

**South Carolina Real Estate Commission
Meeting Minutes**

Wednesday April 19, 2023 at 10:00 am
110 Centerview Dr. Kingtree Building, Room 105
Columbia, South Carolina

Public notice of this meeting was properly posted at the S.C. Real Estate Commission Office, Synergy Business Park, Kingtree Building, Commission website, 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.

Commission Members Present:

William “Andy” Lee, Chair – 3rd Congressional District
John Rinehart, Vice Chair – 5th Congressional District
Candace Pratt – 1st Congressional District
David Burnett – 4th Congressional District
Janelle Mitchell – 6th Congressional District
W. Brown Bethune – 7th Congressional District
Jonathan Stackhouse – Public Member

SCLLR STAFF PRESENT:

Kyle Tennis, Esq., Office of Advice Counsel
Meredith Buttler, Administrator
Ashlynn Kirk, Administrative Coordinator
Micah Hurtt, Administrative Coordinator
Rowland Alston, Esq., Office of Disciplinary Counsel
Chuck Waters, Office of Investigations and Enforcement
James Kemfort, Office of Investigations and Enforcement
Wattie Wharton, Office of Investigations and Enforcement

PRESENT:

Sarah Costilow, Court Reporter
Robert Johnson
Quincy Wilson
Nathaniel Drummings
Jessica Lee
Charles Mace
Ada Richardson
Will Villate
Taylor Bell, Esq.

CALLED TO ORDER: Mr. Lee, Chair, called the meeting to order at 10:01 am.

INVOCATION

Mr. Rinehart gave the invocation.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by all present.

INTRODUCTION OF COMMISSION MEMBERS AND STAFF

Commission members and staff introduced themselves.

APPROVAL OF EXCUSED ABSENCES

Motion: To approve the absences of Gary Pickren and Allen Wilkerson.

Moved by Mr. Rinehart and seconded by Mr. Bethune, the motion carried by unanimous vote.

APPROVAL OF AGENDA

Motion: To approve the agenda.

Moved by Mr. Bethune and seconded by Ms. Mitchell, the motion carried by unanimous vote.

APPROVAL OF MEETING MINUTES

Motion: To approve the March 14, 2023 Finance Taskforce meeting minutes.

Moved by Mr. Burnett and seconded by Mr. Rinehart, the motion carried by unanimous vote.

Motion: To approve the March 14, 2023 Wholesaling Taskforce meeting minutes.

Moved by Mr. Rinehart and seconded by Mr. Bethune, the motion carried by unanimous vote.

Motion: To approve the March 15, 2023 Commission meeting minutes.

Moved by Ms. Mitchell and seconded by Mr. Stackhouse, the motion carried by unanimous vote. Ms. Pratt abstained due to not being in attendance at this meeting.

Motion: To approve the March 16, 2023 Commission meeting minutes.

Moved by Ms. Mitchell and seconded by Mr. Stackhouse, the motion carried by unanimous vote. Ms. Pratt abstained due to not being in attendance at this meeting.

CHAIRMAN'S REMARKS

Mr. Lee elected to forego remarks.

STAFF REPORTS

a. Office of Investigations and Enforcement (OIE) Report

Mr. Kemfort reported that from January 1, 2023, to April 17, 2023, 226 complaints have been filed. OIE currently has 37 active cases and 0 cases have been closed during that time period.

Mr. Bethune asked if there were any cases older than 2022, to which Mr. Kemfort confirmed there are no cases older than 2022. Ms. Pratt sought clarification regarding the number of cases received in 2023 that have been closed. Mr. Kemfort confirmed none of

the 2023 cases have been closed as the priority for the investigations team is on closing the 2022 cases.

b. Investigative Review Committee (IRC) Report

Mr. Kemfort reported the IRC met on April 4, 2023, via teleconference. The IRC recommends the following: 14 cases for dismissals, 8 cases for Letters of Caution, 2 cases for dismissal with a cease and desist, and 1 formal complaint.

Mr. Alston advised that the letter of cautions for Cases 2022-132 and 2022-549 are companion cases that were brought back for reconsideration. Mr. Alston expressed the IRC Committees dedication to reviewing cases and provided extensive descriptions of the logic for both cases. Mr. Burnett inquired as to how many IRC members the Commission currently has; Mrs. Buttler stated that there are currently five (5) IRC members.

Motion: To accept IRC recommendations as presented.

Moved by Ms. Pratt and seconded by Ms. Mitchell, the motion carried by unanimous vote.

c. Office of Disciplinary Counsel (ODC) Report

Mr. Alston reported as of April 4, 2023, there are 65 open cases of which 29 are pending hearings and agreements, 0 pending closure, and 22 have been closed since January 1, 2023. Mr. Burnett expressed concern that disciplinary cases may be backlogged. Mr. Alston stated that they are filling disciplinary dates to the best of their capabilities and that if the Commission allows it, they would like to add more cases to administrative days.

d. Administrator Report

Mrs. Buttler reported there are currently 4,287 active Broker-in-Charge licensees with 3,163 in active-in-renewal status; 2,783 active Broker licensees with 2,134 in active-in-renewal status; 18,783 active Salesperson licensees with 14,577 active-in-renewal status; 937 active Property Manager-in-Charge licensees with 498 in active-in-renewal status; and 1,089 Property Manager licensees with 677 in active-in-renewal status. The Commission was also presented the totals for Timeshare Salesperson Registrants, Real Estate or Property Manager Office registrations, and Initial Application Volume from 2015 to present.

The Commission's current account balance as of March 31, 2022, is \$7,342,025.93. Also included in the meeting materials was the cash balance report for the Education and Research fund as well as the Timeshare fund.

Since the last Commission meeting in March, Mrs. Buttler has had the honor of presenting at three SCR chapter meetings. Mrs. Buttler expressed her thanks to Commissioners Burnett, Pickren, and Wilkerson for extending the invitations to have her join them. Mrs. Buttler also thanked Austin Smallwood for being present as well during these presentations to assist with answering non-Commission-related questions.

Mrs. Buttler and Mr. Tennis met with Director Farr earlier this month and she was impressed with the work done by the Finance Taskforce. Following review of the proposal, there are several items that the REC staff is going to begin working with the Finance department to get started. Over the next month, Mrs. Buttler will be working with finance to put together request for proposals and quotes for the remediation courses, continuing education bank of courses, as well as the wholesaling research. Once that paper work is generated, she will be working closely with the taskforces and the Commission. From that meeting, it was discovered that OSHA has resources that can assist with forms being converted to Spanish. Additionally, staff will be working on securing an entity to assist with the development of REC newsletters, social media, and video messaging. There is still a bit of research needed for many items but Mrs. Buttler will keep the Commission informed as things progress.

Renewals are open and as of Monday 10% of licenses have renewed. Because of the change in procedures in accordance with the statutes governing renewal, specifically the change to lapsed status on July 1st following non-renewal, two series of additional emails will be sent throughout the renewal window. The first email series will be sent to all BICs and PMICs making them aware of the change, reminding them of their responsibility to supervise, and that if an associate licensee lapses and continues to work, the BIC or PMIC may be subject to disciplinary action. The second series of emails will be sent to the licensees who have yet to renew. This will focus on making them aware of the changes and directing them to the Renewal resource page if they have questions.

Commission staff has been working hard to revise the current webpage, slated to go live later this week. The restructure includes enhanced navigation buttons in the REC header section, expanded "Manage My License" capabilities, separated continuing education information from pre-licensing, and incorporating revised license applications. All pages have been visually streamlined so that licensees and applicants will no longer be scrolling through pages of information to get to the item they need. Ms. Kirk is also working on creation of a series of "How To" and informational videos that will cover topics such as licensure requirements and renewal process overview. These videos incorporate graphics and voice overs with minimal text. This format has proven to be very successful in enhancing applicant and licensees understanding when used with other boards at LLR.

Over the next six months, the REC staff will be compiling a list of questions not currently covered in the FAQs. The enhanced FAQ list will then be brought to the Commission for review and approval later in the year. If Commissioners have any questions that they receive frequently, please feel free to send those to Mrs. Buttler for inclusion. The goal is to create the most robust FAQ resource possible in an effort to enhance the resources offered by the Commission.

APPLICATION HEARINGS

- a. Robert Johnson
Mr. Johnson appeared before the Commission for a salesperson application hearing and was represented by Mr. Taylor Bell, Esq. Mr. Johnson was sworn in by the court reporter. Application hearings are recorded by a certified reporter in the event a verbatim transcript is necessary.

Motion: To enter into closed session.

Moved by Mr. Rinehart and seconded by Ms. Pratt, the motion carried by unanimous vote.

Motion: To approve Mr. Johnson to sit for the salesperson exam.

Moved by Mr. Bethune and seconded by Ms. Pratt, the motion carried by unanimous vote.

Motion: To return to open session.

Moved by Mr. Stackhouse and seconded by Ms. Mitchell, the motion carried by unanimous vote.

- b. Princeton Linder
Mr. Linder did not appear before the Commission for a salesperson application hearing despite being properly noticed. This hearing will be placed on the agenda for June 21, 2023.

- c. Will Villate
Mr. Villate appeared before the Commission for a salesperson application hearing. He waived his right to counsel and was sworn in by the court reporter. Application hearings are recorded by a certified reporter in the event a verbatim transcript is necessary.

Motion: To enter into closed session and return to open session at the call of the hearing.

Moved by Mr. Stackhouse and seconded by Ms. Pratt, the motion carried by unanimous vote.

Motion: To enter into executive session for legal advice where no votes will be taken.

Moved by Mr. Rinehart and seconded by Mr. Bethune, the motion carried by unanimous vote.

Motion: To exit executive session and return to closed session.

Moved by Ms. Pratt and seconded by Ms. Mitchell, the motion carried by unanimous vote.

Motion: To approve Mr. Villate to sit for the salesperson exam.

Moved by Mr. Bethune and seconded by Mr. Stackhouse, the motion carried by unanimous vote.

The Commission returned to open session.

d. Nathaniel Drummings

Mr. Drummings appeared before the Commission for a salesperson application hearing. He waived his right to counsel and was sworn in by the court reporter. Ms. Jessica Lee was also sworn in and testified on Mr. Drummings' behalf. Application hearings are recorded by a certified reporter in the event a verbatim transcript is necessary.

Motion: To enter into closed session.

Moved by Mr. Rinehart and seconded by Ms. Pratt, the motion carried by unanimous vote.

Motion: To approve Mr. Drummings to sit for the salesperson exam.

Moved by Mr. Bethune and seconded by Ms. Mitchell, the motion carried by unanimous vote.

Motion: To return to open session.

Moved by Mr. Rinehart and seconded by Ms. Pratt, the motion carried by unanimous vote.

e. Quincy Wilson

Mr. Wilson appeared before the Commission for a salesperson application hearing. He waived his right to counsel and was sworn in by the court reporter. Application hearings are recorded by a certified reporter in the event a verbatim transcript is necessary.

Motion: To approve Mr. Wilson to sit for the salesperson exam.

Moved by Mr. Bethune and seconded by Ms. Pratt, the motion carried by unanimous vote.

f. Ada Richardson

Ms. Richardson appeared before the Commission for a salesperson application hearing. She waived her right to counsel and sworn in by the court reporter. Application hearings are recorded by a certified reporter in the event a verbatim transcript is necessary.

Motion: To enter into executive session for legal advice where no votes will be taken.

Moved by Mr. Bethune and seconded by Ms. Pratt, the motion carried by unanimous vote.

Motion: To exit executive session.

Moved by Ms. Pratt and seconded by Ms. Mitchell, the motion carried by unanimous vote.

Motion: To deny Ms. Richardson to sit for the salesperson exam due to the recency of her two shoplifting convictions.

Moved by Ms. Mitchell and seconded by Mr. Rinehart, the motion carried by unanimous vote.

TASKFORCE REPORTS

a. Education Taskforce- David Burnett

Mr. Burnett stated that the Education taskforce has not met since February. The Distance Education Learning Subcommittee met on April 6th via WebEx. The Subcommittee reviewed the current laws, regulations, and published distance education standards. The Subcommittee is slated to meet again following additional research and clarification on ARELLO primary and secondary provider qualifications.

The Instructor Development Workshop Subcommittee met on March 6th and April 17th. Discussions have centered on how best to divide up the development workshop to address various concerns between the different types of instructors. The Subcommittee will also be looking to craft recommendations for delivery methods, expanded course offering options, and potential exemptions for qualifying instructors.

Mrs. Buttler is currently looking at potential dates for the next full Education Taskforce meeting, depending on the subcommittees' research results.

b. Inspection Taskforce- Andy Lee

Mr. Lee stated that the Inspection Taskforce met on April 13, 2023. He explained that the Taskforce learned a lot about the inspection process from the inspectors that attended the meeting. It was noted that a much of the criteria on the inspection form is outdated and the form needs to be updated. The Taskforce will be updating the forms as well as enhancing procedures for handling BICs or PMICs who fail to respond and/or comply with the inspectors. Mr. Lee stated the "no response" procedures would mean that if the BIC or PMIC fails to comply or respond to the inspector, this could result in disciplinary action in which an appearance before the Commission was required.

NEW BUSINESS

a. 2024 Commission Meeting Dates- Meredith Buttler

Staff provided a list of possible dates for Commission Meetings for the year 2024.

Dates Commissioners agreed upon are as follows:

January 17th & January 18th

February 14th

March 13th

April 17th & April 18th

May 15th

June 12th

August 14th & August 15th

September 11th

October 9th

November 13th & November 14th

December 11th

OLD BUSINESS

a. Limited Commercial Real Estate License

As discussed at the April meeting, Mr. Burnett stated the idea of a limited commercial license as a tool came as a way to help with commercial real estate licensees. Ms. Pratt expressed concerns that commercial licensees are not familiar with the Commission's

laws and regulations as commercial real estate has a different scope than residential. However, Ms. Pratt noted the elements of real estate remain the same and thus agents working strictly in commercial are to be held accountable to the same laws. Mr. Rinehart agreed and suggested a separate license is not needed. Mr. Rinehart stated a key difference and difficulty is agents practicing commercial real estate have difficulty getting agreements and documentation appropriately signed as they are usually dealing with a corporation and not an individual. Ms. Pratt stated that an educational approach going further in depth into the laws and regulations will be beneficial for those practicing commercial real estate.

Discussion ensued with the Commission emphasizing licensees by law are required to advise their clients to obtain expert advice on matters that are beyond the licensee's expertise per S.C. Code Ann. § 40-57-350. The Commission stated that new licensees working predominantly in residential are attempting to cross over into commercial and need to be aware of the requirements of the law. The Commissioners asked that discussion on looking to the possibility of requiring or developing certification to prove expertise within residential and commercial real estate. This topic will be placed on the next administrative day agenda.

LEGISLATIVE UPDATE

On behalf of Katie Phillips, Mr. Tennis provided updated information regarding bill H.3605 which amends the investigative process and sets parameters for denial of a license based solely on prior criminal history. The bill passed the third reading in Senate and will go back to the House to determine if the House agrees with the Senate's amendments. If the House agrees, it then goes to the Governor for signature. If the House does not agree, then the bill goes back to the senate and the two bodies discuss the bill more. Mr. Tennis provided that the changes to S.C. Code Ann. § 40-1-140 do not materially change much of what Commission currently does with respect to the vetting of applicants. Additionally, H.3605 includes an apprenticeship pathway for licensure that would apply to property manager applicants in lieu of pre-license education.

AGENDA TOPICS FOR FUTURE MEETINGS

Mr. Burnett asked for clarification be added to the next Agenda of "If a license lapses, what happens with the pay of commission?"

PUBLIC COMMENTS

None

ADJOURNMENT

Motion: To adjourn.

Moved by Mr. Bethune and seconded by Mr. Rinehart, the motion carried by unanimous vote.

The meeting adjourned at 12:52 pm.