

1 **MINUTES**

2 **South Carolina Real Estate Commission**

3 **Wednesday, October 16, 2019 - 10:00am**

4 **Synergy Business Park, Kingstree Building, Conference Room 105**

5 **110 Centerview Drive, Columbia, South Carolina 29210**

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7 **Meeting Called to Order**

8 Chair Pratt called the meeting of the South Carolina Real Estate Commission to order at 10:00 a.m. Board
9 members participating in this meeting included:

- 10 Candace Pratt – Chair - 1st Congressional District
- 11 David Burnett – 4th Congressional District
- 12 John Rinehart – 5th Congressional District
- 13 Janelle Mitchell – 6th Congressional District
- 14 W. Brown Bethune – 7th Congressional District
- 15 Johnathan Stackhouse – Public Member

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18 Staff members participating during the meeting included Roderick Atkinson, Board Administrator; Gigi
19 Lewis, Esq., Office of Advice Counsel; Deleon Andrews, Office of Investigations and Enforcement;
20 Rowland Alston, Esq., Office of Disciplinary Counsel, and Sherri Moorer, Program Assistant.

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22 Others present included John R. Reed, IV, Esq.; Anthony Shands; James M. Green; Portia J. Berry;
23 Cortney T. Preguza; Hyacinth Kinley; Robert A. Taylor; Billie Jo Cudd; Jo Britt; Mary Gale; and
24 Rebecca Santana.

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26 **Public Notice**

27 Chair Pratt announced that public notice of this meeting was properly posted at the S.C. Real Estate
28 Commission Office, Synergy Business Park, Kingstree Building, and provided to all requesting persons,
29 organizations, and news media in compliance with Section 30-4-80 of the South Carolina Freedom of
30 Information Act.

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32 **Pledge of Allegiance**

33 All present recited the Pledge of Allegiance.

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35 **Invocation**

36 Commissioner Mitchell offered the invocation.

37
38 **Approval of Absences**

- 39 David C. Lockwood, III - 2nd Congressional District
- 40 Andy Lee – Vice Chair – 3rd Congressional District
- 41 Wayne Poplin – At-Large Member

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43 **MOTION**

44 Mr. Bethune made a motion to approve the absence of Commissioners Lockwood, Lee, and Poplin. Ms.
45 Mitchell seconded the motion, which carried unanimously.

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47 **Approval of Agenda**

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MOTION

Mr. Stackhouse made a motion to approve the agenda. Mr. Burnett seconded the motion, which carried unanimously.

Approval of the Meeting Minutes from September 18, 2019

MOTION

Mr. Burnett made a motion to approve the minutes for the September 18, 2019, meeting, with a note that no action was taken under New Business 119 on REC Resolution Guidelines. Ms. Mitchell seconded the motion, which carried unanimously.

Chair's Remarks

Ms. Pratt said that Mr. Rinehart has been asked to serve as the Vice-Chair of the 2020 ARELLO Law and Regulation Committee.

Application Hearings

1. James M. Green

The Commission held an application hearing regarding Mr. James M. Green's application to take the broker's license exam. Mr. Green appeared before the Commission to present testimony, and was not represented by legal counsel. Discussion ensued.

MOTION

Mr. Rinehart made a motion to approve Mr. Green's application. Mr. Bethune seconded the motion, which carried unanimously.

(This proceeding was recorded by a court reporter in order to produce a verbatim transcript if requested in accordance with the law.)

2. Portia J. Berry

The Commission held an application hearing regarding Ms. Portia J. Berry's application for the property manager license exam. Ms. Berry appeared before the Commission to present testimony, and was not represented by legal counsel. Discussion ensued.

MOTION

Mr. Stackhouse made a motion to approve Ms. Berry for the property manager license exam. Mr. Rinehart seconded the motion, which carried unanimously.

(This proceeding was recorded by a court reporter in order to produce a verbatim transcript if requested in accordance with the law.)

3. Cortney T. Preguza

The Commission held an application hearing regarding Mr. Cortney T. Preguza's application for a property manager's license. Mr. Preguza appeared before the Commission to present testimony, and was not represented by legal counsel. Discussion ensued.

98 **MOTION**
99 Mr. Burnett made a motion to go into executive session for legal advice. Mr. Bethune seconded the
100 motion, which carried unanimously.

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102 **MOTION**
103 Mr. Rinehart made a motion to exit executive session, where no votes were taken. Mr. Burnett seconded
104 the motion, which carried unanimously.

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106 **MOTION**
107 Mr. Rinehart made a motion that Mr. Pregelbein be allowed to make application for the property manager's
108 license, with the stipulation that there will be no upgrade to property manager-in-charge before coming
109 back before the Commission. The license will be inactive until evidence is submitted to the Commission
110 that the five thousand dollar restitution has been paid and that the applicant has completed probation.

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112 Mr. Burnett made an amendment that no additional charges are filed against the applicant, and seconded
113 the motion, which carried 5/1. Mr. Burnett voted against the motion.

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115 Ms. Lewis stated that written documentation must be provided to Mr. Atkinson from the probation
116 officer, and a background check must be done to confirm that restitution is paid and the probation period
117 has ended. She reminded Mr. Pregelbein that renewals are required while the license is in inactive status.

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119 *(This proceeding was recorded by a court reporter in order to produce a verbatim transcript if*
120 *requested in accordance with the law.)*

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122 **4. Hyacinth Kinley**
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124 The Commission held an application hearing regarding Ms. Hyacinth Kinley's application for the sales
125 license exam. Ms. Kinley appeared before the Commission to present testimony, and was not represented
126 by legal counsel. Discussion ensued.

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128 **MOTION**
129 Mr. Bethune made a motion to allow Ms. Kinley to sit for the sales license exam. Ms. Mitchell seconded
130 the motion, which carried unanimously.

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132 *(This proceeding was recorded by a court reporter in order to produce a verbatim transcript if*
133 *requested in accordance with the law.)*

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135 **5. Robert A. Taylor**
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137 The Commission held an application hearing regarding Mr. Robert A. Taylor's application for the sales
138 license exam. Mr. Taylor appeared before the Commission to present testimony, and was not represented
139 by legal counsel. Discussion ensued.

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141 **MOTION**
142 Mr. Bethune made a motion to allow Mr. Taylor to sit for the sales license exam. Mr. Stackhouse
143 seconded the motion, which carried unanimously.

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145 *(This proceeding was recorded by a court reporter in order to produce a verbatim transcript if*
146 *requested in accordance with the law.)*

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148 **6. Billie Jo Cudd**

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150 The Commission held an application hearing regarding Ms. Billie Jo Cudd’s application to sit for the
151 sales license exam. Ms. Cudd appeared before the Commission to present testimony, and was not
152 represented by legal counsel. Ms. Jo Britt and Ms. Mary Gale served as character witnesses. Discussion
153 ensued.

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155 **MOTION**

156 Mr. Burnett made a motion to allow Ms. Cudd to sit for the sales license exam. Mr. Bethune seconded the
157 motion, which carried unanimously.

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159 *(This proceeding was recorded by a court reporter in order to produce a verbatim transcript if*
160 *requested in accordance with the law.)*

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162 **7. Rebecca Santana**

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164 The Commission held an application hearing regarding Ms. Rebecca Santana’s application to sit for the
165 sales license exam. Ms. Santana appeared before the Commission to present testimony, and was not
166 represented by legal counsel. Discussion ensued.

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168 **MOTION**

169 Ms. Mitchell made a motion to approve Ms. Santana to sit for the sales license exam. Mr. Stackhouse
170 seconded the motion, which carried unanimously.

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172 *(This proceeding was recorded by a court reporter in order to produce a verbatim transcript if*
173 *requested in accordance with the law.)*

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175 Chair Pratt noted that Wesley K. Hill; Daniel M. Roberts; and Teresa R. Turner did not appear for their
176 application hearings. They will be advised of the date of their next scheduled appearance. Their
177 applications will be denied if they do not appear on the next scheduled date.

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179 **Disciplinary Hearing**

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181 **1. Anthony Shands**

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183 The Commission held a Disciplinary hearing regarding Anthony Shands. Mr. Shands appeared before the
184 Commission. He was represented by John R. Read, IV, Esq., of Read Law in Greenville, SC. Rowland
185 Alston, Esq., Office of Disciplinary Counsel, represented the State, and presented the facts of the case.
186 Discussion ensued.

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188 **MOTION**

189 Mr. Bethune made a motion to enter executive session for legal advice. Mr. Stackhouse seconded the
190 motion, which carried unanimously.

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192 **MOTION**

193 Mr. Bethune made a motion to exit executive session, where no votes were taken. Ms. Mitchell seconded
194 the motion, which carried unanimously.

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196 **MOTION**

197 Mr. Rinehart made the motion that the State met the burden of proof regarding violations of S.C. Code of
198 Laws 40-57-145(A)(8) and S.C. Code of Laws 40-1-110(1)(a) in Case #2016-166 however that the
199 violation of S.C. Code of Laws 40-1-110(1)(h) is a duplication of the first violation and should not be

200 included in the disciplinary order. He moved that there be a public reprimand, that the respondent's
201 license be suspended for a period of three years with the suspension of the license stayed, that the
202 respondent's license be on probation during this three-year period of time, that a fine of \$1,000 per
203 violation be imposed, for a total fine of \$2,000, and that there are no other violations of licensing law as
204 determined by the Commission during the probation period. If this condition is not met, the respondent's
205 license will be revoked. Mr. Burnett seconded the motion, which carried unanimously.
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207 *(This proceeding was recorded by a court reporter in order to produce a verbatim transcript if*
208 *requested in accordance with the law.)*
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210 **New Business**

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212 ***1. Heinecke ALJ Remand Order***

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214 **MOTION**

215 Mr. Burnette made a motion to go into executive session for legal advice. Mr. Bethune seconded the
216 motion, which carried unanimously.
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218 **MOTION**

219 Mr. Stackhouse made a motion to exit executive session. Mr. Rinehart seconded the motion, which
220 carried unanimously.
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222 **MOTION**

223 Mr. Burnett made a motion to accept the ALJ ruling on the reversal of the violation of S.C. Code of Laws
224 40-57-135(A)(6), reversing the one-year suspension stayed, reversing the probation and reversing the
225 requirement for education classes. The State did not meet its burden of providing a violation of S.C.
226 Code of Laws 40-57-135(C)(4). A public reprimand and \$500 fines per violation remain in the Order of
227 the Commission for violations of S.C. Code of Laws 40-57-135(B)(7)(c) and 40-57-135(F) for which the
228 State met its burden of proof. Mr. Stackhouse seconded the motion, which carried unanimously.
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230 ***2. IRC New Committee Member Application***

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232 Mr. Atkinson presented an email from Ms. Lorraine Harding expressing interest in serving on the
233 Investigative Review Committee (IRC). Ms. Bunni Crawford has not attended a meeting recently. There
234 are currently six professional members on the IRC.
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236 **MOTION**

237 Mr. Rinehart made a motion to appoint Ms. Lorraine Harding to the IRC, and to thank Ms. Bunni
238 Crawford for time served. Mr. Burnett seconded the motion, which carried unanimously.
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240 **Unfinished Business**

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242 ***1. Residential Property Disclosure Form***

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244 **MOTION**

245 Mr. Burnett made a motion to amend the SC Seller's Residential Property Condition Disclosure
246 Statement, Section V, creating line 25 that would read, "Are you aware of any FEMA claims filed on the
247 property (Yes or No). If yes, please list the dates of all claims," with an effective date of January 1, 2020.
248 Mr. Rinehart recommended spelling out what FEMA means on the form. Mr. Bethune seconded the
249 motion, which carried unanimously.
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Administrator’s Remarks

1. **IRC Report** - The Commission reviewed the IRC report from October 7, 2019.

MOTION:

Mr. Stackhouse made a motion to accept the dismissal, formal complaint, and letter of caution sections of the October 7, 2019, IRC Report. Mr. Burnett seconded the motion, which carried unanimously.

2. **Investigations and Enforcement** – Mr. Atkinson said there is no update from the Office of Investigations and Enforcement this month.

3. **Licensure Update** - Mr. Atkinson gave the licensure update as of October 3, 2019

- Broker 5,238
- Broker in Charge 7,761
- Property Manager 1,722
- Property Manager in Charge 1,326
- Salesman 29,365
- TOTAL ACTIVE 45,412**
- Inactive Broker 1,715
- Inactive Property Manager 843
- Inactive Salesman 7,983
- TOTAL INACTIVE 10,541**

**TOTAL CURRENT LICENSES
AS OF October 3, 2019 55,953**

4. **Budget Update** – Mr. Atkinson said a budget update through August 31, 2019, was included in the meeting handouts.

5. **ARELLO** – Mr. Rinehart provided a summary of the ARELLO Annual Meeting, held in Denver, Colorado, on September 18-21, 2019. Highlights from this report include:

- A continuation of the mid-year report in the area of states working on a regulatory requirement. There is a trend to reduce regulation nationwide, with debate on state license restrictions. Arizona has proposed an Occupational Licensing bill referred to as the “Sand Box Bill” to encourage new companies to beta test their new business model in the state for a period of two years. Real Estate was specifically mentioned, and the I-Buyer Program, Open Door, and Zillow were welcome.
- Issues are arising in Denver, Colorado, due to the effects of cannabis legalization. Examples of arising issues include criminal background checks, disclosure of issues regarding marijuana, and security issues because of the increased transient population in Colorado.
- Economic housing outlook: there was a comment about the number of new licensees coming into the marketplace, and the reduction of closings as projected for 2019. The Commission needs to discuss the fact that fewer transactions are closing, but there is a 10%-12% increase of new licensees in the industry.

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- The midyear meeting will be held in Savannah, Georgia, on April 29-May 2, 2020. The Commission will discuss petitioning for all members to attend this event at a future meeting.
 - The annual meeting will be held in Montreal, Canada, on September 23-26, 2020. The Commissioner College Section 102 will be offered on September 27, 2020; immediately following the annual meeting.
 - Mr. Rinehart has been asked to serve as Vice-President of the ARELLO Law and Regulation Committee.

309 **Public Comments**

310 There were no public comments.

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312 **Adjournment**

313 Mr. Bethune made a motion to adjourn. Mr. Stackhouse seconded the motion, which carried unanimously.

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315 The meeting adjourned at 4:45 p.m.