

BEFORE THE
SOUTH CAROLINA MANUFACTURED HOUSING BOARD

TRANSCRIPT OF PROCEEDINGS
Columbia, South Carolina
June 12, 2012
Commencing at 10:00 A.M.

COURT REPORTER: WILLIAM H. WHITE



JANICE B. DUNKIN
d/b/a DUNKIN COURT REPORTING
YORK, SOUTH CAROLINA
803-684-6155

APPEARANCES:

Randall Altman, Chairman
T. Sharon Johnson
Clarence Strickland
Wayne Iseman
Michael Levy
Patrick Smith
W. Marion Moore

Sheridon Spoon, Esquire
Advice Attorney

Gary Wiggins, Administrator

Darra Coleman, Chief Advice Counsel

Todd Bond, Chief Investigator

Jennie Meade, Administrative Assistant

Mark Dillard, Manufactured Housing Institute

David Munn, Applicant

Holly Pisarik, Director, SCLLR

1 MR. ALTMAN: This is the June 12,
2 2012 meeting of the South Carolina
3 Manufactured Housing Board. Notification
4 of this meeting was posted at the
5 Manufacturing Housing Board office,
6 Synergy Business Park, Kingstree
7 Building, and provided to all requesting
8 persons, organizations and news media in
9 compliance with section 30-4-80 of the
10 South Carolina Freedom of Information
11 Act. I would like to get a motion for
12 approval of the agenda.

13 MR. ISEMAN: So moved.

14 MR. ALTMAN: Is there a second on
15 that?

16 MR. SMITH: Second.

17 (Whereupon, the Motion was carried
18 unanimously)

19 MR. ALTMAN: Look over the minutes
20 of, actually, the last two meetings, and
21 see if you approve. We can change things
22 if need be; if not, I would like to
23 entertain a motion to accept the minutes
24 as written.

25 MR. MOORE: I so move.

1 MR. ALTMAN: Okay. Any second?

2 MR. STRICKLAND: Second.

3 (Whereupon, the Motion was carried
4 unanimously)

5 MR. ALTMAN: All right. Absent
6 members?

7 MS. MEADE: Mr. Chairman, Mr. Bagwell
8 Mr. Edwards and Mr. Ray all had
9 conflicting meetings.

10 MR. ALTMAN: Okay. And Ms. Johnson
11 is supposed to be here?

12 MS. MEADE: Yes, sir. I received
13 word from her earlier this morning that
14 she would be here.

15 MR. ALTMAN: Okay. Can I get a
16 motion to approve the members that's
17 absent?

18 MR. ISEMAN: I so move.

19 MR. ALTMAN: Second.

20 MR. SMITH: I second the motion.
21 (Whereupon, the Motion was carried
22 unanimously)

23 MR. ALTMAN: Now we need to elect a
24 Vice-Chair. Mr. Wiggins, do I do that
25 or do you do that?

1 MR. WIGGINS: Either. However you
2 prefer.

3 MR. ALTMAN: Okay. All right. I am
4 opening the Board for motions for Vice-
5 Chair.

6 MR MOORE: I would like to nominate
7 Clarence Strickland.

8 MR. ALTMAN: Any more nominations?
9 If not, is there a second on that?

10 MR. ISEMAN: I second.

11 MR. ALTMAN: All nominations are
12 closed. That's all the nominations. All
13 in favor?

14 (Whereupon, the Motion was carried
15 unanimously)

16 MR. ALTMAN: Recognition of past
17 members. Are we going to have that?

18 MR. WIGGINS: Mr. Chairman, we have
19 certificates here. I invited the past
20 members to be here. Mr. Laurent said he
21 possibly could be here. Mr. Holt said he
22 could not, and Ms. Ballagh is ill. Mr.
23 Laurent may come; if so, we've got a
24 certificate. And, either way, you will
25 have to sign these at some point today.

1 MR. ALTMAN: Okay. That will be
2 fine. And if they don't show up, you'll
3 just mail it to them?

4 MR. WIGGINS: Yes, sir.

5 MR. ALTMAN: Chairman's remarks. I
6 would like to just comment that we
7 appreciate these members. They were a
8 help to us, and served for a long time,
9 and I think they did a good job. So, we
10 will miss them, but we look forward to
11 working with the new members.
12 Administrator's remarks is next.

13 MR. WIGGINS: Thank you. Mr.
14 Chairman, I would like to introduce Ms.
15 Pisarik and Ms. Coleman; however, Ms
16 Pisarik is not here yet. Ms. Coleman is.
17 So, I would like to introduce Ms.
18 Coleman. She is our Chief Advice
19 Counsel.

20 MS. COLEMAN: Good morning,
21 gentlemen. It's a pleasure to be with
22 you this morning. I am now in my fifth
23 week here at the agency, and I am slowly
24 making my way around to introduce myself
25 to all of the Board. I look forward to

1 working with you. I come from private
2 practice; I have been practicing law for
3 14 years, and have appeared in front of
4 various boards. Really, I had no idea
5 how much work gets done inside this
6 building until I came to work here on May
7 14 so I have a tremendous respect for
8 what you do. We cannot do what we need
9 to do without the volunteer services of
10 you and other Board members.

11 But I wanted to drop by a few of my
12 business cards with you. As you know,
13 you have a wonderful resource in Sheridan
14 Spoon; but should you need any additional
15 assistance, or if Sheridan is not
16 available to answer a question that you
17 have, please feel free to call me, e-mail
18 me or, if you are in the building, swing
19 by my office on the second floor. I am
20 just right down the hall from Sheridan.
21 And we look forward to working with you
22 and helping you in any way that we can.
23 Thank you.

24 MR. ALTMAN: Do you want to move on
25 and --

1 MR. WIGGINS: Yes, sir. Please.

2 MR. ALTMAN: We will move on to the
3 OIE report, our Office of Investigation
4 and Enforcement.

5 MR. BOND: So far this year we have
6 received 26 complaints. We currently
7 have four active investigations. For
8 cases have been -- excuse me. Fifteen
9 cases have been closed, and seven are
10 pending closure. R.J, so far this year,
11 has performed 61 Dealer Lot Inspections,
12 and considering he performed 90 last
13 year, that's a pretty good rate. That's
14 what I have for you.

15 MR. STRICKLAND: I have a question
16 for you.

17 MR. BOND: Yes, sir?

18 MR. STRICKLAND: I am noticing, here,
19 our numbers of new sales people. And you
20 review the applications?

21 MR. BOND: That would probably go
22 through the Administrator, rather than
23 the OIE.

24 MR. STRICKLAND: They used to give a
25 report of that at every meeting, who was

1 applying, so we could kind of look over
2 who and what; and now, there's nothing.

3 MR. BOND: I apologize, gentlemen. I
4 was unaware of that.

5 MR. WIGGINS: Mr. Chairman, let me
6 state that Angela has been sick for
7 several months, and that she is in the
8 process of actually retiring for medical
9 purposes. So we are still trying to
10 gather her various reports and things
11 that she produced for the Board. So we
12 apologize at the lack of information, and
13 we will certainly get that to you.

14 MR. STRICKLAND: And one other thing.
15 What was brought up at the last meeting
16 was policies. Do we have a list or
17 anything with our Board policies?

18 MR. WIGGINS: We have a list of Board
19 policies, but we have run in to problems
20 with the policies several months ago,
21 inasmuch as our legal department advised
22 us that any policy that does not have a
23 basis in either the statute or the
24 regulation is not valid. So we're having
25 to go back through all of the policies,

1 as well, and --

2 MR. STRICKLAND: Well, why didn't
3 someone advise us of that?

4 MR. WIGGINS: Because we are not sure
5 yet which ones are actually in violation,
6 so we are going to take them back to the
7 Board and either get them reconfirmed or
8 advise you of the ones that do not have
9 either a statutory or regulatory basis.

10 MR. STRICKLAND: Can anybody give us
11 a list of what have been our policies
12 over the years? Because there's a lot of
13 them.

14 MR. WIGGINS: Yes. We might have to
15 go back through Angela's documents and
16 see if we can get them together.

17 MR. STRICKLAND: I think we need to
18 know what our policies are, and how they
19 work. That's all I've got.

20 MR. BOND: Any other questions for
21 me?

22 MR. ALTMAN: Anybody else have any
23 questions? If not, thank you, sir.

24 MR. BOND: Thank you.

25 MR. ALTMAN: Okay. We'll move on to

1 the OGC Report.

2 MR. WIGGINS: There is no one here
3 from the Office of the General Counsel,
4 Mr. Chairman.

5 MR. ALTMAN: Okay. Any old business
6 to attend to?

7 MR. MOORE: I don't know if this
8 would be considered old business or not,
9 but I noticed in some of Mr. Wiggins's
10 remarks that what Clarence has referred
11 to as policies that we have. And we
12 adhere to them, just like set-up deposits
13 and licensing set-up, and things like
14 that. Vis a vis our policies for this
15 Board, if I am not mistaken, as a
16 home builder the State requires you to be
17 licensed to pull permits to build a
18 house. Correct?

19 MR. WIGGINS: That is policy.

20 MR. MOORE: Right. But, it also is a
21 State law.

22 MR. STRICKLAND: I don't know about
23 that, but --

24 MR. MOORE: I would like to see that
25 we take our policies that we feel are

1 effective in what we do and let this go
2 somewhere where somebody can make them
3 state law. Let's not list a policy
4 first, so we don't get challenged with
5 it, that somebody says, well, you can't
6 do this policy. This policy is state
7 law. That's why I am wondering is this
8 just a thing that we follow or is it
9 --

10 MR. STRICKLAND: well, I feel our
11 policies are what they are. We are the
12 Board, and we made the policies. We have
13 an attorney, too, you know. It's not up
14 to anyone else to tell us what we can and
15 can't do.

16 MR. SMITH: I think your question has
17 to do more with the requirements under
18 the Residential Builders Practice Act.
19 Being licensed to pull a permit and all
20 that, that has more to do with the
21 Residential Builders Practice Act. What
22 has been going on, and continues to go on
23 with policies, is simply that -- you made
24 the point about making those things
25 either statutory or regulatory. And that

1 really is the whole point. What you want
2 is something that you can enforce. So I
3 am aware that there have been two
4 different types of policies from boards
5 that have come out in the past. The
6 first type is when you have a statutory
7 provision for a regulation, and the Board
8 gets questions about those things, and
9 has in the past issued its understanding
10 of what that statutory provision or
11 regulation means. And the second one --
12 and those tend to be less problematic
13 Those are the ones where you are tying
14 your policies and opinions back in to
15 something in the Practice Act. The
16 second kind is when you have a policy
17 that creates something new. When it
18 creates something new, if it is a
19 requirement that you would not find in
20 the Practice Act, would not find in the
21 regulations in Chapter 79, that's where
22 there is going to be more discussion
23 about that. Because you would, in fact,
24 in order to enjoy being able to enforce
25 that policy you would have to be able to

1 enact that legislatively. So you would
2 either do that through a change to the
3 Practice Act, which is statute, or a
4 change to regulations. which, you can
5 promulgate a regulation. And that's
6 really the ongoing process that's going
7 on.

8 MR. STRICKLAND: And the problem with
9 that is how much time it's taking.

10 MR. SMITH: Yes. Anybody can
11 disagree, but it takes a fair amount of
12 time to go through any regulation and
13 change it, and some of those time frames
14 are built in by the legislature. But
15 ultimately what you gain, and what you
16 have to have, is to be able to enforce a
17 policy. With what we now have, those
18 policies are not really enforceable.

19 MR. ALTMAN: And that's where I was
20 concerned. If somebody comes in to apply
21 for a license and we deny it because they
22 can't show financial stability, or --

23 MR. STRICKLAND: well, we've got a
24 policy that says they have to have a
25 minimum of \$50,000.

1 MR. ALTMAN: When that came up the
2 last time, that was a positive -- thought
3 of as a positive. But he didn't know
4 that it was enforceable.

5 MR. LEVY: If they enter in to
6 voluntary consent, then they choose to
7 enter in to the terms that we state.

8 MR. STRICKLAND: If they don't, then
9 you've got a case.

10 MR. ALTMAN: Another thing that I
11 saw, last time this lady was asking for a
12 license, she didn't have the necessary
13 paperwork. I think she would have had a
14 heck of a lot more than what she needed
15 if she had brought a personal statement
16 rather than a business statement, but she
17 hadn't. I think she was showing \$1,500
18 in an account. She had just started, was
19 wanting to start up. Well, I believe Mr.
20 Strickland said, you can't buy two chairs
21 for a mobile home for \$1,500, and I think
22 she understood it. And maybe, when we
23 ask for them, when they meet before us,
24 if we ask for a business statement as
25 well as a personal statement it would be

1 easier.

2 MR. ISEMAN: I wasn't here last
3 meeting, but what we did with the
4 policy was to establish guidelines that
5 would allow the staff to make decisions
6 on an application, and if -- the law says
7 they have to be financially responsible;
8 but how do you define that? Whether
9 it's-- they've got 50,000, or what, that
10 was the policy, and that was approved.
11 If it was below that, then they couldn't
12 approve it without bringing it to us.
13 And so we decide, then, not on a dollar
14 value, but are they financially able to
15 be in practice, or whatever.

16 MR. SPOON: That's correct. In
17 Section 200, it says an applicant has to
18 demonstrate financial responsibility as
19 required by the regulations of the Board.
20 So that then is in the regulation, and
21 that's a prime example of how, if you
22 don't have a dollar amount in your
23 regulation, that may be something you
24 want the regulations to include.

25 MR. STRICKLAND: Well, that's where

1 we are taking a lot of time. I just
2 don't understand why somebody is against
3 policies, when they are set to help our
4 industry and the people in it, because
5 you can't wait two or three years for the
6 House and Senate to act.

7 MR: SPOON: I know sometimes
8 there are some questions about things
9 that, for one reason or another, are just
10 not in the law, and you get questioned
11 and you feel compelled almost to try to
12 give some people some guidance what the
13 -- how to go about getting a license.
14 But, ultimately, and it may be a long
15 term process, I agree, but you would have
16 to make change to the regulations.

17 MR. STRICKLAND: That's why we
18 started dealing in the policy situation,
19 so we could act now. That's my thought.

20 MR. ALTMAN: So what you are telling
21 us now is that the staff is going over
22 all policies, and when they complete
23 that, then you will present it to us, and
24 if we have any argument or discussion
25 about which way you went with it we can

1 discuss it at that time?

2 MR SPOON: Yes.

3 MR. MOORE: But in the meantime, what
4 is the -- the way we've been carrying on,
5 in the general practice of what the staff
6 has done and the general practice of what
7 this Board has done, I think we continue
8 doing the same procedures we have always
9 done and see if there is a challenge to
10 it.

11 MR. SPOON: And that is the point. I
12 think the specific issue on the bond
13 amount would be the guidance for staff.
14 And that's actually one of the other
15 projects, the different types of
16 applications, documenting which ones are
17 approved at staff level and which ones
18 trigger a Board appearance. So it goes
19 hand-in-hand with that. That amount was
20 given as guidance to staff on that issue,
21 and I don't see an immediate problem with
22 that, as far as giving that to staff, as
23 far as what applications they can approve
24 at staff level and which ones they
25 cannot. But I will be honest with you,

1 and I will be glad to check. I don't see
2 any immediate problem with that, because
3 ultimately if you've got a person who
4 say cannot be approved at staff level,
5 he would have to come before you and you
6 will consider the application on a case-
7 by-case basis. And I think you will
8 agree, any decision that you make, it
9 will be in an order, and the only thing
10 that you need to be able to do in an
11 order is to cite some statute or
12 regulation that applies.

13 MR. ALTMAN: All right. Want to move
14 on? Any new business?

15 MR. STRICKLAND: Mr. Chairman, I've
16 got one question. It might not be new
17 business, but since we passed a policy a
18 year ago on, like Marion brought up and I
19 had thought about later, is the licensed
20 installers doing all the set-ups. Have
21 we had one case of anybody that's been
22 caught setting up a house that's not a
23 licensed installer in the whole state?

24 MR. WIGGINS: Can anyone set up a
25 house that is not a licensed installer?

1 MR. STRICKLAND: Well, you're not
2 supposed to, according to this Board.

3 MR. WIGGINS: Well, installers are
4 supposed to do it for the consumer;
5 however, there is nothing in the law that
6 will prevent a consumer from setting
7 their own house.

8 MR. STRICKLAND: I thought we had
9 stopped that in a policy several meetings
10 ago, or about a year ago, that I couldn't
11 even set up my own home; had to be set up
12 by a licensed installer, is what I
13 thought.

14 MR. MOORE: I know, and I have had
15 discussions with some of our local
16 inspectors and permit officers, where
17 some counties around me will enforce, if
18 somebody comes in to get a permit to move
19 a home or set the home up, they want to
20 know, you know, where a dealer is that's
21 got a license. If one's being moved,
22 they need a licensed installer to move it
23 and set it up, and they have to provide a
24 copy of their license. Some counties, on
25 the other hand, aren't pushing that issue

1 or even asking for the installer, or who
2 it is to set it up. I think there needs
3 to be something across the board sent to
4 the counties, something across the board,
5 across the State, set to the counties to
6 the permit offices saying, you know, if
7 somebody's moving a home or setting a
8 home up you need to enforce the
9 regulation and have a licensed
10 installer set that. I had a lady call me
11 the other day about having the power on,
12 and anchored down. She had moved her
13 home. I don't know who set it up; I
14 don't know who moved it, but she wanted
15 me to give her a price on hooking the
16 power and anchoring it. So I went out
17 there, and I saw the steps do not meet
18 code, do not meet inspection. And I
19 called her and told her, and she says,
20 well, I was told I just had to have that
21 one set. And I said, well, that one set
22 doesn't pass inspection. So anyway she -
23 - one thing after another, she said she'd
24 have it changed. So there's a case
25 there where if a licensed installer had

1 been there telling them what to do they
2 wouldn't have put those there. At least
3 she could have found out who had
4 installed those steps. Maybe we, someone
5 on the staff, could send something to the
6 permit offices around the State letting
7 them know that licensed installers are
8 needed for setting these homes up.

9 MR. WIGGINS: As far as the
10 installation is concerned, the biggest
11 problem we have on the front end for new
12 homes is that if anybody other than a
13 licensed installer installs the unit,
14 first of all, the warranty is not valid.
15 The second of all, the local jurisdiction
16 will not allow electrical current to go
17 to that unit, unless that service pole is
18 either signed off by an installer or by
19 an electrician who pulled the circuits.
20 Now, the local jurisdiction --

21 MR. MOORE: I see what you are
22 saying; but what I am saying is, that's
23 not being enforced.

24 MR. WIGGINS: well, that is something
25 that's outside of our purview. That's

1 because of the local jurisdictions. The
2 locals in South Carolina have full right
3 and responsibility, by statute, to
4 administer the Building Inspection
5 Department the way they see fit.
6 Consequently, the Building Codes Council
7 does not have any type of authority or
8 issue that's concerned with
9 administration. So we cannot go in and
10 tell the local jurisdictions, you must
11 administer one way or another. These
12 locals have full control of that. So if
13 they require a permit, or if they don't
14 require a permit, that's their issue.

15 MR. STRICKLAND: I wish we could
16 address it, because y'all got on the news
17 what kind of junk is going out, new stuff
18 to be sold, and uneven ground, and three
19 or four-hundred-dollar light bills. I
20 wish we could get involved in some of
21 that. The poor are really being taken
22 advantage of, and it's sad out there.
23 That's all I've got to say.

24 MR. SPOON: Just to make sure I
25 understand, I will be happy to do some

1 research on this for you, talking about
2 the installation. The question is, do we
3 have any jurisdiction over the purchaser
4 of a mobile home?

5 MR. STRICKLAND: well, the set-up of
6 these homes. The use of them, I don't
7 think we care on that. The issue was --
8 Mark, did you have anything that you can
9 remember on that, or when we did that?

10 MR. DILLARD: I remember the Board
11 discussed it at length and decided that
12 it's a matter of public safety and public
13 policy to have that policy. That's been
14 on the books for a long time now, and has
15 been helpful periodically. The problem
16 now is that some of the counties have
17 been told that that rule is no longer on
18 the books, and so we've got a safety
19 issue that's very major, the reason being
20 that a person may install their own home
21 and sell it a year later. And if that
22 consumer gets a house that isn't set
23 properly, the wind comes through or
24 whatever, then that's a real concern of
25 the industry, that we enforce the Board's

1 policies.

2 MS. JOHNSON: I have worked with this
3 some time with engineers, and the policy
4 that Richland County has in place is that
5 power lines, electrical, water supply,
6 all that has to be done before power is
7 put in the house and everything. But
8 also, sometimes they come in and ask for
9 a permit and then ask me to inspect it
10 after the fact. But it's up to the local
11 jurisdiction, and we need to let the
12 local jurisdictions know that. A lot of
13 times, when it is owners moving their own
14 home, if it's not safe Richland County
15 won't put power on it, and they will
16 refer it to the department.

17 MR. MOORE: Well, you got some
18 counties like that, that require licensed
19 installing, and some that don't. That's
20 where we get lost, falling through the
21 cracks, because they aren't enforcing
22 what we've got.

23 MR. SPOON: As I am understanding
24 this, and like I say, I will be glad to
25 look specifically at this, but what I am

1 understanding is that the concern is that
2 a purchaser-homeowner does not need a
3 license when he performs some kind of
4 installation for their own home. They
5 are not doing it for someone else for
6 compensation, but they are doing it for
7 their own home, which is a manufactured
8 home. Right?

9 MR. STRICKLAND: Right.

10 MR. SPOON: Okay. And then, the
11 question is, how much can the Board do
12 about that?

13 MR. MOORE: Right. But we don't know
14 -- the second question to that is, how
15 can we have counties enforce what we have
16 there. Just like if I sell a mobile home
17 to someone, and they have someone come
18 move it, and he moves it over to his lot
19 and he has somebody come just to set it
20 up who is not a licensed installer, how
21 are these counties enforcing who is
22 setting them up?

23 MR. SPOON: I think it's a little
24 more clear in that situation, where it is
25 being set up by someone else, not the

1 purchaser and not the owner. That person,
2 frankly, needs a license.

3 MS. JOHNSON: A lot of times they
4 rely on the movers who are moving it to
5 tie it down.

6 MR. STRICKLAND: And then, the movers
7 run and hide over the fact that all they
8 did was tow it.

9 MR. LEVY: But then, if the consumer
10 files a complaint, and it's investigated,
11 then it comes to us, if it was an
12 unlicensed, or something outside the
13 practice, so we never see it?

14 MR. SPOON: If the agency, Gary,
15 received, if you received information
16 from a member of the public that someone
17 installed my manufactured home, and they
18 are not licensed, and the work, there was
19 some question about how it was performed.
20 But if you looked at it and determined
21 that that individual, who is the subject
22 of that complaint, was not licensed, as
23 with most if not all boards, this Board
24 would be able to give that individual a
25 citation for unlicensed practice, and

1 issue a cease and desist order.

2 MR. WIGGINS: That is correct.

3 MR. SPOON: But not a disciplinary
4 action, because they are not licensed.

5 MR. WIGGINS: That's correct, also.
6 And we will talk about the cease and
7 desist order next on the agenda.

8 MR. LEVY: So there is some, even if
9 the local jurisdiction doesn't enforce,
10 then the statutes would overrule, or we
11 would still be able to take action.
12 Correct?

13 MR. WIGGINS: We can take action
14 against any individual who is functioning
15 without a license. And the two
16 instruments we have, or the quickest --
17 one is a citation, and the other is a
18 cease and desist order.

19 MR. ALTMAN: You want to move on and
20 talk about that?

21 MR. WIGGINS: Yes.

22 MR. ALTMAN: Okay.

23 MR. WIGGINS: Thank you, Mr.
24 Chairman. There are two documents that
25 go out at this point, or they have been

1 going out, by staff, for the longest
2 period of time but, again, we are
3 advised by our legal people that the
4 cease and desist order must be an order
5 of the Board, itself. So consequently,
6 staff cannot issue them any longer at
7 staff's volition. However, if the Board
8 itself delegates the responsibility,
9 either to staff or to the Chair, and many
10 Boards are doing it to the Chair so the
11 Board does have, we have a connection to
12 it, then we can still get the cease and
13 desist orders out without having to wait
14 a three-month cycle until the Board
15 meets. So what we're asking is the cease
16 and desist orders, and the memorandum of
17 agreement, are two instruments to be
18 allowed to be signed and set out by the
19 Chair, preferably. If not the Chair,
20 then at least by staff, so we can get
21 these orders and memorandums out a lot
22 quicker.

23 MR. SPOON: Did you mean letter of
24 caution there?

25 MR. WIGGINS: Sir?

1 MR. SPOON: When you said,
2 memorandum, did you mean --

3 MR. WIGGINS: Letter of caution,
4 letter of caution. Yes. I am sorry.

5 MR. SPOON: Because currently we send
6 out the memo of understanding via the
7 Chairman.

8 MR. WIGGINS: That's correct. That's
9 correct. I said memorandum of agreement;
10 I meant letters of caution.

11 MR. SPOON: And these are two
12 different things. One is a cease and
13 desist, when there is unlicensed
14 practice. The Board has -- the Board
15 receives information that there is
16 unlicensed practice going on. The second
17 thing is a letter of caution, and that's
18 for a licensee. That's someone who's
19 licensed, and the case has been
20 investigated and gone to the IRC, and the
21 letter of caution is recommended by the
22 IRC and you, as the Board, have approved,
23 in your IRC report, the letter of
24 caution, which is a form of a dismissal,
25 the dismissal of the case recommended by

1 the IRC, that you accept in their
2 recommendation, to dismiss the case with
3 a letter of caution. And that is, that's
4 what Gary is requesting, that that be
5 delegated to the Chair to be able to sign
6 those letters of caution. You would have
7 already seen those cases, albeit without
8 names. But you would have seen those
9 cases, a synopsis of the facts, et
10 cetera, in your IRC report. So that's a
11 different thing. And the second thing is
12 a delegation to the Chair to sign an
13 order from the Board to cease and desist
14 unlicensed practices. Just so you
15 understand what those are and how they
16 are a little bit different.

17 MR. LEVY: And then, the Chairman has
18 the discretion to contact us for any
19 discussions or any inputs. He would have
20 that. I think that would expedite the
21 process.

22 MR. SPOON: It can expedite it, and
23 the only thing I would say to that is,
24 if you, you as the Chairman, had a
25 question about whether I should sign this

1 on behalf of the Board, then you would
2 not be required to and it could come
3 before the Board.

4 MR. ISEMAN: Do we need a motion to
5 delegate that authority?

6 MR. SPOON: Yes, sir.

7 MR. ISEMAN: I make that motion,
8 then. Do you want to include the
9 statement, also, that we get regular
10 updates at every meeting of any action
11 that was taken in the previous period?
12 Will we get an update each time we have a
13 meeting of the ones that were issued?

14 MR. SPOON: Yes. You would.

15 MR. ISEMAN: Include that in my
16 motion.

17 MR. LEVY: Second that.

18 MR. WIGGINS: I am sorry. Delegated
19 to whom?

20 MR. ISEMAN: To the Chair.

21 MR. ALTMAN: Are you making that as a
22 motion?

23 MR. ISEMAN: Yes, sir.

24 MR. ALTMAN: And we already have a
25 second?

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MR. ISEMAN: Yes.

(Whereupon, the motion was approved
unanimously)

MR. ALTMAN: Okay. We'll move on to
application reviews. Mr. Sebastian
Casbarro is not here?

MR. SPOON: No, sir.

MR. ALTMAN: All right. How about
Mr. David Munn?

MR. MUNN: I am here.

MR. ALTMAN: Okay.

(Whereupon, being duly sworn David
Munn testified as follows:)

MR. ALTMAN: This hearing is called
to order. It's the application hearing
before the Board of Mr. David Munn. Do
any members need to recuse themselves
from this hearing because of a conflict?
Hearing none, the purpose of this hearing
is to determine whether the applicant
should be granted a license as a
salesperson. Is that correct?

MR. MUNN: Yes, sir.

MR. ALTMAN: All right, sir.

Everyone is reminded that these

1 proceedings are being recorded, and that
2 all witnesses must be sworn in before
3 they testify. All remarks should be
4 directed to the Chairman. And at this
5 time, we do have our application that has
6 been filed here that we can look over.
7 We will look at that, and then, at this
8 time, we will look at why the staff did
9 not issue at the staff level.

10 MR. WIGGINS: Mr. Chairman, Members
11 of the Board, staff could not issue the
12 license before we closed up certain
13 issues on Mr. Munn's SLED report. The
14 SLED report is included as part of your
15 documentation.

16 MR. ALTMAN: Thank you. Do you have
17 any other persons here to testify?

18 MR. MUNN: No. My father is outside.
19 I've got three references in the package.

20 MR. ALTMAN: You can stand up and
21 give us your information.

22 MR. MUNN: Well, I am an addict, a
23 recovering addict, and still a work in
24 progress. But I am a born-again
25 Christian who just went down the wrong

1 path and have been fighting ever since.
2 It's been two years. I've got a
3 probation officer. She will not write a
4 letter, but you can call her. But I feel
5 good. Mr. and Mrs. -- well, Haselden
6 Homes, has given me the opportunity.
7 I've sat down with them. I have never
8 been before the Board. I have been a
9 general manager with Clayton Homes, Palm
10 Harbor Homes, North Carolina Housing
11 Center. And I am starting back from
12 scratch. Everybody's pleased with me.
13 I've got my parents' trust back. I have
14 never been before the Board, I have never
15 had a hit or a fine or anything that I am
16 aware of. I treat my customers as best I
17 can. I put everything in writing and
18 make sure they understand. But as far
19 as, it was just my activities out of work
20 that got me in to the position that I
21 was. I just really want to get back to
22 work and, you know, prove myself, and
23 Lord willing y'all will accept me back.

24 MR. ALTMAN: Any staff or anyone want
25 to ask him any questions?

1 MR. MUNN: I've had drug treatment,
2 and completed it. I go to AA classes,
3 church every Sunday.

4 MR. ALTMAN: Item 16 on the
5 application, is that what triggered the
6 staff decision to come to us, to deny the
7 application?

8 MR. WIGGINS: It was actually items
9 on the SLED report itself.

10 MR. MUNN: There was one that was an
11 unlawful gun charge, was one of them.
12 And I had been threatened, and I just had
13 the gun with me. It wasn't -- and I have
14 taken care of that. It wasn't -- and I
15 am not a felon, by the way. But mainly,
16 it's, you know, the -- and it took a long
17 time to get everyone's trust back, and --
18 but now, I feel good.

19 MR. STRICKLAND: Your last deal with
20 anything was 2010?

21 MR. MUNN: I had a --

22 MR. STRICKLAND: Driving under
23 suspension?

24 MR. MUNN: Yes, sir. And I took my
25 father to the hospital, because the first

1 ambulance fee -- my father, lung cancer
2 survivor, stroke survivor, and basically,
3 we are in Barrineau, South Carolina,
4 where it's not quite Lake City and not
5 quite Florence. So they sent the
6 ambulance from Manning, which was \$1131.
7 He's on oxygen, and I drove him, and they
8 pulled me at the hospital. But the
9 police officer gave me a -- you know, it
10 didn't go to General Sessions. It went
11 straight to the Magistrate. He didn't
12 take me to jail or anything. But it was
13 still against the law; I understand that,
14 you know.

15 MR. STRICKLAND: The dealer couldn't
16 be with you here today, that you plan to
17 go to work for?

18 MR. MUNN: I didn't know I was
19 supposed to have her.

20 MR. STRICKLAND: Not supposed to, but
21 it's nice to have them here.

22 MR. MUNN: Okay. well, she said
23 anything that she needed to do, you can
24 call. Ms. Harriet Haselden, Haselden
25 Homes, Cheraw. And I've got tests ever

1 month, so you will know if I -- I mean, I
2 --

3 MR. STRICKLAND: I think we can go in
4 to executive session, and I make a
5 motion.

6 MR. SPOON: A few questions, just
7 procedurally. You said that your father
8 was here. Do you - and this is your
9 decision - do you wish to have your
10 father testify?

11 MR. MUNN: If that would help, yes,
12 sir. He knows everything that I have
13 done, and is more proud of me than ever.

14 MR. SPOON: I am just giving you the
15 opportunity, because you mentioned that
16 earlier, that your father was here but
17 not in the room.

18 MR. MUNN: Yes, sir. And he can
19 vouch for --

20 MR. SPOON: You call the witnesses,
21 and it's up to you, and not the Board
22 allowing them to testify.

23 MR. MUNN: Had I known that I could
24 have brought plenty of church members,
25 many AA members. I spoke with Mr. Green

1 on countless occasions, and he said,
2 don't bring anything.

3 MR. SPOON: There was a question that
4 you got questioned about earlier, a
5 question on the application that asked
6 about criminal convictions, basically.
7 It's a long question. And you answered
8 no to that question. The question on the
9 application, Number 16, asks about
10 certain crimes within the last seven
11 years.

12 MR. MUNN: I don't know how I
13 answered no to that. The SLED report was
14 -- oh. They said, for forgery, fraud,
15 embezzlement, obtaining money, which, I
16 have never commingled funds, never had a
17 breach of trust, anything of that.
18 No bribery, or anything of that. No
19 moral turpitude -- that might have been
20 the one I missed. But, no; none of the
21 others have I done. That's why I
22 answered no. I have never commingled,
23 never stolen money, never a breach of
24 trust, never anything.

25 MR. SPOON: And I will ask, on the

1 SLED report there appears to be many
2 moving violations related to driving.

3 MR. MUNN: Yes, sir.

4 MR. SPOON: Do you have a South
5 Carolina driver's license?

6 MR. MUNN: No, sir. I do not.

7 MR. SPOON: What's the current status
8 of your south Carolina license?

9 MR. MUNN: A very sad one, sir. I
10 am -- right now I am a habitual offender,
11 but I am working towards paying those
12 fines and getting that off, and then my
13 attorney, Mr. John Ethridge, is going to
14 go back to court for me, and I am making
15 amends for all I have done. I am going
16 to request a hearing to get that off.

17 MR. ALTMAN: Mr. Munn, as Mr. Spoon
18 has said, you have the right to have your
19 father testify on your behalf. We will
20 gladly let him come in to speak with us.

21 MR. MUNN: Well, he can testify that
22 I took him to the hospital and, you know
23 -- if that was the only thing. And, that
24 he is more proud of me and, you know, I
25 will not lose his trust again, or yours,

1 and I am sorry that I let the Board and
2 the members down. But I didn't do it at
3 work; it was -- you know.

4 MR. ALTMAN: Okay. We have a motion
5 to go in to executive session, and a
6 second. So at this time we will go in to
7 executive session.

8 (Off the record)

9 MR. ALTMAN: I call this meeting back
10 to order. Is there a motion to come out
11 of executive session?

12 MR. MOORE: So moved.

13 MR. STRICKLAND: Second.

14 (Whereupon, the motion was approved
15 unanimously)

16 MR. ALTMAN: Okay. We have discussed
17 the case, and we have taken it under
18 advisement. And is there a motion of
19 disposition for this application?

20 MR. ISEMAN: Mr. Chairman, I would
21 like to make a motion that we permit this
22 license to be re-issued on a probationary
23 basis for two years. The first condition
24 is that the application be revised to
25 accurately reflect his criminal record,

1 specifically Question 16; and then, any
2 future violations will result in
3 immediate termination of his license,
4 revocation of his license, and he is to
5 increase his bond from 15,000 to 50,000
6 to protect the customers.

7 MR. ALTMAN: We have a motion.

8 MR. STRICKLAND: Second.

9 MR. ALTMAN: A second. All in favor?
10 (Whereupon, the motion was approved
11 unanimately)

12 MR. ALTMAN: Mr. Munn, the decision
13 we announce today will reflect the basic
14 elements. The staff will prepare a
15 written order more fully reflecting the
16 disposition of this matter. You will get
17 a letter reflecting that.

18 MR. SPOON: You will receive an order
19 from the Board, Mr. Munn.

20 MR. MUNN: Thank you. I appreciate
21 it.

22 MR. ALTMAN: That concludes this
23 hearing. And, Mr. Wiggins, I will turn
24 it back over to you. I think you have
25 somebody you want to introduce.

1 MR. WIGGINS: Yes, Mr. Chairman. I
2 would like to introduce Ms. Holly
3 Pizarik. She is the Director for LLR.

4 MS. PISARIK: Hi. How are you? I
5 got here just in time to get kicked out
6 of your meeting for an executive session,
7 but I wanted to stop by. I have been
8 making it a point to stop by each of the
9 board meetings to introduce myself as the
10 new Director, and to let you all know
11 that I think it is my job as the Director
12 to make sure that LLR is providing the
13 resources that you all need to get your
14 business done. So I am going to hand out
15 a business card, and I welcome all of
16 you, as a Board or individual, to contact
17 me any time you are having issues with
18 LLR, or if there are things that you
19 think we could be doing better. I
20 welcome your input, and I am available to
21 come to any meetings. I am available to
22 meet with any of you, or as a board, in
23 my office and discuss any issues that you
24 may be having in regard to getting your
25 business done. Now, I will let you get

1 back to your meeting. But, very nice
2 meeting you all, and I look forward to
3 working with you.

4 MR. ALTMAN: Okay. Any further
5 comments? Mr. Dillard?

6 MR. DILLARD: I would like to
7 introduce Art Newton, who, we understand
8 his appointment to this Board is in the
9 works. He is doing his paperwork and so
10 forth. And so if all goes well, Mr.
11 Newton will be up here next time.

12 I have been sent here by the
13 leadership of the Association to express
14 some concerns. Concerning these policies
15 that were passed by this Board. First of
16 all, a lot of work went in to it. And,
17 you know, there were subcommittees. We
18 worked with legal counsel. And they were
19 passed to address some very serious
20 concerns. And they were integral to the
21 role of the Board in protecting the
22 public, both from poor set-up and also
23 from under-capitalized or unscrupulous
24 retailers. These have been on the books
25 for -- most of them, at least ten years.

1 And so, our thought is that -- what I
2 have been told to ask about is why, to
3 raise the issue, should we unilaterally
4 be stopping enforcement of these policies
5 until the Board has had the opportunity
6 to review and make decisions. The Board
7 passed the policies. The Board, it seems
8 to us it would be appropriate that the
9 Board would make a decision, well, we
10 understand that there's problems, this
11 and that.

12 But there's a problem. As has been
13 pointed out here, the legislative and
14 regulatory process is very slow. These
15 things take two to three years, and
16 there's a concern about people buying
17 houses that aren't properly set, and a
18 concern about people buying houses from
19 individuals who just don't have the
20 collateral and the financial wherewithal
21 to deliver them what they promise. And I
22 think the point is, should we not err on
23 the side of safety? Should we not err on
24 the side of consumer protection? If this
25 Board enforces a policy, and an

1 individual wants to appeal that, then it
2 goes up to an administrative law judge.
3 And that judge can say, yeah, there's no
4 statutory support for this or this. But
5 when these were initially passed, the
6 attorneys in place at that time felt that
7 they had sufficient laws underpinning
8 these -- these policies, to put them in
9 to effect. But if you simply say, we are
10 not going to enforce these, you have
11 lost, even before you appeal, you have
12 lost even before you put it in to place.

13 So the question is, why not let the
14 policy of the Board stand, unless you are
15 told otherwise? So, I imagine this will
16 be taken up again at the next meeting,
17 and it seemed appropriate here, at the
18 end of this meeting, to advise that we do
19 have some real concerns about dismantling
20 the work of the Board, a recognition that
21 there may be attorneys that may have
22 questions and issues, but that we need to
23 look toward what's right for the consumer
24 with these provisions. And, you know, I
25 guess that the approach could be anything

1 from the Board saying, yeah, we want to
2 enforce our policies until we are told by
3 a judge or someone else otherwise. Or,
4 if not that then, you know, a step back
5 would be that you what to be informed
6 when there are problems or issues with
7 enforcing these. And because, when I
8 have members of the Association
9 contacting Board members, well, why isn't
10 this being done; why'd they do that; and
11 the Board member hasn't even heard about
12 it, that creates a problem. well, who's
13 running the show here?

14 So we wanted to plant that with you
15 and tell you that our concern is, as most
16 of you know, is to close the barn door on
17 bad apples coming in to the industry, and
18 do away with some of the problems of the
19 past. And we may be at the point of a
20 re-growth in the industry, and we want to
21 have all the rules in place now to
22 protect the public when these people
23 start trying to come back in again.

24 So, I appreciate again, Mr.
25 Chairman, the opportunity to address the

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Board.

MR. ALTMAN: Anyone else? If not,
the date of our next meeting is September
11. Hope to see everybody then.

(Whereupon, the Meeting was adjourned at
11:12 A.M.)

CERTIFICATE OF REPORTER

I, William White, a Notary Public for the State of South Carolina, do hereby certify that I reported the foregoing proceedings at the time and place herein designated and that the foregoing pages, are a true, accurate and correct transcript of the aforesaid proceedings.

I further certify that I am not a relative, employee, attorney or counsel of any of the parties, nor relative or employee of such attorney or counsel, nor in anyway interested in the event of said cause.

In witness my hand and official seal this the 25th day of June, 2012, York, South Carolina, State of South Carolina.

William H. White
Court Reporter/Notary Public

My Commission Expires:
8/8/18

In re: SC MANUFACTURED HOUSING BOARD