

South Carolina Real Estate Commission
Inspection Taskforce Teleconference Meeting Minutes
Thursday, April 4, 2024 at 2:30 p.m. Via WebEx

Public notice of this meeting was properly posted at the S.C. Real Estate Commission Office, Synergy Business Park, Kingstree 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. The telephone number and access code were provided on the posted agenda for members of the public wishing to join.

Taskforce Members Present:

Andy Lee – Commissioner, Taskforce Chair
John Rinehart – Commissioner

SCLLR STAFF PRESENT:

Erica Wade, Commission Executive
Ashlynn Brown, Administrative Coordinator
Kyle Tennis, Esq., Office of Advice Counsel
Jennifer Stillwell, Chief Inspector, Office of Investigations and Enforcement
Roger Richardson, Inspector, Office of Investigations and Enforcement
Garret Carter, Inspector, Office of Investigations and Enforcement
Jamie Bellamy, Inspector, Office of Investigations and Enforcement
Latoshia Smalls, Inspector, Office of Investigations and Enforcement
Wattie Wharton, Lead Investigator, Office of Investigations and Enforcement

PRESENT:

Carla Dominick, Court Reporter
Austin Smallwood, Esq., SCR
Nick Kremydas, Esq., SCR

CALLED TO ORDER: Mr. Lee, Chair, called the meeting to order at 2:30 p.m.

APPROVAL OF AGENDA

Motion: To approve the agenda.

Moved by Mr. Rinehart and seconded by Mr. Lee, the motion was approved unanimously.

INTRODUCTION OF TASKFORCE MEMBERS AND STAFF

Taskforce members and staff introduced themselves.

UPDATED INSPECTIONS FORMS

Mr. Tennis began by explaining that since the last Taskforce meeting, the two draft inspection forms for Property Management and Real Estate offices have been updated based on prior feedback. Mrs. Brown shared her screen so that participants could see the forms being presented. Updates to the Real Estate office form included:

- A pet addendum in the record review and retention section.

- An out-of-state inspections section with instructions specifying inspectors choose the files for inspections.
- Addition of question number six under the “Contract of Sale” section regarding documentation of seller’s legal right to sell property.

Updates to the Property Management form included:

- An out-of-state inspections section with instructions specifying inspectors choose the files for inspections.

Staff wanted to check with the Taskforce members and get feedback to ensure the drafted forms are going in the right direction in order to be presented to the Commission at the next Commission Administrative Meeting.

Mr. Lee requested an update to question number six under the “Contract of Sale” section of the Real Estate office inspection form. He requested the wording be updated to reflect that it is the responsibility the agent/brokerage firm to ensure that the seller has the legal right to sell the property.

Mr. Lee explained that it is the agent’s responsibility to look up the information and that the agent should be presenting the correct information to the public. Mr. Tennis advised that the wording can be discussed at the next Commission meeting.

INSPECTIONS STAFF QUESTIONS AND OPINIONS

Inspector Bellamy asked the Taskforce members what the correct procedure would be for an inspection for licensees that have not done any transactions but are still have actively licensed.

Mr. Lee stated that the inspector can verify that information is true, for example by requesting a copy of the licensee’s transaction history on the Multiple Listing Service (“MLS”). Inspectors can review any files within the past five years. Mrs. Stillwell advised that the in-charge licensee of office being inspected signs the inspection form verifying that what they have provided is accurate information.

Inspector Bellamy asked what the proper procedures should be with respect to trust accounts for offices that mix Real Estate and Property Management.

Mr. Rinehart believes that inspectors should make sure funds are recorded appropriately and that these types of offices should still be following the property management guidelines and rules, but will refer to Advice Counsel. Mr. Tennis will research this topic and get back to the inspectors with an answer.

Mrs. Stillwell asked, other than trust account embezzlement, what else would result in an immediate inspection failure that would result in being elevated to a complaint investigation rather than being scheduled for a re-inspection.

Mr. Lee and Mr. Rinehart agreed that if there are multiple issues that the inspectors see as egregious, then the inspectors should retain discretion regarding when inspections should be elevated to a complaint investigation rather than being scheduled for re-inspection.

Mrs. Stillwell asked for confirmation from the Commissioners that if a licensee cancels an inspection with LLR three times, will that result in a failed inspection and if so, should the inspector then file a complaint. Mr. Lee and Mr. Rinehart confirmed that would be an appropriate procedure.

INSPECTION PROCESS AND ELEVATING TO COMPLAINT INVESTIGATION

Mr. Tennis created two flow charts for inspections that show inspections become elevated to a complaint investigation. It will be a two-track system: one for a failed inspection/failed re-inspection and the other for the inability to inspect (i.e., if the licensee cancels/does not appear for the inspections three times).

Discussions were held regarding the length of time that should occur between the initial failed inspection and a re-inspection. Because of the nature of the practice of real estate, Mr. Lee and Mr. Rinehart agreed that re-inspections should occur at least 3 months after the initial failed inspection. This provides offices with enough time for new files to be generated and then reviewed to determine if the office has addressed the issues identified at the initial inspection.

PUBLIC COMMENTS

On behalf of SCR, Mr. Kremydas and Mr. Smallwood thanked the Taskforce and the Commission for their efforts on this project.

ADJOURNMENT

The meeting adjourned at 3:02 P.M.