

S.C. Real Estate Commission News

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Joseph J. Keenan Secretary
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The SCREC News is published as an informational and educational service to all licensees of the Real Estate Commission.

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Views expressed in articles by guest authors are not necessarily those of the Commission nor LLR nor should they be mistaken for official policy.

COMMISSION MEETINGS

The regularly scheduled meetings of the South Carolina Department of Labor, Licensing and Regulation, Real Estate Commission, are held at 10 a.m. on the third Wednesday of each month at the Commission offices. These meetings are open to the public. Dates are subject to change.



South Carolina Department of Labor,
Licensing and Regulation

Residential Property Condition Disclosure Act - A New Law

The Residential Property Condition Disclosure Act was passed during the 2001-02 legislative session and signed into law this summer by Governor Hodges. The Act mandates that beginning January 1, 2003, an owner of residential real estate (single-family homes and buildings with up to four dwelling units) must provide to a purchaser the completed property condition disclosure statement prior to signing a contract of sale. A task force made up of Commission staff and industry representatives developed the form, which was approved by the Commission at its September meeting.

A seller, whether or not he or she engages the services of a real estate licensee, must provide a purchaser with the disclosure statement, and it must be personally completed by the seller. Real estate licensees have an obligation to inform each owner in writing of his or her obligation as prescribed by the law. This disclosure statement must be provided in connection with the sale, exchange, option and sale under a lease with an option to purchase, but will not be required for some transactions, including the first sale of a dwelling, which has never been inhabited. You can view the entire law and a complete list of 13 exemptions on the Real Estate Commission's Web site www.llr.state.sc.us/rec.htm and download a copy of the form.

The Real Estate Commission will provide each brokerage office a copy of the approved disclosure statement form, which can be used for printing copies for office use. The Commission will not supply the form on an ongoing basis to real estate offices.

Beginning in December, the Department of Labor, Licensing and Regulation will conduct an awareness campaign to advise the public of this new law and its requirements.

Manufactured Homes - Who Must be Licensed?

If a real estate licensee takes listings on or purchases for resale manufactured homes, he/she may or may not be required to hold a proper license issued by the South Carolina Manufactured Housing Board.

According to S.C Code of Laws Title 40 Chapter 29, a person or entity who buys, sells or deals in three or more manufactured homes in any 12-month period is considered to be a manufactured homes retail dealer and must be licensed by the Manufactured Housing Board. The term retail dealer does not include licensed real estate salespersons or brokers who negotiate or sell a manufactured home for any seller who is the owner of not more than two manufactured homes.

When applying this law, the Manufactured Housing Board considers, among other things, the underlying principle of public protection, which requires a responsible party licensed by the Manufacturing Housing Board be involved in each transaction. To

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Commission Elects Officers

At the Commission's July meeting, Betty V. Carter, First Congressional District, was re-elected chairman and Evelyn K. Young, Fourth Congressional District, was re-elected vice chairman. Jay Keenan, at-large member, was elected secretary. All terms are for one year.

New Board Member



W. Steven Sloop Real Estate Commission. Sloop is a broker with

W. Steven Sloop has been appointed to serve as the Second Congressional District representative on the South Carolina

CENTURY 21 Bob Capes Realtors and has 26 years of experience in the real estate industry, including 15 years as the branch manager of CENTURY 21 Bob Capes Realtors, Irmo office.

Sloop has served in many capacities with the Greater Columbia Association of Realtors, including the Professional Standards Committee, where he served as chairperson for several terms. He holds the GRI and ABR professional designations.

Originally from Charlotte, N.C., he attended the University of North Carolina at Charlotte. Sloop and his family have lived in the Irmo area since 1973.

Rogers is New Receptionist

Gail C. Rogers has joined the staff of the Real Estate Commission as receptionist. She is a native of Columbia and a graduate of Dreher High School.

Gail earned a bachelor of science degree from Winthrop University and taught physical education in Richland School District 1. She was married to the late Larry Douglas Rogers. Gail has three children — Seth, Lindsay and Jennifer. She enjoys Bible study, gardening, the theater and vacationing at the beach.

Rogers says she is enjoying her new position with the Commission and particularly likes meeting and assisting people from throughout South Carolina and working with all the great people here at the Department of Labor, Licensing and Regulation.

Comments From the Chairman

Betty V. Carter



As this newsletter goes to all South Carolina real estate licensees, whether you are an old-timer or a

newcomer, this may be a good time for you to be updated on information available about the South Carolina Real Estate Commission by visiting the Web site at www.llr.state.sc.us You will find answers to questions such as:

- 1) What is the Real Estate Commission, and what is its purpose?
- 2) How does the Commission protect the public?
- 3) What is the composition of the Commission?
- 4) What is the difference between the South Carolina Real Estate Commission and the South Carolina Association of REALTORS (SCAR)?

A recent addition to this wide,

wide world of information is a license lookup feature on the Commission Web site. The name of every real estate licensee in South Carolina, along with status and type of license held (sales, broker, active, inactive, etc.) is there, so check it out. This information is available to the public as well as licensees.

Reminder: The Residential Property Condition Disclosure Law was passed during the 2002 legislative session and becomes effective January 1, 2003. This legislation mandates that all sellers of residential property, whether represented by a real estate licensee or not, provide the potential buyer with a copy of the State of South Carolina Residential Property Condition Disclosure Statement. The legislature charged the Commission with the responsibility of developing and distributing the form. A task force made up of industry members, including Steve Sloop of the Commission, worked

diligently to develop a user-friendly form. The Commission members reviewed and approved the form at the September meeting, and it is now on the Commission's Web site for licensees and the public to download.

The S.C. Real Estate Commission continues to fulfill its role according to the S.C. Real Estate License Law, Chapter 57, Section 40-57-60. Since your last newsletter, the Commission members have spent long hours in disciplinary hearings to insure that licensees are given a fair and impartial hearing involving any alleged violation of state statutes.

As real estate is now a global industry, your Commission continues to network with other jurisdictions through ARELLO (Association of Real Estate License Law Officials). This is a vital source for one-on-one contact as issues within jurisdictions are no longer isolated.

From the Licensing Manager License Lookup

Want to know if an individual holds a real estate license? You now can go to <http://lookup.llronline.com/Lookup/Rec.asp> and search for an individual license or for a real estate office. Under the name of the licensee, you will see the "Status" of that person's license. For example: **Active** is someone who holds an active license; **Select Inactive** is someone whose license is inactive due to his/her request or due to the broker-in-charge informing us that this person is no longer with the company; **Active In Renewal** is someone who needs to renew his or her license status to stay or become current; **Lapse** is someone who has lost his or her qualification; and **Pending** is someone who has not yet been issued a license.

If you do not find the person that you are looking for and believe the individual should have a license or may be performing duties as a real estate agent, please check with our office for additional assistance.

2002 Renewal Update

If your real estate license card shows it expired in June 2002, and you sent in your renewal fee or renewed online, you should have received your new license by now. Courtesy notices were mailed to everyone in May informing them that it was time to renew in order to remain active or inactive. A second notice was mailed in September to those individuals that had not renewed. After December 31, 2002, if a licensee has not renewed, it will be necessary to re-take the examination to acquire a real estate license.

Online Renewals

This was the first time the Real Estate Commission offered online renewal service, and many individuals took advantage of this process, which created a quick turn around time for a licensee to receive his or her new license. We hope many more will take advantage of this opportunity next year. It allows us to process renewals much quicker with less

mail to open and sort. A big THANK YOU to the individuals that used this process.

We urge all brokers-in-charge and property managers-in-charge, to check to see if your fees have been paid and if your agents are current. You can verify the status on the licensee lookup Web site. <http://lookup.llronline.com/Lookup/Rec.asp>

Provisional Sales License

The licensing staff has determined that a licensee with a provisional license is not required to be on an active status during his or her first year. The licensee must activate the license within a year of passing the examination. They must have completed all requirements relating to the 30 hours of post-licensing course(s) before the end of the first year. Mail in proof of the hours along with an upgrade application and the proper fee. This time will not be extended! If you have any questions, contact Betty Archie (803) 896-4450.

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that end, the following applies to real estate licensees involved in manufactured homes transactions:

- If a licensed real estate salesperson or broker considers listing manufactured homes for sale from a seller who owns more than two manufactured homes, the real estate salesperson or broker must hold a proper license issued by the Manufactured Housing Board only if the seller of the homes being listed does not hold a license issued by the Board. In other words, if the seller is not licensed (you must ask that question), the real estate salesperson or broker must either become licensed or refuse the listing. The key factor here is whether or not the seller owns more than two manufactured homes.

- If a licensed real estate salesperson or broker purchases for resale three or more manufactured homes in any 12-month period, he/she meets the definition of a retail dealer; therefore, he/she must be properly licensed by the Manufactured Housing Board as a retail dealer.

- These same principles apply whether or not the manufactured home is attached to land.

Any questions regarding this matter, including how to become licensed, should be directed to David Bennett at (803) 896-4631.



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the web:

www.llr.state.sc.us





DISCIPLINARY ACTIONS

CEASE AND DESIST ORDERS

Cheryl J. Mercedes, Mercedes Properties, North Myrtle Beach
Johnny R. Mercedes, Mercedes Properties, North Myrtle Beach

HEARINGS

Glenn Brown, Salesman
Coldwell Banker – Tom Jenkins Realty
Columbia

For conduct that demonstrated bad faith, dishonesty, untrustworthiness or incompetence in a real estate transaction. Respondent was dishonest in representations he made to representatives of another real estate company regarding his true involvement in a particular real estate transaction.
By Order of the Commission: License revocation and \$2,000 fine.

Mary C. Hofer, Broker-in-Charge
Investors Management Corporation
Rock Hill
For failure as the broker-in-charge to maintain records pertaining to the collection of rents, lease agreements, journals and/or ledgers, rental receipts and bank statements for her escrow account with regards to 2000 Properties, Inc. owned by her son. Further, for failing to maintain copies of records for five years as required by law and failing to provide records to investigators when asked. Finally, for failure to maintain, in her escrow account, income generated from rentals that were in dispute and for failing to remit in a reasonable time, monies coming into her possession that belonged to others.
By Order of the Commission: 60-day license suspension followed by two year's probation, \$5,000 fine and a public reprimand.

Michael Taylor, Broker-in-Charge
MTP of Columbia
Columbia

For failing to place escrow money in his real estate trust account and for failing to return escrow deposit money in a timely manner. Also for failing to maintain trust account records in his principal place of business as required by law and for failing to deliver escrow account records to investigators upon request.
By Order of the Commission: Reprimand and \$5,000 fine stayed to \$1,000 upon successful completion of real estate trust account courses within one year as designated by the Commission.

CONSENT ORDERS

James A. Agnew, Formerly Broker-in-Charge
Shore Realty, Inc.
North Myrtle Beach

For failure to remit, in a timely manner, rental proceeds to the owners of two rental properties that he managed.
By Consent: Voluntary surrender of his license and associated qualifications.

Jack W. Barnhill, Broker-in-Charge
Barnhill Realty
Myrtle Beach

For failure to reduce to writing an agreement to purchase a property and for failure to provide the seller with an agency disclosure form. Also for failure to notify the eventual buyers that he was a licensed agent and for providing them with an agency disclosure stating that he was their agent.
By Consent: Public reprimand, \$1,000 fine and completion of a four-hour course on agency disclosure.

Leroy Bell, Broker-in-Charge
Commercial Real Estate Sales
Beaufort

For failing to deposit \$10,000 cash given to him as earnest money in a real estate transaction.
By Consent: Public reprimand, an indefinite license suspension and a \$4,000 fine stayed to a \$2,000 fine with no suspension upon proof of completion of the 60-hour real estate broker's course.

Randy R. Brown, Salesman
Brookfield Realty Company
Greer

For being convicted of a crime of moral turpitude in United States District Court.
By Consent: Public Reprimand and license suspension to run concurrent with his federal confinement. When released from federal confinement, Respondent shall serve a probationary period until his supervised release is terminated.

A. Eugene Cromer, Broker-in-Charge
The Cromer Company
Anderson

For being convicted of a crime of moral turpitude in United States District Court and for failing to notify the Commission of his conviction.
By Consent: License revocation.

William Scott Crowe, Broker-in-Charge
Scott Crowe and Associates
Seneca

For failure to maintain money received for real estate reservation agreements in an escrow account and for disbursing escrow money to the seller without the knowledge or consent of the owners of the escrow funds. In addition, for performing the above activity without the knowledge of his supervising broker-in-charge.
By Consent: Indefinite license suspension that may be stayed to five year's probation, public reprimand and a \$500 fine only if the Respondent provides proof to the Commission that \$400,000 in earnest money is returned to the owners of the funds.

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John R. Drew, Salesman
Century 21 Coastal Carolina Properties
North Myrtle Beach

For failing to complete a buyer agency agreement before acting as an agent for a buyer.

By Consent: Reprimand and \$300 fine.

Jessie E. Kinard, Salesman
Coldwell Banker Middleton & Associates
Orangeburg

For managing property outside the scope of the company with which he was licensed; for failing to have a written management agreement; and for failing to maintain adequate records to account for the owner's rental proceeds.

By Consent: Public reprimand and a \$2,500 fine.

Karen P. Kinard, Broker-in-Charge
Karen Pence Realty
Spartanburg

For failure to secure a buyer agency agreement before acting as a buyer agent in a real estate transaction and for failing to disclose to the buyer that the person hired by the seller to complete repairs to the property was not properly licensed to complete the repairs, a fact that the Respondent knew, or should have known.

By Consent: Public reprimand and a \$3,000 fine with further provision that \$1,500 of the fine is stayed upon proof that the Respondent completed a thirty-hour broker management course within 180 days.

Richard MacDonald, Formerly Salesman
Prudential/ C. Dan Joyner Company
Greenville

For failing, when selling his personal home, to disclose his license status or the existence of a tax lien that could not be satisfied prior to, or at the closing.

By Consent: Voluntary surrender of his license and associated qualifications.

Johnny R. Mercedes, Property Manager-in-Charge
Mercedes Properties
North Myrtle Beach

For failure to maintain proper accounting of trust records which, when audited, reflected a shortage in excess of \$10,000.

By Consent: Voluntary surrender of his license and associated qualifications.

James J. Monaghan, Broker-in-Charge
First Commercial Real Estate Company
Garden City

For failing to deposit a check into his trust account in the time prescribed by law resulting in a check that was not good when the buyer withdrew from the contract asserting that the check would not be covered by funds in his account.

By Consent: Public reprimand and a \$1,000 fine.

George T. Perrow, Jr., Broker
Coldwell Banker Chicora Real Estate
Georgetown

For being suspended from the South Carolina Bar.

By Consent: License suspension stayed immediately to probation that will run concurrent with his suspension from the South Carolina Bar. Also barred from broker-in-charge status while on probation.

Joseph E. Pettigrew, III

Inactive Broker

For becoming involved in a real estate transaction while in an inactive status because he failed to complete the required continuing education.

By Consent: Public reprimand and a \$6,000 fine with the stipulation that \$3,000 of the fine be stayed upon proof that the Respondent has complete the 30-hour broker course within 90 days.

Gene Plyler, Broker-in-Charge

Gene Plyler Real Estate

Charleston

For failing to reconcile his bank statements or his trust account for more than six months. The Commission audit revealed

an overage of \$1,735 in his security deposit trust account. Also for failing to remit owner's funds in a timely manner. By Consent: Public reprimand and a \$2,000 fine. Respondent is also barred from being a broker-in-charge for five years.

Victor Rivera, Jr., Broker-in-Charge
Prime Realty
Myrtle Beach

For failing to deposit a \$6,000 security deposit check in his company trust account within 48 hours and for failing to properly account for expenditures related to the repairs made to a property that he was renting.

By Consent: Public reprimand, complete a trust account course within 180 days and pay a sum of \$1,500 to defray the costs of the investigation.

H. Allen Rogers, Broker-in-Charge
Rogers Realty
Hilton Head Island

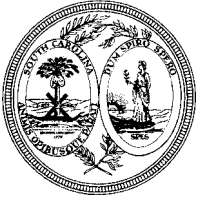
For subleasing a home, collecting rental proceeds and for failing to remit those proceeds in a timely manner as prescribed by law.

By Consent: Reprimand and a \$300 fine.

Mark A. Ruplinger, Salesman
R.H. Realty & Rentals
Hilton Head Island

For failure to complete the required agency disclosure form before accepting and presenting an offer in a real estate transaction.

By Consent: Reprimand and a \$300 fine.



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