

MINUTES

South Carolina Real Estate Commission

Wednesday, May 16, 2018 9:00am

Synergy Business Park, Kingstree Building, Conference Room 105

110 Centerview Drive, Columbia, South Carolina 29210

Meeting Called to Order:

Chair Pratt called the meeting of the South Carolina Real Estate Commission to order at 9:00 a.m. Board members participating in this meeting included:

Candace Pratt – Chair - 1st Congressional District
Andy Lee – Vice Chair - 3rd Congressional District
David Crigler – 4th Congressional District
David C. Lockwood, III - 2nd Congressional District
John Rinehart – 5th Congressional District
Janelle Mitchell – 6th Congressional District
Wayne Poplin – At-Large Member
Johnathan Stackhouse – Public Member

Staff members participating during the meeting included Roderick Atkinson, Board Administrator; Wanda Cooke, Administrative Assistant; Gigi Lewis, Office of Advice Counsel; Sharon Cook, Office of Investigations and Enforcement; Rowland Alston, Office of Disciplinary Counsel.

Public Notice:

Chair Pratt announced that public notice of this meeting was properly posted at the S.C. Real Estate Commission Office, Synergy Business Park, Kingstree Building, 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.

Pledge of Allegiance:

The Pledge of Allegiance was recited by all present.

Invocation:

Invocation was offered by Commissioner Rinehart.

Approval of Absences:

Scott McNew – 7th Congressional District

MOTION:

Mr. Crigler made a motion to approve the absence of Mr. McNew. Mr. Stackhouse seconded the motion, which was carried unanimously.

Introduction of Board Members and Staff

Approval of Agenda:

Item #1 under Disciplinary Hearings, has been cancelled.

MOTION:

Mr. Lockwood made a motion to approve the Agenda, as amended. Mr. Rinehart seconded the motion, which carried unanimously.

Approval of the Meeting Minutes from April 18, 2018

MOTION:

Mr. Lockwood made a motion to approve the minutes of the April 18, 2018 meeting. Mr. Poplin seconded the motion, which carried unanimously.

Chair's Remarks:

Candace Pratt

Chair Pratt informed the Commission that she and David Lockwood met with Director Emily Farr prior to today's meeting. Topics of discussion were 1) new offices being inspected and 2) newsletter to be published.

Vice Chair Lee updated the Commission on a recent meeting he had with Representative Sandifer to discuss concerns regarding the requirement for fingerprinting associated with background checks for renewals. Ongoing discussions will continue.

Administrator's Remarks:

Rod Atkinson

1. Licensure Update as of May 9, 2018

• Broker	5182
• Broker in Charge	7608
• Property Manager	1597
• Property Manager in Charge	1268
• Salesman	26610
TOTAL ACTIVE	42,265
• Inactive Broker	1503
• Inactive Property Manager	637
• Inactive Salesman	6199
TOTAL INACTIVE	8,339

**TOTAL CURRENT LICENSES
AS OF 5/9/18 50,604**

2. Budget Update –The Board reviewed the budget reports for April 2018.

Mr. Atkinson presented a proposed travel budget that Director Farr has requested for 2018-2019. The Commission reviewed the proposed budget, which was totaled at \$45,000. After discussion, the Commission requested that the proposed travel budget request for 2018-2019 be set at \$50,000.

MOTION:

Mr. Rinehart made the motion to approve the proposed travel budget request for 2018-2019 at \$50,000. Mr. Crigler seconded the motion, which carried unanimously.

3. **Investigations and Enforcement** – *Sharon Wolfe* presented the Commission with an overview of the opened and closed cases from January 1, 2018 – 2018, as well as the same time period for the previous year. Ms. Wolfe informed the Commission that all of the Real Estate inspectors have completed the Property Manager in Charge course.
4. **IRC Report** - The Commission reviewed the IRC report from May 7, 2018.

MOTION:

Mr. Rinehart made the motion to approve the *Dismissal* portion of the IRC report from May 7, 2018. Ms. Mitchell seconded the motion, which carried unanimously.

MOTION:

Mr. Lee made the motion to approve the *Dismissal Cease & Desist* portion of the IRC report from May 7, 2018. Mr. Crigler seconded the motion, which carried unanimously.

MOTION:

Mr. Poplin made the motion to approve the *Formal Complaint* portion of the IRC report from May 7, 2018. Ms. Mitchell seconded the motion, which carried unanimously.

MOTION:

Mr. Crigler made the motion to approve the *Letter of Caution* portion of the IRC report from May 7, 2018. Mr. Poplin seconded the motion, which carried unanimously.

MOTION:

Mr. Rinehart made the motion to approve the *Reconsideration Dismiss* portion of the IRC report from May 7, 2018. Mr. Crigler seconded the motion, which carried unanimously.

5. **ODC Report** – *Rowland Alston* presented the Office of Disciplinary Counsel case load report.
6. **Legislative Update** - *Mr. Atkinson* gave the Commission a brief update on pending legislation. It was noted that the Legislature has closed for this session.

Unfinished Business:

1. Renewal Late Fees

In previous meetings, the Commission has discussed recently introduced House Bill 5046 concerning reducing renewal late fees and adding a “grace period” before late fees are assessed. This bill did not pass in this session. The commission discussed reducing late fees by way of proposed regulations.

MOTION:

Mr. Lee made a motion to *submit proposed regulation changes* through the regulatory process to reduce the current late fee of \$25 per month to \$10 per month. The motion was not seconded. Discussion ensued.

MOTION:

Mr. Lockwood made a motion to *submit proposed regulation changes* through the regulatory process to reduce the current late fee of \$25 per month to \$15 per month. Mr. Rinehart seconded the motion, which carried with one opposed.

MOTION:

Mr. Crigler made a motion to enter Executive Session to receive legal advice. Mr. Lee seconded the motion, which carried unanimously.

MOTION:

Mr. Lockwood made a motion to enter Open Session. Mr. Lee seconded the motion, which carried unanimously.

APPLICATION HEARING

The CE Shop (Reconsideration)

The Commission held a reconsideration hearing regarding The CE Shop's applications to provide online Pre-Licensing Fundamentals and Advanced Principles courses in South Carolina. Michael McAlister, CE Shop, appeared before the Commission to present testimony, and was represented by James Burns, legal counsel. Discussion ensued.

MOTION:

Mr. Crigler made a motion to enter Executive Session to receive legal advice. Mr. Rinehart seconded the motion, which carried unanimously.

MOTION:

Mr. Crigler made a motion to enter Open Session. Mr. Lee seconded the motion, which carried unanimously.

MOTION:

Mr. Lockwood made a motion that with regard to the Commission's Order dated November 17, 2017, the Commission acknowledged interpretation that Distance Education shall apply to Pre Licensing Fundamentals and Advanced Principles courses. It was also motioned to advise applicants that it shall not be assumed that such courses will be approved within sixty (60) days and courses cannot be offered until obtaining full approval of the Commission. Mr. Crigler seconded the motion, which carried with 2 abstentions.

(This proceeding was recorded by a court reporter in order to produce a verbatim transcript if requested in accordance with the law.)

DISCIPLINARY HEARINGS

John Dukes

The Commission held a Disciplinary Hearing regarding John Dukes. Mr. Dukes appeared before the Commission to present testimony, and was not represented by Charles Dukes, legal counsel. Rowland Alston, Office of Disciplinary Counsel represented the state and presented the facts of the case. Discussion ensued.

Mr. Alston requested a continuance in the V.G. Lander case due to time constraints.

MOTION:

Mr. Lee made a motion to Continue the Hearing for V.G. Lander. Mr. Lockwood seconded the motion, which carried unanimously.

Testimony and discussion continued in the John Dukes Hearing.

MOTION:

Mr. Lee made a motion to enter Executive Session to receive legal advice. Mr. Rinehart seconded the motion, which carried unanimously.

MOTION:

Mr. Crigler made a motion to enter Open Session. Mr. Stackhouse seconded the motion, which carried unanimously.

MOTION:

Mr. Lee made a motion that the State has not met its burden of proof that violations have been committed, and all charged be dismissed. Mr. Lockwood seconded the motion, which carried unanimously.

(This proceeding was recorded by a court reporter in order to produce a verbatim transcript if requested in accordance with the law.)

Mr. Alston requested a continuance in the Jennifer Henley case due to time constraints.

MOTION:

Mr. Stackhouse made a motion to Continue the Hearing for Jennifer Henley. Mr. Poplin seconded the motion, which carried unanimously.

Gary Heinecke

The Commission held a disciplinary hearing regarding Gary Heinecke. Mr. Heinecke appeared before the Commission to present testimony, and was represented by Matt Henrikson, legal counsel. Rowland Alston, Office of Disciplinary Counsel represented the state and presented the facts of the case. Mr. Alston informed the Commission that Mr. Heinecke has signed a Memorandum of Agreement, and presented the details of that agreement. Discussion ensued.

MOTION:

Mr. Rinehart made a motion to enter Executive Session to receive legal advice. Mr. Lee seconded the motion, which carried unanimously.

MOTION:

Mr. Lee made a motion to enter Open Session. Mr. Crigler seconded the motion, which carried unanimously.

MOTION:

Mr. Lockwood made a motion to accept the Memorandum of Agreement, signed by the Respondent. Mr. Heinecke will be issued a Public Reprimand. Mr. Heinecke will be required to complete the Broker IIIB course within 180 days of the date of the Order. This course cannot be used for continuing education credits. There will be a penalty of \$1000 for item #1, and \$500 for each violation of # 2, 3 and 4, totally \$2500 to be paid within 90 days of the date of the Order. Mr. Heinecke's license will be suspended for a period of one year, stayed. License will be on probation for a period of one year. Mr. Poplin seconded the motion, which carried unanimously.

(This proceeding was recorded by a court reporter in order to produce a verbatim transcript if requested in accordance with the law.)

The meeting adjourned at 4:30 p.m.