Legal Report

General Counsel Riley stated that he was looking forward to attending **ARELLO**. He really

enjoyed staying informed of all the current industry topics and other relevant issues, whether Kentucky or on a national level.

He noted there was a productivity push regarding action taken on the KREC complaints. He thanked his legal team for all their assistance. They have been dealing with the older complaints and are hoping to get them closed and off the docket very soon. There are 26 cases on the today's agenda.

General Counsel Riley suggested that the **KREC Statute Change Committee (SCC)** meet this coming month (October) as to discuss and draft the Committee's recommendation letter.

Committee Reports

Applicant Review Committee (ARC)

Commissioner Sickles presented the following recommendation of the **ARC** meeting:

1. Recommend approval of Agreed Order of Probationary License for **N.J.**
2. Recommend **G.T.** for consideration of Board approval.
3. Recommend **W.D.** for further investigation.
4. Recommend **B.M.** for further investigation.
5. Recommend approval of **A.R.M.**
6. Recommend approval of **K.G.R.**

Complaint Screening Committee (CSC)

Commissioner Carter presented the following recommendations of the **CSC** meeting:

1. **18-C-045** – Recommend further investigation to bring the existing investigation current.
2. **21-C-058** – Recommend for investigation.
3. **21-C-060** – Recommend for investigation.
4. **21-C-061** – Recommend for investigation.
5. **22-C-001** – Recommend for dismissal.
6. **22-C-002** – Recommend for investigation.
7. **22-C-003** – Recommend for dismissal
8. **22-C-006** – Recommend for dismissal.
9. **22-C-008** – Recommend for dismissal.
10. **22-C-009** – Recommend for dismissal.
11. **22-C-011** – Retracted for next month's meeting
12. **22-C-013** – Recommend for dismissal.
13. **22-C-014** – Recommend for dismissal.
14. **23-C-014** – Recommend send request a sworn answer.
15. **24-C-029** – Recommend send request a sworn answer and investigation.
16. **24-C-028** – Recommend for dismissal.
17. **24-C-009** – Recommend send request a sworn answer.

18. **24-C-026** – Recommend send request a sworn answer.
19. **24-C-038** – Recommend send request a sworn answer and investigation.
20. **24-C-008** – Recommend send request a sworn answer and investigation.
21. **24-KREC-001** – Recommend approval of the amended Agreed Order as presented.
22. **23-KREC-001** – Recommend approval of the final Agreed Order as presented.
23. **22-KREC-005** – Legal update.
24. **23-KREC-006** – Legal update.
25. **23-KREC-007** – Legal update
26. **23-KREC-005** – Recommend to adopt the recommended order of default judgement of the hearing officer and issuing a final order.

General Counsel Riley and Staff Attorney III Rogers will provide a status update regarding complaints as stated above in addition to a status update regarding **Instructor G.N.S.** and in regard to the **Impact of Rising Insurance Costs of Real Estate Deals**, in closed session.

KREC Statute Change Committee (SCC)

The KREC Statute Change Committee did not meet this month. So, there was nothing to report. Commissioner Sickles made a motion that for future reference a notation be made to the agenda if an ad-hoc committee does not meet, Commissioner Day seconded the motion. Having all in favor, the motion(s) carried.

Closed Session Legal Matters and Case Deliberations

At 9:48 a.m., Commissioner Carter moved to enter closed session pursuant to KRS 61.815 and KRS 61.810(1)(c) and (j), with board staff and counsel, to discuss proposed or pending litigation and deliberate on individual adjudications in the items as listed in the above-listed committee reports and/or the following matters: as presented; including but not limited to a status update regarding cases **22-KREC-005**, **23-KREC-001**, **23-KREC-005**, **23-KREC-006**, **23-KREC-007** and **24-KREC-001**; in addition to a status update regarding **Instructor G.N.S.** and in regard to the **Impact of Rising Insurance Costs of Real Estate Deals**, Commissioner Sickles seconded the motion, and the Commissioners entered in to closed session.

Reconvene Open Session

Commissioner Day moved for the Commission to come out of closed session. Commissioner Butler seconded the motion. The motion carried. Commission Chairperson Disney resumed the full Commission meeting at 11:15 a.m. EST and welcomed everyone in attendance back to the Commission meeting.

Applicant Review Committee (ARC)

Commissioner Sickles moved to adopt the **Applicant Review Committee's** full recommendations as discussed in closed session, including the approval of a Probationary License for **N.J.**, approval of **G.T.**; and the remaining recited recommendations as listed above in these minutes. Commissioner Day seconded the motion. Having all in favor, the motion(s) carried.

Complaints Screening Committee (CSC)

Commissioner Carter moved to adopt the **Complaint Screening Committee's** twenty-six recommendations as presented to the Commission, and recited the recommendations as listed above in these minutes. Commissioner seconded the motion. Having all in favor, motion carried.

Commissioner Hamilton made a motion to defer the **Recovery Fund Grant - Real Estate Education Applications** of **Western Kentucky University (W.K.U.)** and the **University of Louisville (UofL)** until next month's (October) meeting. Commissioner Butler seconded the motion. Commissioner Day abstained from the discussion and the vote. Having the remaining five Commissioners in favor, a quorum was established, and the motion carried.

New Business

There was no new business at this time.

Public Comment

Member of the public Sumei Zhang, UofL employee, and KHC Real Estate Professor, requested recommendations for a more comprehensible Real Estate Study Guide. General Counsel Riley recommended that request be reviewed by the new **KREC Education and Testing Committee**.

Member of the public Dr. Anna Stone asked to address the Commission and staff. She wanted to thank them both for their assistance in helping to resolve her six-year-old complaint.

Approval Per Diem

1. Commissioner Carter made a motion to approve the per diem and travel expenses for the September 17, 2024 **ARC** Meeting for Commissioner Sickles and Commissioner Day. Commissioner Hamilton seconded the motion. Having all in favor, the motion carried.
2. Commissioner Sickles made a motion to approve the per diem and travel expenses for the September 17, 2024, **CSC** Meeting for Commissioner Butler and Commissioner Carter. Commissioner Hamilton seconded the motion. Having all in favor, the motion carried.
3. Commissioner Sickles made a motion to approve the per diem and travel expenses for the September 19, 2024, **KREC** Regular meeting. Commissioner Butler seconded the motion. Having all in favor, the motion carried.

Meeting Adjournment

Commissioner Sickles made a motion to adjourn the meeting. Commissioner Hamilton seconded. With all in favor, the meeting adjourned at 11:31 a.m. EST.

Next Meeting

The next Commission meeting will be Thursday, October 17, 2024, at 9:00 a.m.

Pursuant to KRS 324B.060, I, Tracy Carroll, 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 September 19, 2024. 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 meeting at its meeting held on October 17, 2024

Tracy Carroll

Date: 10/17/2024