

**South Carolina Real Estate Commission
Meeting Minutes**

Wednesday, June 12, 2024 at 10:00 am
110 Centerview Dr., Kingstree Building, Upstate Conference Room
Columbia, South Carolina 29210

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.

Commissioners Present:

John Rinehart, Vice Chair – 5th Congressional District
Allen Wilkerson – 2nd Congressional District
David Burnett – 4th Congressional District
W. Brown Bethune – 7th Congressional District
Johnathan Stackhouse – Public Member

SCLLR STAFF PRESENT:

Erica Wade, Commission Executive
Ashlynn Brown, Administrative Coordinator
Kyle Tennis, Esq., Office of Advice Counsel
Meredith Buttler, Program Director
Rowland Alston, Esq., Office of Disciplinary Counsel
LeAnna McMenamin, Esq., Office of Disciplinary Counsel
Erin Baldwin, Esq., Office of Disciplinary Counsel
Shannon Davis, Esq., Office of Disciplinary Counsel
Kim Long, Office of Disciplinary Counsel
Sonya Morse, Office of Disciplinary Counsel
Wattie Wharton, Lead Investigator Office of Investigations and Enforcement
Chuck Waters, Office of Investigations and Enforcement
Chuck Turkal, Office of Investigations and Enforcement

PRESENT:

Nadine Garrett, Court Reporter
Austin Smallwood, Esq., SCR
Tony Smalls
Kamal Buxani
Crystal Horton

CALLED TO ORDER: Mr. Rinehart called the meeting to order at 10:02 a.m.

INVOCATION

Mr. Burnett gave the invocation.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by all present.

INTRODUCTION OF COMMISSIONERS AND STAFF

Commissioners and staff introduced themselves.

APPROVAL OF EXCUSED ABSENCES

Motion: To approve the absences of Andy Lee, Candace Pratt, Janelle Mitchell, and Gary Pickren.

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

APPROVAL OF AGENDA

Motion: To approve the agenda as written.

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

APPROVAL OF MEETING MINUTES

Motion: To approve the April 11, 2024 meeting minutes.

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

Motion: To approve the April 4, 2024 Inspection Taskforce meeting minutes.

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

CHAIRMAN'S REMARKS

None

STAFF REPORTS

a. Office of Investigations and Enforcement (OIE) Report

Mr. Wharton reported that from January 1, 2024, to June 7, 2024, 567 complaints have been filed. OIE currently has 273 active investigations and 79 cases have been closed during that time period.

b. Investigative Review Conference (IRC) Report

Mr. Wharton reported that the IRC met on May 28, 2024, via WebEx. The IRC recommends the following: 6 cases for dismissal, 4 cases for letters of caution, 2 cases for Cease and Desist, and 5 formal complaints.

Mr. Burnett questioned Case 2023-18, which reflected unlicensed practice but the IRC logic identified it as a dismissal. Mr. Wharton stated an order to cease and desist was sent, so the case was dismissed.

Motion: To accept IRC recommendations as presented.

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

c. Office of Disciplinary Counsel (ODC) Report

Mr. Alston reported as of May 29, 2024, there are 36 open cases of which 21 are pending hearings and agreements, 0 pending closure, 0 appeal, and 5 have been closed since the last report.

d. Board Executive Report

Mrs. Wade reported there are currently 6,124 active broker-in-charge licensees; 1,256 active-in-renewal broker-in-charge licensees; 4,078 active broker licensees; 902 active-in-renewal broker licensees; 25,955 active associate licensees; 7,878 active-in-renewal associate licensees; 1,329 active property manager-in-charge licensees; 191 active-in-renewal property manager-in-charge licensees; 1,716 active property manager licensees, and 207 active-in-renewal property manager licensees. The Commission was also presented the totals for timeshare salesperson registrants, real estate or property management office registrations, and initial application volume from 2015 to present.

The Commission's current account balance as of April 30, 2024, is \$6,530,663.86. Also included in the meeting materials is the cash balance report for the Education and Research Fund as well as the Timeshare Fund.

Staff is working with advice counsel regarding the legislative update to ensure the website, forms, and education providers are all up to date to reflect the new laws. Staff has also sent an e-blast to licensees regarding the new legislation as well.

e. Financial Report

Mrs. Buttler Provided a financial report regarding items the Finance Taskforce previously approved. Staff has been diligently researching and meeting many vendors throughout the state in regards to the projects the Commission previously approved, in an attempt to create the best products. Staff looked into ways to maximize these investments for the future as well. Mrs. Buttler provided a brief update regarding the areas the Commission decided to allocate funds to.

Mrs. Buttler advised that list of topics for education courses and remediation courses were approved at the May 30th special-called WebEx meeting, and staff is currently working with vendors and providers to create these courses.

Mrs. Wade is coordinating with SCR on Agent Safety for the month of September. A new position with the Commission staff has been created and posted. This position is a part-time research assistant who will help with multiple projects, including the Licensee Guidelines.

Mr. Burnett asked if the outsource of course material would belong to the Commission. Mrs. Buttler confirmed that through the contracts, the course material will belong to the Commission. Mr. Bethune shared his thoughts that creating continuing education courses that are geared towards commercial real estate would be beneficial, not just the core course for commercial real estate.

Mr. Burnett questioned if wholesaling research is still needed even with the new law changes. Mr. Tennis stated that staff will determine if further research is needed in addition to the creation of the new law regarding wholesaling.

Mr. Burnett shared his concerns that the topic of supervision requires more research, he explained he would like to see how other states hold their brokers-in-charge and property managers-in-charge accountable. This is a topic that can be researched by the new part-time research position. If the Commission has suggestions for any other languages that forms can be translated to, to please notify Mrs. Wade.

Mrs. Buttler shared that Mrs. Brown has been working with I.T. with revisions to website and licensee portal. Staff is working with MLS, and they have found that the LLR bulk licensing verification system is a helpful tool. LLR is also working towards a subscription service for the bulk licensing verification system. Mr. Burnett stated he believes that there are providers/vendors that do software that could potentially work with LLR, it might be simpler. Mrs. Buttler explained that those individuals Mr. Burnett provided have been in contact with the LLR I.T.

Mrs. Buttler advised that the new part-time position and current staff members are working towards implementing newsletters again. In regards to the travel presentations, please let Mrs. Wade know if there are any groups or associations that would like for her to present. The part-time research assistant will work with LLR's communications department on these projects such as videos and communication messaging as well.

APPLICATION HEARINGS

Motion: To amend the agenda by moving Mr. Smalls' application hearing first and then Ms. Horton's application hearing.

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

Motion: To enter closed session.

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

a. **Tony Smalls**

Mr. Smalls appeared before the Commission for an associate 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 executive session for legal advice where no votes will be taken.

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

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

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

Motion: To approve Mr. Smalls to sit for the associate examination.

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

Motion: To return to open session.

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

b. Crystal Horton

Ms. Horton appeared before the Commission for a property manager application hearing. She waived her right to counsel and was sworn in by the court reporter. Applications hearings are recorded by a certified reporter in the event a verbatim transcript is necessary.

Motion: To approve Ms. Horton to sit for the property manager exam.

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

DISCIPLINARY HEARINGS

a. 2023-104

The purpose of this hearing was to consider the Memorandum of Agreement for Case No. 2023-104.

After opening statements were made, Mrs. McMenammin, with the Office of Disciplinary Counsel presented the State's case.

Disciplinary hearings are recorded by a certified court 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 Mr. Stackhouse, the motion carried by unanimous vote.

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

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

Motion: To accept the MOA to issue a Letter of Caution.

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

b. 2023-112 and 2023-178 Melanie Selmon FC

The purpose of this hearing was to consider a formal complaint for Case Nos. 2023-112 and 2023-178. Ms. Selmon did not appear before the Commission despite being properly noticed. After proving that Ms. Selmon was properly noticed, the State moved forward with the hearing.

Kim Long (LLR), Wattie Wharton (LLR), and Joseph Bandura served as witnesses for the state. All were sworn in.

After opening statements were made, Mr. Alston, with the Office of Disciplinary Counsel presented the State's case.

Disciplinary hearings are recorded by a certified court reporter in the event a verbatim transcript is necessary.

Motion: To permanently revoke Ms. Selmon's license.

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

OLD BUSINESS

a. Advertising Memo- Kyle Tennis

Mr. Tennis presented the advertising memo to reflect the new statutes that were signed into law effective May 21, 2024

Motion: To approve the memo with Vice Chair approval.

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

ADMINISTRATIVE LAW COURT FINAL ORDER FOR CASE 2022-324

Motion: To go into executive session where no votes will be taken.

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

Motion: To return to open session.

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

LEGISLATIVE UPDATE

Mr. Tennis provided the legislative update. Two new laws passed. The first was H.4754 that changed the Real Estate Practice Act, effective May 21, 2024, with certain advertising laws having later effective dates. The second law recently passed is S. 881, Prohibition of Unfair Real Estate Service Agreements, which became effective May 20, 2024. Additionally, Chapter 105 regulations regarding education became effective May 24, 2024. S.576 regarding alien ownership of real property did not pass, despite crossing over from the Senate to the House.

AGENDA TOPICS FOR FUTURE MEETINGS

None.

PUBLIC COMMENTS

Austin Smallwood with SCR asked a few questions that their office has received about the new license law:

- Is a current South Carolina broker with only 3-4 years' experience still able to upgrade to a broker-in-charge? The Commission advised yes; the law governing what is required to become a broker-in-charge did not change with the new law, so a licensee currently licensed as a broker can still upgrade to become a broker-in-charge without anything further.
- If a license was cancelled prior to the new law's effective date, is the 24-month reinstatement period in the new law applied retroactively? The Commission advised no, the 24-month reinstatement period would only apply to licensees that lapse on or after May 21, 2024, the effective date of the updated license law.
- Are there exceptions to the offer rejection form being required within 48 hours, such as with foreclosures? Mr. Rinehart advised this should be discussed at the August meeting.
- Licensees inquired if they completed excessive amounts of CE prior to May 21, 2024, can 4 hours of elective CE rollover to the next renewal cycle? The Commission advised that if the CE elective hours were taken prior to May 21, 2024, they do not rollover.
- When will the removal of the non-resident CE exemption take effect? The Commission advised this will go into effect starting with the 2025 renewal, and it will not affect the current 2024 renewal.

Mr. Smallwood requested that team name compliance during the 3-year interim between the current law and the effective date of the new team name law and wholesaling under new license law be added to the agenda for the August meeting.

ADJOURNMENT

Motion: To adjourn.

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

The meeting adjourned at 2:05pm