

## **Minutes**

### **South Carolina Real Estate Appraisers Board**

**Thursday, August 15, 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 10:00 a.m. Other members present for the meeting included: Chris Barczak, Rex Casterline, Mark Chapman, Michael Dodds, Christopher Donato and Clint Hammond.

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; Laura Smith, Administrator; Lori Gibson, Administrative Assistant.

Members of the public, Austin Smallwood, Blake Floyd, Sammy Floyd, Jerry Rance Hawkins, Gayle Hawkins, Stevi Head, Dale Bailey, Chris Byrne and George Mann.

#### **Motion to approve the Agenda**

Mr. Casterline made the motion to approve the agenda as it is written and published. Mr. Donato seconded the motion, which carried unanimously.

**Motion for Approval of the Minutes from the April 11, 2019 Board Meeting**

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

**Remarks from Jake Knight, Chairman**

Mr. Knight kept his comments to a minimum. He let everyone know that there would be a couple of presentations from appraisers in private practice who have some issues that they wanted to bring to the Board's attention. He thanked everyone for taking time out of their schedule to attend the meeting.

**Approval of the Investigative Review Committee (IRC) Report- Mac Burton**

The IRC report dated August 1, 2019 was presented for approval. A Discussion ensued.

**DISMISSALS**

<b>Case #</b>	<b>Investigator</b>	<b>Initial Complaint Allegations</b>	<b>IRC Logic</b>
<b>2018-12</b>	Malcolm Burton	Providing misleading appraisals	Insufficient Legal basis
<b>2018-56</b>	Malcolm Burton	Unlicensed practice by AMC	No Violation. Respondent does not meet the definition of an AMC thereby meeting South Carolina requirements for exemption from registration as an AMC
<b>2018-58</b>	Malcolm Burton	Unlicensed AMC requested quote for an appraisal in SC	Corrective action taken. Application for license has been received by the Board
<b>2018-59</b>	Malcolm Burton	Unlicensed AMC	No Violation. Not soliciting appraisal services in the state. Registration is in process.
<b>2019-6</b>	Malcolm Burton	Appraisal Company is operating as an AMC	No Violation. Does not meet the definition of an AMC .

**Motion to approve the IRC recommendations of Dismissals:**

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

**Motion to approve the IRC recommendations for Cease and Desist:**

Case #	Investigator	Initial Complaint Allegations	IRC Logic
2018-55	Malcolm Burton	Respondent completed a Restricted Appraisal within BDL Asset Valuation for a company that has real property in SC, plus 47 other states, Australia, Canada, Puerto Rico and Virgin Islands. Respondent is certified in 20 other states but not South Carolina	Cease and Desist
2019-1	Malcolm Burton	Respondent prepared an opinion of value that was presented to the Aiken Assessor's office in a tax appeal. Respondent is not a licensed South Carolina appraiser	Cease and Desist

**Motion to approve the IRC recommendations for Cease and Desist:**

Mr. Casterline made the motion to accept the IRC recommendations of Cease and Desist. Mr. Dodds seconded the motion, which carried unanimously.

**FORMAL COMPLAINT**

Case#	Investigator	Initial Complaint Allegations	IRC Logic
2018-51	Malcolm Burton	Appraisal Review disagreed with appraisal completed for the sale of home, resulting in no sale	Statute violation.
2018-54	Malcolm Burton	Respondent disciplined in NC. He did not report in on SC renewal	Statute violation.
2018-60	Malcolm Burton	Complainant alleges an appraisal for property is falsified and it induced investor's to loan money to owners of the property.	Statute violation.
2018-65	Malcolm Burton	Improper comps used for age & condition. Property description omitted numerous value contributing items. Value dispute.	Statute violation.
2018-69	Malcolm Burton	AMC had issues with Respondent's report; both vendor requirements and alleged USPAP violations. Entry not needed, previously done.	Statute violation.

**Motion to approve the Formal Complaint report:**

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

**LETTER OF CAUTION**

<b>Case #</b>	<b>Investigator</b>	<b>Initial Complaint Allegations</b>	<b>IRC Logic</b>
2018-50	Malcolm Burton	Numerous errors of omission & commission in report, provided 20 additional sales for consideration.	Be mindful to properly reconcile final conclusions in a report.
2018-52	Malcolm Burton	Appraisal report has factual inaccuracies. Value dispute.	Be mindful to review reports before submission for any errors, even though errors don't affect final value.
2018-57	Malcolm Burton	Primarily a value dispute. Complainant point out several misspelling errors, disagrees with condition & quality ratings, GLA, foundation type and numerous other "inconsistencies". Also, includes 4 alternative sales.	Be mindful to review reports before submission for any errors, even though errors don't affect final value
2018-61	Malcolm Burton	Sanctioned by NC for incomplete work file for an oral report. Disciplined in North Carolina.	Based on resolution guidelines.
2018-63	Malcolm Burton	Sanctioned by other Boards	Based on resolution guidelines.
2018-75	Malcolm Burton	Disciplined my Delaware Appraisers Board for failing to provide proof of the required continuing education course.	Based on resolution guidelines.
2018-76	Malcolm Burton	Comparable sales were old, not comparable to style of subject, did not reflect a rebounding market, not similar in age, additional sales provided but not considered. Cost approach cost/sq. ft. less than Zestimate.	Be mindful to have complete work file which includes documentation to support analysis and conclusions.
2019-4	Malcolm Burton	License suspended for two years by Oklahoma Real Estate Appraisers Board	Based on resolution guidelines.
2019-14	Malcolm Burton	Sanctioned by State of Maine: failure to complete CE as stated on renewal application.	Based on resolution guidelines.
2019-17	Malcolm Burton	AMC self-reported sanctions by another state for failing to report separate fees for Appraisers and AMC fees plus incorrect contact information for controlling person.	Based on resolution guidelines.
2019-19	Malcolm Burton	License suspended for 2 years by Oklahoma.	Based on resolution guidelines.

**Motion to approve the Letters of Caution report:**

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

**OIE APPRAISER'S BOARD CASE REPORT**

**Cases received from January 1, 2019 – July 30, 2019**

<b>Case Statuses</b>	<b>Total</b>
<b>Active Investigation</b>	<b>9</b>
<b>Closed</b>	<b>1</b>
<b>Do Not Open Case</b>	<b>0</b>
<b>Pending Board Action</b>	<b>0</b>
<b>Pending CA Review</b>	<b>0</b>
<b>Pending Expert Review</b>	<b>0</b>
<b>Total</b>	<b>10</b>

<b>Alleged Issues: Appraisers Board</b>	<b>Total</b>
<b>Improper Comps</b>	<b>4</b>
<b>Uniform Standards Violation</b>	<b>2</b>
<b>Sanctioned by another Board</b>	<b>6</b>
<b>Unlicensed Practice</b>	<b>1</b>
<b>Value Dispute</b>	<b>4</b>
<b>TOTAL</b>	<b>17</b>

**Office of Disciplinary Counsel (ODC) Update – Charles Gwynne**

**ODC Case Load Statistics as of August 1, 2019**

<b>Board</b>	<b>Open Cases</b>	<b>Pending Review</b>	<b>Pending CA/MOAs</b>	<b>Pending Hearings</b>	<b>Pending Board Action</b>	<b>Pending Appeal</b>	<b>Pending Final Orders</b>	<b>Pending Closure</b>	<b>Closed*</b>
<b>Appraisers</b>	3	0	0	3	0	0	0	0	9

\*Closed Cases 4/4/2019 to 8/1/2019

**Application Hearing: -Jerry Hawkins**

Mr. Knight called the Application Hearing for Mr. Jerry Hawkins to order. Mrs. Smith gave the details of the reinstatement application to the Board. She stated that the applicant had completed

the 112 hours of continuing education that was needed for reinstatement. Mr. Hawkins was sworn in. He gave testimony as to why his license lapsed. He was questioned by several Board members.

**Motion to Reinstate**

Mr. Donato made a motion to reinstate Mr. Hawkins Certified Residential license. Mr. Casterline seconded the motion, which carried unanimously.

**Application Hearing: Christopher Byrne**

Mr. Knight called the Application Hearing for Christopher Byrne to order. Mrs. Smith gave the details of the reinstatement application to the Board. Mr. Byrne was sworn in and proceeded to give his testimony as to why he was seeking a reinstatement. He was questioned at length by the Board members.

**Motion to Reinstate:**

Mr. Donato made a motion to reinstate Mr. Byrne's Certified Residential License. Mr. Chapman seconded the motion, which carried unanimously.

**Application Hearing: Blake Andrew Floyd**

Mr. Knight called the Application Hearing for Blake Andrew Floyd to order. Mrs. Smith gave the details of the reinstatement application to the Board. Mr. Floyd was sworn in and proceeded to give his testimony as to why he was seeking a reinstatement. He was questioned at length by the Board members.

**Motion to Reinstate:**

Mr. Donato made a motion to reinstate Mr. Floyd's Apprentice license. Mr. Dodds seconded the motion, which carried unanimously.

**New Business:**

Mr. Knight introduced Mr. Dale Bailey from SCPAC and explained that he would be addressing the Board regarding hybrid and bifurcated appraisals. Mr. Bailey's presentation to the Board was lengthy. Several Board members asked questions and a conversation ensued.

Mr. Knight introduced Mr. George Mann and explained that he would be addressing the Board regarding evaluations. Mr. Mann's presentation was lengthy. Several Board members asked questions and a conversation ensued.

**Administrators Remarks - Laura Smith**

Mrs. Smith stated that she needed to discuss Board meeting dates, even though it was not on the Agenda. She stated there were several conflicts about the dates for the November Board meeting. A lengthy conversation ensued regarding this matter.

**Licensure Update**

**SC REAL ESTATE APPRAISERS BOARD NUMBER OF CREDENTIALS AS OF  
August 12, 2019**

	<b>ACTIVE</b>	<b>INACTIVE</b>	<b>TOTAL</b>
<b>Apprentice</b>	240	0	273
<b>Licensed</b>	129	20	149
<b>Certified Residential</b>	990	45	1035
<b>Certified General</b>	1008	22	1030
<b>Licensed Mass</b>	46	0	46
<b>Certified Residential Mass</b>	64	2	66
<b>Certified General Mass</b>	26	2	28
<b>Total</b>	<b>2503</b>	<b>91</b>	<b>2594</b>

**AMC Active            132                    AMC Inactive   1            Lapsed   17**

**TEMPORARY PERMITS**

<b>ISSUED IN 2018</b>	<b>ISSUED IN 2019</b>
253	143

**Budget Update**

Mrs. Smith provided the Budget Report for the Appraisers Board Account (\$834,189.08) for review by the Board. The National Registry Account (\$119,875.00) 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 June 30, 2019.

### **Appraisal Subcommittee Compliance Review**

Mrs. Smith furnished the Board with copies of the letters from the Appraisal Subcommittee on the appraiser and AMC regulatory programs and a conversation ensued between her and the Board members.

### **Travel Expenses for the Real Estate Appraisers Board**

Mrs. Smith went over the breakdown of the budget for each upcoming conference. A conversation ensued.

### **Motion To Approve Travel Vouchers:**

Mr. Donato made a motion to approve the travel vouchers. This included a voucher for one person to go to The Appraisal Summit in Las Vegas, a voucher for one person to attend the Valuation Expo in Las Vegas and a voucher for two people to attend the AARO conference in Washington, D.C. Mr. Casterline seconded the motion, which carried unanimously.

### **USPAP**

Mrs. Smith discussed USPAP and informed the Board that a new one would be coming out the end of the year. She stated in the past it's been put on the Agency's secure website and allowed Appraiser's to download it for free. She stated the Board would pay the cost of that through the first three months of 2020. A conversation ensued.

### **Motion for Appraisers Board to pay for USPAP Downloads:**

Mr. Casterline made the motion for the Appraiser's Board to pay for the USPAP downloads once available through March 31, 2020. Mr. Dodds seconded the motion, which carried unanimously



### **Unfinished Business**

Mrs. Smith informed the Board that the regulations passed and went into effect in May but the statute had not. A conversation ensued.

### **Adjournment**

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