

Minutes

South Carolina Real Estate Appraisers Board

Thursday, April 11, 2019 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 10:08 a.m. Other members present for the meeting included: Chris Barczak, Rex Casterline, Mark Chapman, Michael Dodds.

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.

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. Staff members participating during the meeting included: Georgia Lewis, Advice Counsel; Charles Gwynne, Office of Disciplinary Counsel; Malcolm Burton, Office of Investigations; Sharon Cook, Office of Investigations; Laura Smith, Administrator; Lori Gibson, Administrative Assistant.

Four members of the public, Joe Versen, Austin Smallwood, Melinda Shepherd and Dale Bailey were present.

Motion to Excuse Board Member Absences:

Mr. Casterline made the motion to excuse the absence of Mr. Donato & Mr. Hammond for the reasons given to the Administrator. Mr. Dodds seconded the motion, which carried unanimously.

Motion to accept the amended agenda to remove Case # 2018-23

Mr. Chapman made the motion to approve the agenda as amended. Mr. Casterline seconded the motion, which carried unanimously.

Motion for Approval of the Minutes from February 14, 2019 Meeting

Mr. Casterline made the motion to approve the minutes as written. Mr. Dodds seconded the motion, which carried unanimously.

Remarks from LLR Director, Emily Farr

Mrs. Farr stated that she has been with the agency approximately two and one half years and there were many Board members she has not met. She stated she was taking the time to go to each Board meeting so she could put faces with names and in return, the Board members could put her face with her name. She spoke of changes within LLR and the hiring of a new Finance and Procurement Director. She wanted to inform the Board of the new agency website that was being launched in July. After some conversation about the website, she thanked the Board members for their service.

Approval of the Investigative Review Committee (IRC) Report- Sharon Cook

The IRC report dated March 25, 2019 presented for approval. Discussion ensued.

DISMISSALS

Case #	Investigator	Initial Complaint Allegations	IRC Logic
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2018-29	Malcolm Burton	Appraisal contains numerous errors of commission & omission, sales not comparable & adjustments not supported	No Violation
2018-48	Malcolm Burton	Sanctioned by another state	No Violation
2018-71	Malcolm Burton	Appraiser did not include recent updates/renovations made to home & did not include new addition of 240 sq. ft. in his report. Complainant alleges numerous updated not credited in the report as well as incorrect description of features and better sales available in subdivision. Value dispute	No Violation
2019-3	Malcolm Burton	Complainant thinks an appraisal of his property completed in 2004, which was done without his knowledge as of the effective date, is not "trust worthy".	No Violation

Motion to accept the IRC recommendations of dismissal:

Mr. Casterline made the motion to accept the IRC recommendations of dismissal. Mr. Barczak seconded the motion, which carried unanimously.

FORMAL COMPLAINT

Case#	Investigator	Initial Complaint Allegations	IRC Logic
2018-34	Malcolm Burton	Appraisal report contains incorrect physical characteristics of property and comps are not similar.	Statute violation.
2018-42	Malcolm Burton	Appraisal report contains incorrect physical characteristics of property and comps are not similar.	Statute violation.

Motion to approve the Formal Complaint report:

Mr. Casterline made a motion to approve the Formal Complaint Report. Mr. Dodds seconded the motion, which carried unanimously.

LETTER OF CAUTION

Case #	Investigator	Initial Complaint Allegations	IRC Logic
2018-30	Laura Smith	Sales used are not comparable to the subject either for age, condition, location on the water, and incorrect adjustments are used that affect the results of the report.	Be mindful to support conclusions of report. 2-2 (a) (viii)
2018-33	Malcolm Burton	Home was mismeasured, affecting credibility of report. Compliant wants a refund.	Be mindful of USPAP Standards Rule 1-1 (c).
2018-44	Malcolm Burton	Respondent sanctioned by another state.	Be mindful of 40-1-11- (1) (b).

Motion to approve the Letter of Caution report:

Mr. Casterline made a motion to approve the Letter of Caution report. Mr. Dodds seconded the motion, which carried unanimously.

OIE APPRAISER’S BOARD CASE REPORT

Cases received from January 1, 2019 – March 27, 2019

Case Statuses	Total
Active Investigation	2
Closed	0
Do Not Open Case	0
Pending Board Action	1
Pending CA Review	4
Pending Expert Review	0
Total	7

Alleged Issues: Appraisers Board	Total
Unknown	2

Improper Comps	1
Misconduct	1
Sanctioned by other Board	1
Unlicensed Practice	1
Value Dispute	1
TOTAL	7

2018 Cases still Active

CASE STATUSES : Appraisers Board	Total
Active Investigation (Avg days: 170) (Appraiser)	17
TOTAL	17

24 Total Active Cases

Office of Disciplinary Counsel (ODC) Update – Charles Gwynne

ODC Case Load Statistics as of April 2, 2019

Board	Open Cases	Pending Review	Pending CA/MOAs	Pending Hearings	Pending Board Action	Pending Appeal	Pending Final Orders	Pending Closure	Closed*
Appraisers	10	0	0	9	0	1	0	0	7

*Closed Cases 2/7/19 to 4/4/19

Delegation of authority to Board Chair for Cease and Desist orders for unlicensed practice

Georgia Lewis addressed the Board regarding the issue of delegating authority to Board Chair to issue Cease and Desist for Unlicensed Practice.

Motion to delegate authority to Board Chair to issue Cease and Desist for Unlicensed Practice:

Mr. Casterline made a motion to delegate authority to the Board Chair to issue Cease and Desist Orders for Unlicensed Practice. Mr. Dodds seconded the motion, which carried unanimously.

Disciplinary Hearing: Case Nos: 2018-45, 2018-47, 2018-66, 2018-67 and 2019-2

Mr. Knight called the Disciplinary Hearing for cases 2018-45, 2018-47, 2018-66, 2018-67 and 2019-2 to order. Respondent was not present although proper notice was given. Conversation between Board members, Advice Counsel and Disciplinary Counsel ensued. Witnesses were sworn in and questioned by Mr. Gwynne.

Motion for Executive Session

Mr. Casterline made a motion to move into Executive Session. Mr. Dodds seconded the motion, which carried unanimously.

Motion to exit Executive Session

Mr. Casterline made a motion to move out of Executive Session. Mr. Dodds seconded the motion, which carried unanimously.

Motion of met Burden of Proof for Fine and Revocation

Mr. Casterline made the motion that the State had met the burden of proof for the fine and revocation. Mr. Chapman seconded the motion, which carried unanimously.

Administrators Remarks - Laura Smith

Budget Update

Mrs. Smith provided the Budget Report for the Appraisers Board Account (\$956,614.20) for review by the Board. The National Registry Account (\$72,635.00) was also presented to the

Board for review. This account is allocated to the Appraisal Subcommittee to pay the National Registry fees. She stated these numbers are as of February 28, 2019.

Licensure Update

**SC REAL ESTATE APPRAISERS BOARD NUMBER OF CREDENTIALS AS OF
APRIL 4, 2019**

	ACTIVE	INACTIVE	ACTIVE IN RENEWAL	TOTAL
Apprentice	219	0	54	273
Licensed	126	19	27	172
Certified Residential	971	43	90	1104
Certified General	975	21	123	1119
Licensed Mass	46	0	5	51
Certified Residential Mass	64	2	7	73
Certified General Mass	26	2	5	33
Total	2427	87	311	2825

AMC Active 137

AMC Inactive 6

TEMPORARY PERMITS

ISSUED IN 2018	ISSUED IN 2019
253	66

AARO Conference

Mrs. Smith furnished the Board with the agenda for the Spring Conference. She stated that travel had been approved for her, Jake Knight, Mark Chapman and Mac Burton to attend this Conference.

ASC preliminary findings

Per Mrs. Smith, she has responded to the ASC regarding their findings and she is waiting on a final statement from them. They found no issues with the Appraisal Management companies and one issue for the Appraisers program, which she has already addressed.

Board meeting dates

Mrs. Smith informed the Board members that nothing has changed with the dates. The next Board meeting is scheduled for August 15-16, 2019. She stated that two days were scheduled for the meetings. She would know closer to the actual date if both days were needed.

Unfinished Business

Statute and Regulations

Discussion ensued between Board Administrator and Board members regarding the status of pending statutes and regulations.

Task Force information

Discussion ensued between the Board Administrator and Board members regarding the recommendations from the task force.

Motion to utilize information from the Task Force:

Mr. Chapman made the motion to approve resolution guidelines for Appraisal Management Companies. Mr. Dodds seconded the motion, which carried unanimously.

Motion to adopt disciplinary recommendations:

Mr. Casterline made the motion to adopt the disciplinary recommendations established by the Task Force. Mr. Dodds seconded the motion, which carried unanimously.

Adjournment

Mr. Casterline made the motion for adjournment. Mr. Dodds seconded the motion, which carried unanimously.