

**South Carolina Real Estate Commission
Meeting Minutes**

Wednesday October 9, 2024 at 10:00 am
110 Centerview Dr., Kingtree 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, 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:

John Rinehart, Chair – 5th Congressional District
David Burnett, Vice-Chair – 4th Congressional District
Candace Pratt – 1st Congressional District
Allen Wilkerson – 2nd Congressional District
William “Andy” Lee, Chair – 3rd Congressional District
Janelle Mitchell – 6th Congressional District
W. Brown Bethune – 7th Congressional District
Gary A. Pickren, Esq. – At-Large Member
Johnathan Stackhouse – Public Member

SCLLR STAFF PRESENT:

Erica Wade, Commission Executive
Ashlynn Brown, Administrative Coordinator
Carolyn Sutherland, Esq., Office of Advice Counsel
Meredith Buttler, Program Director
Erin Baldwin, Esq., Office of Disciplinary Counsel
Shannon Davis, Esq., Office of Disciplinary Counsel
Holly Beeson, Esq., Office of Communications and Governmental Affairs
Chuck Waters, Investigator, Office of Investigations and Enforcement
Wattie Wharton, Lead Investigator, Office of Investigations and Enforcement
Chuck Turkal, Investigator, Office of Investigations and Enforcement
Janina Coleman, Program Assistant

PRESENT:

Cortney Glover, Court Reporter
Austin Smallwood, Esq., SCR
Iocia Kelly

CALLED TO ORDER: Mr. Rinehart called the meeting to order at 10:01 am.

INVOCATION

Mr. Wilkerson 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

Janelle Mitchell and David Burnett will be arriving late.

APPROVAL OF AGENDA

Motion: To approve the agenda.

Moved by Mr. Lee and seconded by Mrs. Pratt, the motion carried by unanimous vote.

APPROVAL OF MEETING MINUTES

Motion: To approve the September 5, 2024 Special-Called meeting minutes.

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

Motion: To approve the September 11, 2024 Commission meeting minutes.

Moved by Mr. Lee and seconded by Mrs. Pratt, the motion carried by unanimous vote.

CHAIRMAN'S REMARKS

Mr. Rinehart spoke of Hurricanes Helene and the impending Hurricane Melton that have and will cause destruction in the Southeast and to keep those effected by these hurricanes in thoughts and prayers.

STAFF REPORTS

a. Office of Investigations and Enforcement (OIE) Report

Mr. Wharton reported that from January 1, 2024, to October 4, 2024, 771 complaints have been filed. OIE currently has 259 active cases and 158 cases have been closed during that time period.

Mr. Burnett joined the meeting at 10:08am.

b. Investigative Review Conference (IRC) Report

Mr. Wharton reported the IRC met on September 30th, via WebEx. The IRC recommends the following: 27 cases for dismissal, 0 cases for letters of caution, 1 Cease and Desist, and 8 formal complaints.

Mr. Pickren inquired if the recent increase of timeshare complaints the Commission is seeing is due to newer cases or if Investigations is moving older cases forward? Mr. Wharton advised that these are cases being moved forward. Mr. Pickren also inquired if there were other issues in case 2023-257. Mr. Wharton explained that the complainant had their own agent, And the allegations in the complaint were not supported by the evidence. Mr. Lee inquired if the complaints regarding unlicensed practice were related to wholesaling? Mr. Wharton explained that none of the cases on this particular report are

related to wholesaling. Mr. Pickren inquired if in a cease-and-desist case, are these particular cases not expedited? Erin Baldwin advised that a new agency process is in the works for complaints involving unlicensed practice, where those cases should be expedited and go through the complaint process quicker. Mr. Burnett inquired about case 2023-606 agent buying their own listing. Mr. Wharton stated that the respondent did disclose that they were the buyer, there were proper comps, and they even gave the seller an opportunity to waive.

Mr. Burnett asked if case 2024-349 was dismissed due to the sole reason of no response? Mr. Wharton said that respondent no longer works with the apartment complex and that they have no other way to contact the respondent. Mr. Burnett asked for confirmation that complaints regarding Home Owner's Associations ("HOA") do not fall under the Commission's jurisdiction. Mr. Wharton confirmed that was correct.

Mr. Burnett 2024-623, respondent license active at time of transaction, was this active through closing and payment of commission? Investigations show that the license was active through the whole transaction.

Mrs. Baldwin stated HOA complaints are increasing, but the only time the Commission may have jurisdiction is if the case involves a licensee action that is a violation of the practice act Mrs. Baldwin provided a brief overview of the complaint and investigation process. The Commission does require that property owners disclose whether the property is subject to an HOA on the Residential Property Condition Disclosure Statement. If the property is subject to an HOA, the property owner must also complete an addendum.

All other HOA matters and inquiries can be directed to the South Carolina Department of Consumer Affairs.

Motion: To accept IRC recommendations as presented.

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

Mrs. Mitchell joined the meeting at 10:20am.

c. Office of Disciplinary Counsel (ODC) Report

Mrs. Baldwin reported as of September 25, 2024, there are 41 open cases of which 21 are pending hearings and agreements, 0 pending closure, 0 appeals, and 1 has been closed since the last report.

d. Board Executive Report

Mrs. Wade reported there are currently 7,273 active broker-in-charge licensees; 4,895 active broker licensees; 33,550 active associate licensees; 1,507 active property manager-in-charge licensees; 1,961 active property managers. 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 August 31, 2024, is \$6,570,487.69. Also included in the meeting materials is the cash balance report for the Education and Research Fund as well as the Timeshare Fund.

Mrs. Wade introduced Mrs. Janina Coleman, the Commission's Program Research Assistant. Mrs. Coleman is doing a phenomenal job and has researched approximately 30 states as it relates to Broker Supervision. She is currently looking at language that other boards here at LLR are using as it relates to supervision. She has taken a deep dive into the state's laws, regulations, guidelines, best practices and delegation of responsibilities when it comes to supervision. To ensure that staff are addressing the Commission's concerns as it relates to supervision, please email and questions or concerns Mrs. Wade and staff will make sure they are addressed in the manual. Staff is hoping to have a draft of the manual for Commission review before the November meeting.

Staff will potentially hold the Wholesaling Taskforce meeting on October 15th, Commissioners who are on that taskforce meeting are asked to reach out to Mrs. Brown to confirm their attendance.

Mr. Pickren asked if there were any updates regarding the Financial Taskforce projects the Commission approved last year. Mrs. Buttler did provide a report regarding those financial projects at the June 12th Commission meeting, she did provide a brief updated from memory regarding these financial projects, particularly the Commercial core course. Mrs. Buttler stated she can work with Mrs. Middleton to try and develop a Commercial core course sooner if needed. Mrs. Buttler will provide an in depth updated financial report on those projects at the November 13th Commission Meeting.

NEW BUSINESS

- a. Discussion and Approval of Proposed Regulations 10-37: Meredith Buttler
Meredith introduced Holly Beeson with the Office of Communications and Governmental Affairs.

Motion: To enter into executive session for legal advice where no votes will be taken, to include Meredith Buttler and Holly Beeson.
Moved by Mr. Pickren and seconded by Mr. Lee, the motion carried by unanimous vote.

Motion: To exit executive session and return to public session.
Moved by Mr. Lee and seconded by Mrs. Pratt, the motion carried by unanimous vote.

Mrs. Buttler explained that proposed regulations are amendments to Chapter 10-37 in regards to the fees. The proposed amendments would bring the fees into compliance with the current statutes, as well as reorganization to allow for easier understanding, and removes fees that are no longer in used. If the Commission is interested in raising or

lowering fees, that determination can be made at a later date. The current proposed amendments are being brought before the Commission for approval

Mrs. Pratt inquired if the proposed amendments show a decrease in the Reinstatement fee? Mrs. Buttler explained that, administratively, the reinstatement fee was lowered prior to her arrival with the Commission and was previously known as the “late renewal fee”. The fee is being renamed in order to be in compliance with current statutes as there are no “late renewals” in the statutes, only reinstatement of licensure. Holly Beeson then re-introduced herself and stated that Legislature requested that change in the fee previously and staff had implemented the lowered fee due to the request.

Mr. Lee recommended that if the Commission is going to potentially work on the Chapter 105 Regulations, then it may be best to wait on approving the Chapter 10 Regulations so that both can be submitted to legislature at the same time.

Mrs. Mitchell was inquiring if the reinstatement term is the same as “late renewal”? Mrs. Buttler explained that the statutes do not have “late renewal” only “Reinstatement”, there is also no grace period for renewal. After the license expiration date, the license is placed in a lapsed status where no practice is allowed, and the licensee has 24 months to Reinstatement that license. At the end of the 24-month Reinstatement period, if the license is not reinstated, the license is then canceled.

Motion: To table regulatory changes to Chapter 10 until 2025.

Moved by Mr. Lee and seconded by Mrs. Pratt, the motion carried by unanimous vote.

b. Discussion of Proposed Regulations 105: Meredith Buttler

Mrs. Buttler stated that in keeping with the notice of drafting previously filed, staff have proposed recommendations to regulations 105, mostly consisting of administrative practice and updated to keep in compliance with current statutes.

Staff recommends to table the regulations until next year so that the Commission and staff can delve further into the regulations and provide a fuller regulation recommendation.

Motion: To table regulatory changes to Chapter 105 until 2025.

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

DISCIPLINARY HEARINGS

a. 2024-313 Iocia Kelly

The purpose of this hearing was to consider the Memorandum of Agreement (“MOA”) for Case No. 2024-313. Ms. Kelly appeared before the Commission and was not represented by counsel. Ms. Kelly was sworn in.

After opening statements were made, Mrs. Davis, with the Office of Disciplinary Counsel presented the State’s case. The respondent presented her case and answered questions posed by the Commission.

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

Motion: To dismiss the case.

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

Mr. Burnett explained his concerns with applicants who misrepresent on applications, he believes it is evident that the licensee did their best and that she was under the impression her record was expunged. Mr. Burnett expressed his appreciation to Ms. Kelly for cooperating with LLR. Mr. Pickren stated that for licensees and applicants, even if they are not 100% sure if a record has been expunged or not, it is better to report and disclose that information just to be on the safe side.

OLD BUSINESS

a. Guidance Document- Recent Settlement and SC Law- Carolyn Sutherland

Mrs. Sutherland explained that the Commission had previously requested advice council to draft the NAR settlement guidance document. The draft Guidance document was approved with administrative edits on September 5th. The draft guidance document was brought before the Commission again for approval on September 11th. The motion was made for advice council to make clerical edits with chair approval. Changes that were made by Chair were substantive rather than clerical. The Commission has the previous September 11th version of the guidance document and the version with Mr. Rinehart's edits for Commission review.

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

Moved by Mr. Pickren and seconded by Mr. Lee, the motion carried by unanimous vote.

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

Moved by Mr. Pickren and seconded by Mrs. Pratt, the motion carried by unanimous vote.

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

Moved by Mr. Pickren and seconded by Mrs. Pratt, the motion carried by unanimous vote.

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

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

AGENDA TOPICS FOR FUTURE MEETINGS

- Mr. Pickren requested a financial update from Mrs. Buttler regarding the Commission approved projects on the next agenda.
- Mr. Bethune requested Expungement information be added to the next agenda.
- Mr. Wilkerson requested a breakdown of revenue that comes from each category mentioned in the Chapter 10-37 regulations.
- Mr. Burnett requested that HOA management companies be added to the next meeting agenda.

PUBLIC COMMENTS

None

ADJOURNMENT

Motion: To adjourn.

Moved by Mr. Lee and seconded by Mr. Pickren, the motion carried by unanimous vote.

The meeting adjourned at 1:12 pm.