

**South Carolina Real Estate Commission
Meeting Minutes**

Thursday, November 14, 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, Chair – 5th Congressional District
David Burnett, Vice-Chair – 4th Congressional District
Allen Wilkerson – 2nd Congressional District
William “Andy” Lee – 3rd Congressional District
Janelle Mitchell – 6th Congressional District
W. Brown Bethune – 7th Congressional District
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 Manager Business Boards
Erin Baldwin, Esq., Office of Disciplinary Counsel
Shannon Davis, Esq., 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
Jennifer Farmer, Office of Investigations and Enforcement
Donnell Jennings, Program Manager Office of Investigations and Enforcement
Janina Coleman, Program Assistant

PRESENT:

Katherine Boone, Court Reporter
Austin Smallwood, Esq., SCR

CALLED TO ORDER: Mr. Rinehart called the meeting to order at 10:15 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 absence of Gary Pickren and Candace Pratt.

Mr. Lee made a motion to approve, which was seconded by Mr. Bethune. The motion carried by unanimous vote.

APPROVAL OF AGENDA

Motion: To approve the agenda as written.

Mr. Lee made a motion to approve, which was seconded by Mrs. Mitchell. The motion was 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 November 4, 2024, 822 complaints have been filed. OIE currently has 255 active investigations and 158 cases have been closed during that time period.

b. Investigative Review Conference (IRC) Report

Mr. Wharton reported that the IRC met on August 29, 2024, via WebEx. The IRC recommends the following: 6 cases for dismissal, 4 case for letters of caution, 0 cases for Cease and Desist, and 4 formal complaints.

Mr. Lee inquired why case 2024-549 was recommended for dismissal. Mr. Wharton stated that the investigator could not locate the Respondent, and therefore was unable to verify the complaint or serve any orders for cease and desist, if one were obtained. Mr. Bethune asked if this complaint involved an individual or an LLC. Mr. Wharton stated the complaint was based on a roadside sign, so it is unclear if that involves an individual or corporate entity. Mr. Bethune inquired if there was a picture of the signage mentioned in the complaint case. Mr. Turkal stated there was a picture of the signage, however, there was no contact information provided. The name on the sign was common and the investigator could not narrow the list to a single individual. Mr. Burnett suggested contacting the LLC. Mr. Wharton stated that if they cannot find the individual, they cannot order a cease and desist to an entity. Mr. Lee requested that advice counsel and Office of Disciplinary Counsel research to determine if this is valid in South Carolina Law. Mr. Burnett asked Mr. Wharton what methods of contact are used to reach out to respondents. Mr. Wharton stated that Investigators call, email, and mail respondents. Mr. Burnett and Mr. Bethune both stated that the Commission is very interested in helping Investigators obtain any tools needed in order to assist in their investigations, including updated technology and computer programs.

Mr. Wilkerson entered the meeting at 10:24am.

Mr. Burnett inquired why case 2022-752 was recommended for a Letter of Caution. Mr. Wharton stated that the licensee did disclose that they were a licensee via email and it was disclosed on the MLS and first page of the contract. Licensees should be mindful that as a licensed salesperson, it is their responsibility to correctly draft, complete, and/or sign documents pertaining to the practice of real estate. While support staff are commonly used to assist in this aspect of your profession, is still the licensed individual's responsibility to ensure the accuracy of documents used in real estate transactions. Errors made in such documents can be detrimental to the parties involved seeking to buy and/or sell real estate.

Mr. Burnett voiced concerns with cases involving lapsed licenses. He stated that South Carolina Law Section 40-57-725(A), effective May 21, 2024, The department may refer any reports of violations of this chapter and Article 1, Chapter 1 of this title or any reports of violations of regulations promulgated under this chapter directly to the commission or may issue administrative citations and cease and desist orders in person or by certified mail and may assess administrative penalties against any individual or entity, including unlicensed individuals, for violations of this chapter as specified by the commission. He stated that this statute should be considered in cases dated after May 21, 2024 and going forward.

Mr. Stackhouse entered the meeting at 10:28am

Mr. Jennings with the Office of Investigations voiced his appreciation of the Commission's support and suggestions. His office will review to determine if any updated technology or computer programs/resources can be purchased for Investigations.

Mrs. Wade advised the Commission that staff will review Consent Agreement parameters with statute 40-57-725(A) in mind.

Motion: To accept IRC recommendations as presented.

Mr. Lee made a motion to accept the IRC recommendations as presented, which was seconded by Mr. Bethune. The motion was carried by unanimous vote.

c. Office of Disciplinary Counsel (ODC) Report

On behalf of Mrs. Baldwin, Mrs. Davis reported as of November 13, 2024, there are 43 open cases of which 8 are pending hearings and agreements, 1 pending closure, 0 appeals, and 5 have been closed since the last report.

d. Board Executive Report

Mrs. Wade reported there are currently 7,274 active broker-in-charge licensees; 4,911 active broker licensees; 33,768 active associate licensees; 1,518 active property manager-in-charge licensees; and 1,949 active 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 September 30, 2024, is \$6,461,775.05. The Cash balance report for the Education and Research Fund as well as the Timeshare Fund was included in the meeting materials.

Commissioners meeting materials included a breakdown of the revenues received over the last 3 years. The application and initial application fees are combined. Mrs. Wade noted a contrast shown in the revenues the Commission has received from renewal fees.

Mrs. Wade noted that the reciprocity application percentages are increasing. In Fiscal Year 2020 the percentage was 6%, in the Fiscal Year 2022 it was 10%, in the Fiscal Year 2024 it was 18%, and so far in Fiscal Year for 2025 it is at 23%. As residency is no longer a factor for reciprocity for both Georgia and North Carolina, staff feels that this accounts for the increase in reciprocity applications. Staff will continue to monitor these trends as we begin crafting regulations and fees updates.

Mr. Bethune asked if investigation costs are being included in Board orders. Mrs. Buttler stated that those particular fines can be added to Board orders. Mr. Wharton stated an affidavit is available for Investigations to use for investigative costs and that can be implemented immediately.

Mr. Burnett questioned why the Renewal numbers and the 2023 and 2024 renewal income numbers do not correlate or reflect the revenue reduction. Mrs. Buttler stated the numbers pulled are directly from the LLR system and does not reflect reinstatement. However, the fees do reflect the Reinstatements. The internal codes cannot be broken down. With the end of the Fiscal year happening mid-year, that would reflect some of the discrepancies. Mrs. Buttler also stated that the \$10.00 deducted for Education and Research fund, which has grown, is separate and is not being reflected in those particular numbers for renewal and reinstatement.

e. Education Report- Joi Middleton

Mrs. Middleton provided the Commissioners with a breakdown of Associate, Broker, and Property Manager examinations from June 2024 to September 2024; to include pass rates and first time fails/passes.

Mr. Burnett stated that after review of the breakdown, the June results for Associates first time fail/passes are not correlating. Mrs. Middleton stated that the first time national and state examination numbers should be the same, she will go through the files and determine why the numbers from PSI are provided as such.

Mr. Bethune inquired what classroom education from 2020 pass/fail rate was. Mrs. Middleton stated she believes it was around 60%, Mrs. Buttler reported that she did a research deep dive of in-person vs. hybrid vs. online classroom examination results, that research will be provided at the December meeting

Mrs. Middleton stated that staff are in the process of an audit development plan. She gave a brief overview of the research and standards staff have conducting/drafting and are continuing to do.

f. Financial Report- Meredith Buttler

Mrs. Buttler provided an update on the financial report regarding items the Finance Taskforce previously approved. The Commission was provided a breakdown of sections of the Commission revenues and the estimated amount the Commission will spend on each category section. 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.

Commissioner Burnett asked about the provider who will be working on the Remediation courses. Mrs. Buttler stated that staff is working with the State Fiscal Accountability Authority's Materials Management Office (MMO) on two Requests for Formal Proposals (RFPs). The two RFPs being for two 6-year contracts, one for the awarded provider to develop programs and materials for IDW courses to be offered twice a year. The other RFP is for the awarded provider to create Residential Mandatory Core Courses, Commercial Mandatory Core Courses, and Broker-in-Charge Mandatory Courses. The awarded provider of the RFP will also be working on the Remediation courses. All materials will be owned by the Commission. Staff will have a meeting with MMO in mid-December to finalize the RFPs, Mrs. Buttler is hopeful these will be posted to the general public by January. There is no current timeline for how long the proposal will be posted. Staff will keep the Commission updated on the process of these proposals. The Commission will be given opportunity to review the course material before it is approved and posted for licensees.

Mr. Bethune recommended that staff contact IREM as well as CCIM, IREM is college accredited and might provide experienced and education opportunities the Commission may be interested in.

Mr. Burnett inquired if staff could review if the National Association of Realtors (NAR) Fairhaven course and see if that particular course could count towards continuing education credit.

OLD BUSINESS

a. Proposed Guidance Document on Wholesaling Under New License Law- Carolyn Sutherland

Mrs. Sutherland provided a brief overview of the guidance document.

Motion: To post the guidance document to the website and send an e-blast to licensees with Chair approval.

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

NEW BUSINESS

a. Supervision Guidelines- Erica Wade

Mrs. Wade provided a brief overview of the supervision guidelines documentation. The purpose of the document is to provide Broker-in-Charges (BIC) and Property Manager-in-Charges (PMIC) guidance for proper supervision of supervised licensees. Mrs. Coleman, who researched and created the document, was in attendance to answer the Commission's questions.

Mr. Lee asked if any state has a limit on the number of licensees a BIC or PMIC can supervise. Mrs. Coleman stated that during her research there were no other states with limits in place.

Mrs. Mitchell asked if any state has a limit on the number of offices a BIC or PMIC can oversee. Mrs. Coleman stated during her research she found that no states have a limit, however, some states have radius restrictions.

Motion: To go into executive session for legal advice, where no votes will be taken, and to include Erica Wade and Janina Coleman.

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

Motion: To return to open session.

Moved by Mr. Stackhouse and seconded by Mr. Lee. The motion carried by unanimous vote.

Mrs. Sutherland stated staff will continue to work on guidelines and an updated draft will be added to a future agenda. This will be a working document and staff will post the supervision guidelines on the website for public comment.

b. Expungement Information- Carolyn Sutherland

At the previous meeting, Commissioners requested staff to research expungement as there have been multiple application hearings where applicants were under the impression that their older convictions had been expunged but were in fact not. Mrs. Sutherland explained that the Commission did not have jurisdiction to instruct applicants or licensees on how to complete the expungement process. Each state jurisdiction has their own laws and processes for expungements. It is the responsibility of the individual to verify with the respective jurisdiction that the expungement(s) they applied for have been completed and processed appropriately.

Motion: To go 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 return to open session.

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

c. Travel approval for 2025 CLEAR

Mrs. Wade requested travel approval for 2 staff members and Advice Counsel to attend the 2025 CLEAR Winter Symposium in Savannah, Georgia on January 15, 2025.

Motion: To approve for reimbursement of 2 staff members and Advice Counsel to attend the CLEAR Winter Symposium.

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

Mrs. Wade requested travel approval for Meredith Buttler to attend the CLEAR Midyear Business Meeting in Savannah, Georgia from January 15-17,2025.

Motion: To approve reimbursement for Meredith Buttler to attend the CLEAR Midyear Business Meeting.

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

d. Travel approval for 2025 ARELLO Leadership Symposium

Mrs. Wade requested travel approval for John Rinehart and Wattie Wharton to attend the 2025 ARELLO Leadership Symposium in Scottsdale, Arizona from January 7-10, 2025 for leadership training and strategic planning. Those invited to participate are the 2025 members of ARELLO's Executive Committee, Board of Directors, and Chairs/Vice Chairs of committees.

Motion: To approve reimbursement for Mr. Rinehart and Mr. Wharton to attend the 2025 ARELLO Leadership Symposium.

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

e. Travel approval for 2025 ARELLO Mid-Year

Mrs. Wade requested travel approval for up to 4 Commissioners and up to 5 staff members to attend the ARELLO Mid-Year Meeting in San Diego, California from April 14-16, 2025.

Motion: To approve for up to 4 Commissioners and up to 5 LLR staff members to be reimbursed for travel to the 2025 ARELLO Mid-Year Conference.

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

AGENDA TOPICS FOR FUTURE MEETINGS

None

PUBLIC COMMENTS

None

ADJOURNMENT

Motion: To adjourn.

Moved by Mr. Lee and seconded by Mrs. Mitchell. The motion carried by unanimous vote.

The meeting adjourned at 1:20pm.