

Minutes

South Carolina Real Estate Appraisers Board

Thursday, May 05, 2016 at 10:00 a.m.

Synergy Business Park, Kingstree Building, Conference Room 105

110 Centerview Drive, Columbia, South Carolina 29210

Meeting Called to Order:

Jake Knight, Chairman, called the meeting of the South Carolina Real Estate Appraisers Board to order at 10:07 a.m. Other members present for the meeting included: Christopher Barczak, Rex Casterline, Michael Dodds, Andrew Johnson, and Ann King.

Mr. Knight announced that public notice of this meeting was properly posted at the S.C Real Estate Appraisers 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.

Staff members participating during the meeting included: Georgia Lewis, Advice Counsel; Erin Baldwin, Office of Disciplinary Counsel; Laura Smith, Administrator; Ty' Yona Schofield, Appraisers Board Administrative Assistant; Malcolm Burton, Office of Investigations;

Public members present were: Michael Struck, Robert Dozier, Willie King, Austin Smallwood, Thomas Galphin, Jeff Thordale and Carlton Segars.

Pledge of Allegiance was recited by all present.

Introduction of Board Members and All Other Persons Attending

All board members, staff and public attendees introduced themselves.

Approval of Excused Absences

MOTION:

Mr. Casterline made the motion to excuse Chris Donato for the reasons he gave the Administration. Mr. Dodds seconded the motion which carried unanimously.

Approval of Agenda:

MOTION:

Mr. Johnson made the motion to approve the agenda. Mr. Casterline seconded the motion which carried unanimously.

Approval of the Minutes from February 04, 2016 Meeting

MOTION:

Mr. Johnson made the motion that the minutes be accepted with the exceptions below and to be adopted as amended. Mr. Casterline seconded the motion which carried unanimously.

Line 89- Correct the spelling of “Mr. Doods” to “Mr. Dodds”

Line 227- Insert “which carried unanimously” to indicate the motion passed.

Chairman's Remarks

Mr. Knight briefly mentioned the two items below, and stated they would be discussed later in detail on the agenda.

- The Clean-up Act is moving forward and went over to the Senate.
- The AMC Bill is moving in a positive direction with good feedback. He also noted that a representative was also present today.

New Business

Approval of the Investigative Review Committee (IRC) Report- Erin Baldwin

The IRC report dated April 25, 2016 was presented for approval. Discussion ensued.

DISMISS

Case #	Investigator	Initial Complaint Allegations	IRC Logic
2015-4	Malcolm Burton	Improper Comps	No violation. The Appraiser used appropriate methodologies. The sales selected for sales analysis were the best available.
2016-5	Malcolm Burton	Improper Comps	No violation.
2016-12	Malcolm Burton	Misconduct & Improper Comps	No Violation

FORMAL COMPLAINT

Case#	Investigator	Initial Complaint Allegations	IRC Logic
2015-29	Malcolm Burton	Sanctioned by another Board	Statute violation

LETTER OF CAUTION

Case#	Investigator	Initial Complaint Allegations	IRC Logic
2015-12	Malcolm Burton	Value dispute. Did not measure home and did not identify some of the features the home or updates/renovations. Improper comps.	Due diligence in reporting requirements to comply with USPAP.
2015-14	Malcolm Burton	False or misleading statement on appraisal and improper comps.	Be more mindful of clearly laying out 3 year history per USPAP Standard Rule 2-2 (vii)
2015-30	Malcolm Burton	False or Misleading Statement on Appraisal and improper comps.	Disclose in appraisal report who client is and any corrections required by client in a corrected report. AMC vs. Lender conflict
2015-36	Malcolm Burton	Improper Comps	Disclose in appraisal report who client is and any corrections required by client in a corrected report. AMC vs Lender conflict.

MOTION:

Mr. Dodds made a motion to accept the IRC report and recommendations. Mr. Casterline seconded the motion. The votes carried unanimously.

Investigations & Enforcement Update – Erin Baldwin

OIE Appraiser’s Board Case Report

Cases received January 1, 2016 – April 27, 2016

Case Statuses	Total
Active Investigation	8
Do Not Open Case	3
Opened	4
Pending Board Action	8
Total	23

30 Total Active Cases

Cases closed January 1, 2016 – April 27, 2016

Case Statuses	Total
Closed	14
Do Not Open Case	3
Total	17

Office of Disciplinary Counsel (ODC) Update - Erin Baldwin

OGC Case Load Statistics as of January 25, 2016

Board	Open Cases	Pending actions	Pending CA/MOAs	Pending Hearings	Pending Board Action	Pending Final Orders	Closed
Appraisers	3	2	1				6
					Closed Cases on or after 1/1/16		6

Ms. Baldwin gave an update of four active cases currently on her desk. Presuming there aren't any issues and this is acceptable by the Board, Ms. Baldwin proposed having a two day meeting scheduled for August 18, 2016 and August 19, 2016 on a rolling docket that will allow open slots to assist with the backlog.

Executive Session

Mr. Barczak made a motion to go into Executive Session for legal advice on a personnel matter, recent Administrative Law Court decisions, and closed session as allowed by FOIA. Mr. Casterline seconded the motion. Mr. Knight amended the motion to include in addition to Board and Staff that Mr. Dozier, Mr. Burton, and Ms. Baldwin also remain present. Mr. Casterline seconded the amended motion which carried unanimously.

Return to Public Session

Mr. Barczak made a motion to return from Executive Session. Mr. Casterline seconded the motion which carried unanimously.

Application Hearings

Thomas Galphin

The board held a hearing to determine should the license of Mr. Galphin be reinstated as a Certified General Appraiser. Mr. Galphin did not have legal counsel. Ms. Galphin presented testimony regarding the reinstatement of his license. Discussion ensued.

MOTION:

Mr. Johnson made the motion to accept Mr. Galphin's application for reinstatement. Mr. Casterline seconded the motion which carried unanimously.

Michael Struck

The board held a hearing to determine if Mr. Struck should be granted a Certified Residential Appraisers License. Mr. Struck did not have legal counsel. Mr. Struck provided testimony regarding being granted a license as a Reciprocal Certified Residential Real Estate License. Discussion ensued.

MOTION:

Mr. Barczak made the motion to enter Executive Session for the purpose of obtaining legal advice with the Administrator remaining present. Mr. Johnson seconded the motion which carried unanimously.

MOTION:

Mr. Barczak made the motion to come out of Executive Session. Mr. Johnson seconded the motion which carried unanimously.

MOTION:

Mr. Barczak made a motion to deny the application. Hearing no second, that motion failed.

MOTION:

Mr. Casterline made a motion that the application be approved and held on probation status pending two conditions:

1. The Applicant will remain on Probation until we receive from the Massachusetts Board written confirmation that all conditions imposed by it are timely completed, and that said confirmation be received no later than December 31, 2016.
2. The Applicant will be employed by a Certified South Carolina Appraiser for a total period of 24 months from the date Probation is lifted. If the Applicant fails to follow either of these conditions imposed for licensure, that the License be suspended by further order of the Board Chairman.

Mr. Dodds seconded the motion. Discussion ensued. The motion passed as presented with four in favor and one opposed of the motion.

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

Administrators Remarks - Laura Smith

1.) Budget Update - Laura Smith

Ms. Smith shared the budget for the General Appraiser Board and the National Registry fees. Discussion ensued.

2.) Licensure Update - Laura Smith

Number of Credentials as of May 2, 2016

	<u>ACTIVE</u>	<u>INACTIVE</u>	<u>TOTAL</u>
APPRENTICE	140	0	140
LICENSED	163	24	187
CERTIFIED RESIDENTIAL	1041	54	1095
CERTIFIED GENERAL	1022	28	1050
LICENSED MASS	57	1	58
CERTIFIED RESIDENTIAL MASS	67	3	70
CERTIFIED GENERAL MASS	<u>29</u>	<u>1</u>	<u>30</u>
TOTAL	2519	111	2630

TEMPORARY PERMITS	ISSUED IN 2015	206
	ISSUED IN 2016	87

Discussion ensued regarding most licenses are now active in renewal.

3.) Renewals

The next meeting credential numbers will reflect how many licensees have not renewed. Those will be the licensees that can renew up to June 30, 2017 while accruing late fees. The renewal system was opened up last Friday and many licensees have already started to renew. Ms. Smith projects many licenses will renew online.

Unfinished Business

Appraisers Bill

Things are progressing as it has moved to the Senate side.

Appraisal Management Company (AMC) Bill

Jeff Thordale introduced himself as representing a group called Copper Dome Strategies, LLC. Mr. Thordale provided an update on the AMC Bill. He stated they are negotiating on agreeing on certain language for the best interest of all parties.

Appraisal Fee Study Information

Determined from the previous meeting, the University of South Carolina would not be considered and a different route would be pursued. Mr. Dodds mentioned that Coastal Carolina recently opened a Real Estate Department and could be seeking a project to help develop their creditability. Ms. Smith provided a copy of the Virginia Real Estate Appraiser Board Customary and Reasonable Compensation for Fee Appraisers as a model.

MOTION:

Mr. Casterline made a motion to enter Executive Session to obtain legal advice on the Appraisal Fee Study. Mr. Barczak seconded the motion which carried unanimously.

MOTION:

Mr. Barczak made the motion to return from Executive Session. Ms. King seconded which carried unanimously.

Public Comments

None.

Adjournment

Mr. Johnson made the motion to adjourn the meeting at 1:43 p.m. Mr. Casterline seconded the motion which carried unanimously. The next Real Estate Appraisers board meeting is scheduled for August 18 and 19, 2016.