

South Carolina Real Estate Commission
Regular Meeting/Hearings
Synergy Business Park, Kingstree Building, Room 105
Columbia, South Carolina 29210
January 14, 2009

Members attending: Jay Keenan, Chairman; Manning Biggers; Vice Chairman; Tony Cox; Carl Edwards; Buccie Harley; Scott Moseley; and Evelyn K. Young

Staff attending: Jay Pitts, Administrator; Tracey McCarley, Education; Ann Parris, Administrative Assistant; Sheridan Spoon, Staff Counsel; and Beau Tiller, Education Manager

Others: Bill Aaron

The meeting was called to order at 10:10 am by Chairman Keenan. Chairman Keenan announced that public notice of this meeting was posted at the SC Real Estate Commission office, Synergy Business Park, Kingstree Building and provided to all requesting persons, organizations, and news media in compliance with Section 30-4-80 of the South Carolina Freedom of Information Act. A quorum was present at all times.

Pledge of Allegiance

All present recited the Pledge of Allegiance.

W. Steven Sloop, Commission Member, Second Congressional District
Chairman Keenan stated he had a sad duty to perform to announce to the public that the Commission lost a fine member of the Commission, Steve Sloop, two weeks ago. He said Mr. Sloop had served on the Commission for seven years and was an outstanding individual. The Commission was represented at Mr. Sloop's funeral by Commission members, Manning Biggers and Scott Moseley along with Jay Pitts and Ann Parris, staff. Chairman Keenan called for a moment of silence in remembrance of W. Steven Sloop, a dear friend and a fine Commissioner.

Introductions of Board Members and All Other Persons Attending

Mr. Pitts stated that Mr. Cox telephoned to say that he would be late due to a minor car accident with no injuries. Time will be noted in the record when Mr. Cox arrives.

Minutes –November 19, 2008

Motion was made by Mr. Biggers to accept the minutes as presented. Motion was seconded by Mr. Harley and unanimously passed.

Agenda

Mr. Pitts stated the following changes to the Agenda.

- (1) Due to another meeting, Sharon Wolfe will not be in attendance, but he stated he would try to get current numbers regarding status of investigations.
- (2) Legislative Update – A short report will be give by Mr. Pitts which will not call for discussion.
- (3) Application Appearances – Brian Sauls notified staff he would not be here today.

Chairman Remarks – Chairman Keenan wished everyone in South Carolina a happy and prosperous 2009.

Administrator Update – Jay Pitts

Mr. Pitts reported that the position vacated by Laura McDaniels, formerly with the Appraisers Board, was posted, applicants have interviewed and a candidate chosen. Mr. Pitts said this position will include duties for both the Commission and the Appraisers. Currently, the Real Estate Commission is staffed by Beau Tiller, Tracey McCarley, and Jay Pitts. Chairman Keenan asked how many Real Estate employees there were when Mr. Pitts took over as Administrator. He stated he would estimate 18 but stated since that time, licensing staff, investigators, and attorneys have been moved from individual boards into specialty divisions, i.e.-Office of Licensure and Compliance, Office of Investigations and Enforcement; and Office of General Counsel. Discussion was held on the transition status regarding the newly-formed Office of Licensure and Compliance. Mr. Pitts stated changes are always difficult and that staff is working harder than ever before. Staff is finding themselves doing many jobs in addition to their own. For example, he said Beau Tiller and Tracey McCarley are doing many jobs besides their own but continue to have a wonderful attitude and do not complain about additional duties and responsibilities.

Chairman Keenan stated at the last meeting he was directed by the Commission to write a letter to the Director outlining the concerns the Commission had about loss of staff and other pertinent matters that may affect the Commission fulfilling its responsibility to the public of South Carolina. A draft copy of the letter was distributed for members to review. Mr. Pitts stated this copy has not been altered in any way; it is a raw copy. He said he talked to Randy Bryant, Assistant Deputy Director, Office of Building and Business, and Mr. Bryant wished to address the Commission regarding these issues but due to holidays and other commitments, it has been difficult to find a date. Chairman Keenan stated it may be better for Mr. Bryant to visit with the entire Board as opposed to meeting with the Chairman only. Chairman Keenan stated that the duty of the Commission is to protect the public and that is the major concern that the Members of the Commission have.

Mr. Pitts stated that he was informed last week that the agency had been notified to appear before the Senate Labor, Commerce and Industry Committee on January 28th. He said Representatives of that committee wish to ask questions of LLR. He said he did not know what it is about but he was notified to inform the Chairman. He said Randy Bryant, Assistant Deputy Director, Office of Building and Business, Adrienne Youmans, LLR Director, and Bob Selman, Legislative Director, also would be there but the Administrator would not. Mr. Pitts said he does not have a list of the Boards/Commissions that will be there other than the Real Estate Commission and the Real Estate Appraisers Board. Ms. Young asked for the names of the Senate LCI Committee and the Chairman's name along with the date, time, and place for the January 28th meeting. Mr. Pitts said he would email that information to the members.

Discussion was held on the Real Estate Commission budget and how the money the Commission generates from application and renewals fees is spent and by whom. The members inquired as to how much money the Commission has now in its budget. Mr. Pitts explained it is not the Commission's money; it belongs to the agency. He said things are still changing with the transition of the licensing staff and he is not sure whether the Commission pays the salaries for the former licensing Commission staff members or if they are paid by the Office of Licensure and Compliance.

Mr. Pitts reported on current licensee numbers as of today. He said there were 52,644 total licensees. Out of that number, 40,097 are active, 4,279 are active in renewal and 8,256 are on inactive status. Mr. Moseley asked how these figures compared to last year's figures. Mr. Pitts stated he thought the numbers were up a little. He said, of course, the 52,644 licensees are not all out there selling. Some of them have elected to keep their licenses during the hard times even though they are not really making a lot of sales. Ms. Young said some of these are active in referral companies.

Unfinished Business

Distance Education Task Force – Beau Tiller

Mr. Tiller said the Distance Education Standards were created back in 2001, and it gave the Commission a provision in the real estate education regulations to have standards intact. They were not put in the actual regulations. It just refers to the standards so if there were problems the Commission did not have to go by statute and amend them over a two-year process. The problems could technically be taken care of and come back to the Commission. This actually created the Distance Education standards for courses and instructors in 2001.

The Distance Education Task Force was created to revisit the standards as it had been a very long time and a lot of changes had taken place. Diana Brouthers was the Chairman but she could not be here today so Bill Aaron agreed to give the presentation and summary of the Task Force recommendations.

Mr. Aaron reported that the Task Force looked at the old standards to review and refine those standards. He said the recommendations that the Task Force made make the standards better for the student primarily and for providers. He said there are no radical changes and briefly reviewed the three recommendations. At the conclusion of the presentation, Mr. Moseley made the following motion.

Motion: Mr. Moseley moved to accept the recommendations of the Distance Education Task Force by (1) requiring distance education courses by International Distance Education Certification Center (IDECC) certified as opposed to ARELLO certified; (2) instructors of distance education courses obtain the Certified Distance Education Instructor (CDEI) credential prior to instruction; and (3) ensure that instructors of distance education courses be proficient in South Carolina license law if the course has specific state real estate content. Motion seconded by Ms. Young. Motion unanimously carried.

Chairman Keenan stated he applauded the Task Force on the excellent work they had done. Mr. Pitts commented the Task Force was made up of excellent individuals and that South Carolina has some of the best instructors in the country who served on this committee.

Legislation Update – Jay Pitts

Mr. Pitts stated he reported at the last Commission meeting that the SC Realtors Association was developing a proposed draft which would amend the real estate license law. He said he was told their committee was to meet January 8th and that as soon as a draft was completed, a copy would be sent to staff to distribute to Commission members for review. At this time, he said he does not have that document yet, but Mr. Kremydas told him he would send it as soon as it was completed. Mr. Pitts stated as soon as the staff

receives this draft, it will be sent to Commission members. He said he hopes there will be a reconvening of the people from the Association and the Commission representatives who will get together to work on the draft.

Chairman Keenan asked if Mr. Pitts could contact Mr. Kremydas on the phone today to see if the members could get a copy of the draft. Mr. Pitts stated he would try to reach Mr. Kremydas. Chairman Keenan stated he would like for Mr. Pitts to tell Mr. Kremydas the Commission was disappointed that they have not been involved in this process because historically, they had always worked together on this type thing.

Residential Property Disclosure Statement Update – Sheridan Spoon

Mr. Spoon reported that he had reviewed the amended draft of the Residential Property Condition Disclosure Statement as requested by the Commission. He stated that regardless of the fact that the form has been lengthened substantially, it is legal. He said so long as the version of the form adopted by the Commission for use includes the specific conditions stated in Section 27-50-40, the form is legal. Mr. Spoon stated that regardless of the length of the document, the licensee still has the same duties.

Mr. Edwards discussed his view of the form. He said he thought the old form was much easier to read. He also said he felt the questions about insurance were not essential. Mr. Edwards said he invited five long time real estate professionals to review the form and they thought the old form was better than the amended form. He said Byron King, SC Realtors, was there and said one of the areas that could be improved with the new form was to report repairs or improvements that had been made to the property within the last three to five years. Mr. Edwards said that could be accomplished by using the space on the comments page to list repairs/improvements. Mr. Cox was concerned about how cumbersome the form was and agreed with Mr. Edwards about using the comment section to report any repairs, etc... Chairman Keenan stated the Commission would accept it as information

Motion: Mr. Edwards moved that the proposed Residential Property Condition Disclosure Statement be tabled for further study. Mr. Harley seconded the motion. Motion passed.

New Business – Investigative Review Committee Reports

There were two IRC reports to review--Dec 11 and Jan 12. Jay Pitts explained the make up and purpose of the IRC for the benefit of the visitors to the meeting. Mr. Pitts answered questions regarding the actions taken by the Investigative Review Committee resulting in Consent Agreements if the complainant agrees to that; if not, the cases will come before the Commission for a hearing.

Motion: Evelyn K. Young moved to accept as submitted, seconded by Manning Biggers. Motion carried.

Mr. Cox asked how many real estate investigators were currently on staff. Mr. Pitts stated that Tony Kennedy, Bill Plunkett, John Sowell, and Joe Harmon, but that Joe Harmon is retiring next month. He stated he would like to discuss the retirement of Mr. Harmon. Mr. Pitts stated he would like to recognize Mr. Harmon's contribution to the Commission and the citizens of South Carolina. It was decided that the Commission would present Mr. Harmon with a Resolution at the March meeting.

Evelyn K. Young – Ms. Young stated one of her staff members was having a problem obtaining a reciprocal license from North Carolina. She said she thought this had been resolved through the Memorandum of Understanding between South Carolina and North Carolina but now they are requiring additional education from applicants in South Carolina. Beau Tiller told Ms. Young if she would send him that information, he would check with someone at the North Carolina Real Estate Commission about this matter and would report back to her. Mr. Pitts reiterated that there is no reciprocal agreement between South Carolina and North Carolina because the laws are different now.

10:30 AM Break

11:50 AM Reconvene

Application Hearings

Victor R. Irby

11:50 AM

Chairman Keenan stated that the proceeding was being recorded and that all witnesses must be sworn before they testify. He said all questions should be directed to the Chair. Mr. Irby was represented by Billy J. Garrett, Jr., 109 Oak Avenue, Greenwood, SC 29646.

Following the presentation of Mr. Irby's case, Chairman Keenan stated that the Board would take the matter under advisement and called for a motion to go into executive session.

Executive Session

12:10 PM

Mr. Biggers moved to go into executive session and Mr. Edwards seconded the motion. Motion carried.

Public Session

12:15 PM.

Mr. Edwards moved to come out of executive session and Mr. Biggers seconded the motion. Motion carried.

Chairman Keenan stated that while the Board was in executive session, there were no votes taken and no determinations made on the disposition of the case. He asked if there was a motion any Board member cared to make.

Motion: Mr. Cox moved and Mr. Biggers seconded the motion to allow Mr. Irby to sit for the real estate sales examination. Motion carried.

Fletcher L. Kirkland, II

12:15 PM

Chairman Keenan stated that the proceeding was being recorded and that all witnesses must be sworn before they testify. He said all questions should be directed to the Chair. Mr. Kirkland was not represented by counsel. Witnesses were Fletcher L. Kirkland, Father and Carl Beard, Step-father.

Following the presentation of Mr. Kirkland's case, Chairman Keenan stated that the Board would take the matter under advisement and called for a motion to go into executive session.

Executive Session

1:00 PM

Mr. Biggers moved to go into executive session and Mr. Harley seconded the motion.
Motion carried.

Public Session

1:20 PM.

Mr. Cox moved to come out of executive session and Mr. Biggers seconded the motion.
Motion carried.

Chairman Keenan stated that while the Board was in executive session, there were no votes taken and no determinations made on the disposition of the case. He asked if there was a motion any Board member cared to make.

Motion: Mr. Edwards moved that Mr. Kirkland be permitted to sit for the examination provided that he provides to the Administrator prior to his sitting for the examination, a letter from a licensed broker indicating that he has disclosed his situation (his criminal record) and that the broker is willing to employ him. Mr. Biggers seconded the motion.
Motion carried. One nay vote.

Alexander Z. Monroe

1:30 PM

Chairman Keenan stated that the proceeding was being recorded and that all witnesses must be sworn before they testify. He said all remarks should be directed to the Chair.
Mr. Monroe was not represented by counsel and there were no witnesses.
Evelyn K. Young recused herself from this case at 1:50 PM.

Following the presentation of Mr. Monroe's case, Chairman Keenan stated that the Board would take the matter under advisement and called for a motion to go into executive session.

Executive Session

Mr. Biggers moved to go into executive session and Mr. Edwards seconded the motion.
Motion carried.

Public Session

Mr. Cox moved to come out of executive session and Mr. Moseley seconded the motion.
Motion carried.

Chairman Keenan stated that while the Board was in executive session, there were no votes taken and no determinations made on the disposition of the case. He asked if there was a motion any Board member cared to make.

Motion: Mr. Biggers moved and Mr. Harley seconded that the Commission will allow a reciprocal license be issued to Mr. Monroe provided that he reports back to the Commission every year for five years any South Carolina violation of any kind whatsoever

that he may have received. This letter should be received by the Administrator each year on the anniversary date that the license was received. If the letter is not received by the fifth day of that anniversary, Mr. Monroe will not be in compliance with the stipulations outlined. Motion carried.

Election of Officers

Chairman Keenan stated he has enjoyed serving as Chairman. He is not seeking re-election as Chairman. Mr. Keenan stated his At-Large seat is a Commission-appointed seat and that whenever his term expires the Commission would need to appoint someone to that seat. Chairman Keenan's seat will expire in June 2009.

Chair Keenan opened the floor for nominations.

Chairman

Mr. Biggers nominated Tony Cox and Mr. Harley seconded the nomination.

Mr. Edwards moved that the nominations be closed.

Vote: Unanimous

Vice Chairman

Ms. Young nominated Manning Biggers and Mr. Edwards seconded the nomination.

Mr. Moseley moved that the nominations be closed.

Vote: Unanimous

Secretary

Mr. Edwards nominated Evelyn K. Young and Mr. Cox seconded the motion. Mr. Biggers moved to that the nominations be closed.

Vote: Unanimous

Ms. Young stated she would like to nominate Chairman Keenan for the Member-At-Large seat. He stated he has enjoyed his time on the Commission but he is ready to step down. Mr. Cox thanked Chairman Keenan for the outstanding job he has done as Chairman.

Chairman Keenan stated that Commission members may know someone that may be interested in serving as Member-at-Large. He suggested that the person write a letter to the Commission stating that. Once those letters have been received, the Commission could have the candidates come in for an interview.

Mr. Moseley commented he would not be here for the March 18th meeting. The other members said they would be here.

Mr. Pitts reported the numbers for investigations and revenue information that the Board requested at the beginning of this meeting.

Numbers – Investigations

99 Open cases

28 Active

15 Pending litigation

45 Time Share

Mr. Pitts stated that has been an increase in time share complaints. People are calling now to get out of time share contracts due to the economy. Out of 45 time share complaints, there are some of those from people that are trying to get out of contracts.

Per Mr. Pitts, revenue information that Mr. Edwards requested is as follows:

Real Estate Cash balance	\$6,910,343.63
Revenue Generated	\$ 745,796.00

(Mr. Pitts stated he was not sure if this is year-to-date information.)

Chairman Keenan said the two things that the Board would like to know are how much money on an annual basis does the Commission generate? What does the Real Estate Commission spend? Mr. Pitts explained that the Real Estate Commission is not given that information. Mr. Edwards wanted to know if they could ask someone else for these figures.

Mr. Biggers discussed the mortgage fraud situation throughout the United States and wondered why the Commission was not seeing that type case. Mr. Pitts stated the Appraisers Board would probably receive most of those cases.

There was discussion on less and less oversight and the problems that presents. For instance, the audits and office inspections were good things and acted as a deterrent. Paper newsletters were very informative to the people in the industry as to who had been disciplined by the Board. Newsletters online would be helpful. Mr. Pitts stated that LLR has a new system called Granicus which eventually will telecast live all board meetings.

There being no further business, the meeting adjourned at 2:45 PM

Submitted,

Evelyn K. Young
Secretary