

**South Carolina Real Estate Commission
Meeting Minutes**

Wednesday, January 15, 2025 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.

Commissioners 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 – 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
Brandy Duncan, Esq., Office of Advice Counsel
Joi Middleton, Education Manager
Erin Baldwin, Esq., Office of Disciplinary Counsel
Shannon Davis, Esq., Office of Disciplinary Counsel
LeAnna McMenamin, 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

PRESENT:

Elizabeth Holt, Court Reporter
Austin Smallwood, Esq., SCR
Anthony Nalley
David Anderson, Esq.
Angela Reid
Tina Graham
Atlas Fathalla
Daniel O’Heara
Reah Smith

CALLED TO ORDER: Mr. Rinehart called the meeting to order at 10:03 a.m.

INVOCATION

Mrs. Mitchell 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 AGENDA

Motion: To approve the agenda.

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

APPROVAL OF MEETING MINUTES

Motion: To approve the December 11, 2024 meeting minutes with amendment.

Mr. Lee made a motion to approve, which was seconded by Mr. Stackhouse. The motion carried by unanimous vote. Mrs. Pratt abstained from voting due to not being present for the motion. Mr. Wilkerson abstained from voting due to not being present at the December 11, 2024 meeting.

CHAIRMAN’S REMARKS

Mr. Rinehart shared his experience with ARELLO conference in Arizona. He encourages all commissioners to attend future ARELLO conferences and to view the Commissioner’s College and new bylaws on the ARELLO website.

STAFF REPORTS

- a. Office of Investigations and Enforcement (OIE) Report
Mr. Wharton reported that from January 1, 2024, to December 31, 2024, 887 complaints have been filed. OIE currently has 260 active investigations and 194 cases have been closed during that time period.

- b. Investigative Review Conference (IRC) Report
Mr. Wharton reported that the IRC met on December 18, 2024, via WebEx. The IRC recommends the following: 15 cases for dismissal, 4 cases for a letter of caution, and 2 cases for Cease and Desist.

Motion: To accept IRC recommendations as presented.

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

Mrs. Pratt entered the meeting at 10:14am.

c. Office of Disciplinary Counsel (ODC) Report

Mrs. Baldwin reported as of January 7, 2025, there are 46 open cases of which 8 are pending hearings and agreements, 0 pending closure, 0 appeals, and 4 have been closed since the last report.

d. Board Executive Report

Mrs. Wade reported there are currently 7,290 active broker-in-charge licensees; 4,906 active broker licensees; 33,750 active associate licensees; 1,543 active property manager-in-charge licensees; and 1,977 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 November 30, 2024, is \$5,993,468.30. The Cash balance report for the Education and Research Fund as well as the Timeshare Fund was included in the meeting materials. Mr. Burnett requested a report of how funds are being spent, staff advised they will review the breakdown of the funds and will report back to the Commission.

With the approval of the Chair, an eblast was sent to all BIC and PMICs referencing Office Inspections. Staff received a numerous number of calls and emails about the eblast. If any of your constituents contact you about the eblast, you can let them know that this is part of the communication plan to educate the licensees as to the legitimacy of the requests. The inspections team have been receiving push back from the licensees thinking it the inspection requests were scams. Should they receive any communications from the team, they can contact the inspections team to verify its legitimacy, and follow the instructions presented. Mr. Pickren inquired if Mr. Wharton knew what inspections were looking for during an inspection. As the Lead inspector Jennifer Stillwell was out of the today, Mr. Wharton gave a brief summary of what inspectors are looking for to ensure compliance with the law.

Staff is now shifting gears and preparing for renewals for all licensees with the expiration dates of June 30, 2025. Renewals will begin April 1, 2025. So, I ask that when you are speaking with members of your associations, advise them that if they are up for renewals this year to please ensure that their emails, address, and other contact information is accurate in the system. We will begin sending out renewal reminders soon.

e. Education Report- Joi Middleton

Mrs. Middleton reminded the Commission that they previously approved the use of online proctoring for pre-licensing courses on an annual basis. Included in the Commissioners' meeting materials was a draft of proctoring guidelines for providers. To develop these guidelines, staff reached out to multiple providers to gain insights into existing online proctoring protocols. Based on this research, staff compiled and organized the information into the following key categories.

- Preparation prior to the exam: Steps providers and students must take to ensure a smooth and securing proctoring experience.
- Protocols during the exam: Standards and expectations for monitoring communications and addressing issues that may arise.
- Intake of Complaints after the exam: Procedures for handling and resolving complaints related to the proctoring process.

These guidelines are designed to provide clarity and consistency for providers while maintaining the integrity of the exam process. If Commissioners have any additions, changes, or comments, please email them to Mrs. Middleton.

Also enclosed in the Commissioners' meeting materials were two documents for review regarding real estate course auditing. The first document is a student evaluation form; While most providers already have a standard evaluation form, this new form is intended to supplement existing evaluations. It includes additional questions to gather insights that may assist audit monitors in identifying issues not typically addressed during standard course evaluations. Staff recommended distributing this form as an example for providers, encouraging them to update their evaluations to include this additional information and begin implementation at the conclusion of each course. The second document is a Synchronous Course expectation document; This document outlines standards for providers and students participating in virtual courses. After consulting with several providers, this guide was developed to establish clear expectations for allowing practices and behaviors in synchronous courses. Once approved, staff proposed sending this notification to providers and posting it to the website as a resource to promote consistent practices for virtual course settings. Should the Commissioners have any questions or edits, email Mrs. Middleton with revisions and staff will resubmit to the Commission for approval at the next meeting.

Mr. Burnett suggested an online survey/evaluation that students complete in last 10 minutes of the course and the results be sent directly to the Commission office. Mr. Stackhouse inquired if there is a grading scale or an outcome for the evaluations? Mrs. Middleton stated that staff is working on that aspect as well. Mrs. Duncan advised that the Commission could look into adding student evaluations into Regulations.

Regarding the Commercial and Broker-in-Charge Core Courses, Staff has collaborated with the Institute of Real Estate management (IREM) to develop a 4 - hour commercial core course for licensees renewing in 2025. The course will focus on managing various types of real estate, creating marketing and leasing plans, conducting financial analysis,

and implementing property management best practices. The Broker-in-Charge course will be updated and developed by the Provider at the end of the upcoming Renewal period.

Mr. Wilkerson stated that the Commercial Core Course seems to contain more property management information and suggested to make part 1 of the course less management intensive. Mr. Wilkerson offered his services to assist Mrs. Middleton and staff with the course content. Mr. Pickren suggested the Commercial Core Course include more introduction to South Carolina law. The Commission requested Mrs. Middleton to continue working on the course.

The Commission agreed to move the hearing for case 2023-272 to be heard first.

DISCIPLINARY HEARING

a. 2023-272 – Angela Reid

The purpose of this hearing was to consider the Memorandum of Agreement (“MOA”) for Case No. 2023-272. Ms. Reid appeared before the Commission and was represented by Mr. David Anderson. Esq. Ms. Reid and Mr. Nalley were sworn in.

Mr. Stackhouse recused himself from the hearing due to knowing the respondent.

Mr. Anderson requested the Commission approve this case for a closed hearing. The Commission granted the request.

After opening statements were made, Mrs. McMenamain, 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. Pickren and seconded by Mr. Lee, the motion carried by unanimous vote.

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

Motion: With respect to Case No. 2022-314, the state had proven Respondent violated S.C. Code Ann. § 40-57-710(A)(2) and S.C. Code Ann. § 40-57-710(A)(5).

The motion included the following sanctions: Respondent be issued a public reprimand, respondent’s license be placed on a 6-month suspension, 12 hours of continuing education on ethics, of which one of the courses must be the three-hour course on Avoiding Deceptive Practices (which will not count towards licensure renewal) and a \$4,000 fine per violation totaling \$8,000; the continuing education and fines must be completed before the suspension ends, respondent be placed on a 5-year probation in which the respondent cannot

change the license type during that time, and respondent must come before the Commission for an application hearing if they ever intend to upgrade their license.

Moved by Mr. Lee and seconded by Mr. Bethune, the motion carried by vote of 7 in favor to 1 opposed.

LUNCH BREAK

Mr. Stackhouse returned to the meeting.

It was noted that the Commission failed to return to open session prior to publicly discussing and voting on the allegations in Ms. Reid's case. Therefore, upon the Commission's return from lunch the following took place.

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

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

Motion: With respect to Case No. 2022-314, the state had proven Respondent violated S.C. Code Ann. § 40-57-710(A)(2) and S.C. Code Ann. § 40-57-710(A)(5).

The motion included the following sanctions: Respondent be issued a public reprimand, respondent's license be placed on a 6-month suspension, 12 hours of continuing education on ethics, of which one of the courses must be the three-hour course on Avoiding Deceptive Practices (which will not count towards licensure renewal) and a \$4,000 fine per violation totaling \$8,000; the continuing education and fines must be completed before the suspension ends, respondent be placed on a 5-year probation in which the respondent cannot change the license type during that time, and respondent must come before the Commission for an application hearing if they ever intend to upgrade their license.

Moved by Mr. Lee and seconded by Mr. Bethune, the motion carried by vote of 7 in favor to 1 opposed. Mr. Stackhouse abstained from the discussion or voting due to being recused from the hearing.

Mrs. Pratt left the meeting at 12:30pm

b. 2024-144 Atlas Fathalla

The purpose of this hearing was to consider the Memorandum of Agreement ("MOA") for Case No. 2024-144. Mr. Fathalla appeared before the Commission and was not represented by counsel. Mr. Fathalla and Mr. O'Heara were sworn in.

After opening statements were made, Mrs. Davis, with the Office of Disciplinary Counsel presented the State's case. The respondent presented his 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 enter into executive session for legal advice where no votes will be taken. Moved by Mr. Lee and seconded by Mr. Wilkerson, the motion carried by unanimous vote.

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

Motion: With respect to Case No. 2024-144, the state had proven Respondent violated S.C. Code Ann. § 40-57-710(A)(24). The motion included the following sanctions: Respondent be issued a public reprimand, respondent pay a \$1,000 fine within 60 days from the date of the final order; and within 6 months from the date of the final order, must take 8 hours of continuing education that can include the 4 hour “A Walk through the Law” course respondent has recently taken prior to the date of the final order (which will not count towards licensure renewal). Moved by Mr. Pickren and seconded by Mr. Wilkerson, the motion carried by unanimous vote.

APPROVAL OF EXCUSED ABSENCES

Motion: To approve the absence of Candace Pratt. Mr. Bethune made a motion to approve, which was seconded by Mrs. Mitchell. The motion carried by unanimous vote.

REGULATION TASKFORCE

- a. Progress Update- Andy Lee
Mr. Lee provided a brief progress update, including potential regulations subjects the Regulation Taskforce discussed at the taskforce meeting that was held January 8, 2025 via WebEx. Potential regulations subjects discussed were:
- Marketing & Advertising
 - Wholesaling
 - Teams
 - Written Office Policy
 - Citations
 - Administrative processes

Mr. Lee notified the Commission that the taskforce will meet again before the February 12th Commission meeting.

NEW BUSINESS

a. S.881 Prohibition of Unfair Real Estate Service Agreements

Mrs. Duncan notified the Commission that staff has become aware of allegations that a particular Brokerage is sending reminder letters to property owners of listing agreements that are technically now void due to the passage of Bill S.881. Staff is requesting guidance from the Commission how to handle situations involving letters such as these.

Motion: To enter into executive session for legal advice where no votes will be taken.
Moved by Mr. Lee and seconded by Mr. Bethune, the motion carried by unanimous vote.

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

The Commission charged advice counsel with preparing an informational document to share with the public, as well as drafting a form referral letter that can be used to refer such documents/cases to the South Carolina Attorney General's Office when appropriate.

b. Criminal Convictions Not Disclosed on Application for Non-Disqualifying Offenses

Mrs. Duncan stated that in her reviews with staff, she has noticed that there are applicants that answer no to the personal history questions regarding criminal convictions on their initial applications, but do have criminal convictions that appear on the criminal background checks and those convictions by themselves would not normally trigger the need an application hearing. Mrs. Duncan is asking the Commission for approval for Advice Counsel to approve applicants in this particular situation for exam eligibility through a Consent Agreement where the applicant must complete the course Disclose, Disclose, Disclose prior to being licensed.

Mrs. Duncan stated this would allow the application process to move more efficiently and to move forward application hearings that really need the attention of the Commission.

Motion: To have Consent Agreements with the Disclose, Disclose, Disclose course be approved at Chair level for non-disqualifying criminal offenses including current applicants that the Advice Counsel and Executive have previously reviewed that pertain to this instance.
Moved by Mr. Lee and seconded by Mr. Stackhouse, the motion carried by unanimous vote.

c. Proposed 2026 Meeting Dates

Before Mrs. Wade introduced the proposed 2026 Meeting Dates to the Commission, she requested the Commission approve a few specific 2025 meeting dates to be changed.

Mrs. Wade requested the Commission to approved the April 9-10, 2025 Meetings to be changed to a one-day meeting to be held on April 23, 2025. She also requested the

Commission to approve the August 13-14, 2025 Meetings to be change to a one-day meeting to be held on August 7, 2025.

Motion: To approve the 2025 Commission Meeting date changes for the months of April and August.

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

Mr. Stackhouse left the meeting at 3:15pm.

Mrs. Wade provided two different calendars for the 2026 Meeting dates. One suggestion would allow for the Commission to meet two days every other month, which would be a total of 12 meeting days. This schedule would result in loss of one meeting day compared to the 2024 meeting schedule, but would be more cost and time efficient for those who travel. The second suggestion was a list of dates similar to the 2025 Meeting dates. The Commission stated they will review the proposed 2026 meeting dates and bring the proposed calendar to the next Commission Meeting. Staff will make minor changes to the proposed 2026 meeting date based upon comments from the Commission, and present them at the February 12th Commission meeting.

- d. Travel Approval- 2025 ARELLO Legal Exchange and Regulatory Investigator/Auditor
Mrs. Wade requested travel approval for Mr. Rinehart to attend the 2025 ARELLO Legal Exchange and Regulatory Investigator/Auditor Resource Meeting for July 15-17, 2025 in Denver, Colorado.

Motion: To approve for reimbursement of Mr. Rinehart to attend the 2025 ARELLO legal Exchange and Regulatory Investigator/Auditor Resource Meeting July 15 -17, 2025 in Denver, Colorado.

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

Motion: To approve Mr. Stackhouse to be excused for the rest of the meeting.

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

AGENDA TOPICS FOR FUTURE MEETINGS

- Mrs. Duncan stated that staff has received multiple inquiries regarding property management, and requested the topic of licensure in regards to a property owned by private owner be considered for the next meeting agenda.
- Mrs. Duncan stated that staff has received an inquiry regarding Associate licensees that move from Associate to Broker. Normally Associates that take the Broker IIIA and IIIB course can be exempt from continuing education if they renew as an Associate during the licensure renewal. However, those who complete it and get licensed for Broker prior to the licensure renewal, must still complete continuing education. She believes this to be an upcoming topic the Commission may need to consider potential regulation(s) for.

Motion: To charge staff and Advice Counsel to review and bring to the Commission for any clarifications or approvals.

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

- Mr. Burnett requested the topic of extenuating circumstances for Broker licensure be added as a future agenda topic.

PUBLIC COMMENTS

Reah Smith advised she has experienced the issue Mrs. Duncan spoke of when moving from Associate to Broker and still needing to take 10 hours of continuing education. She believes that it would be beneficial to licensees in the same situation if the Commission could find a way to allow for continuing education exemption for those who take the Broker IIIA and IIIB and become licensed for Broker prior to the licensure renewal.

Austin Smallwood (SCR) thanks the Commission for comments on inspections in the e-blast. He requested that once the new Inspection form is completed, for the Commission share with the public so that licensees can review and be prepared for any future inspections. Mr. Smallwood stated that in statute, the experience needed to become a South Carolina Broker does not exactly state must be South Carolina licensure experience. Mrs. Duncan stated the Commission provided clarification in October 2023 that explains South Carolina associate licensure experience is needed for Broker licensure. The Commission agreed to assess the statutes to determine if the experience needed for Broker/Broker-in-Charge licensure must be South Carolina licensure experience. This topic will be added as a future agenda item.

Regarding Showing Agents, Mr. Smallwood stated he is unaware of a statute stating that agents of a brokerage cannot hold an open house for another brokerage. The Commission stated that licensees cannot hold an open house for anyone outside of their brokerage.

Mr. Smallwood requested the Commission consider installment contracts be added as a future agenda topic.

ADJOURNMENT

Motion: To adjourn.

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

The meeting adjourned at 3:31pm