

Minutes

South Carolina Real Estate Appraisers Board

Thursday, October 31, 2019 at 10:00 a.m.

Synergy Business Park, Kingstree Building, Conference Room 108

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, Chris Donato,

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: Mary League, Advice Counsel; Charles Gwynne, Office of Disciplinary Counsel; Malcolm Burton, Office of Investigations; Rodney Pigford, Office of Investigations; Laura Smith, Administrator; Lori W. Gibson, Administrative Assistant

Members of the public that were present included Austin Smallwood, Stuart Adamo and Patrick Crowe.

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 the Investigative Review Committee (IRC) Report- Rodney Pigford

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

DISMISS

Case #	Investigator	Initial Complaint Allegations	IRC Logic
2019-7	Malcolm Burton	Value dispute. Complainant contends there are better sales to use as comparable sales than those used by Respondent. Complaint did not provide any sales.	No Violation
2019-8	Malcolm Burton	Primarily a value dispute based on the allegation that sales used in the report are not the best available and two recent reports of the property have higher value.	No violation.
2019-27	Malcolm Burton	Value dispute, alleged errors in property description and better sales available. No data included with complaint	No violation
2019-36	Malcolm Burton	Improper comps resulted in low value for a short sale appraisal.	No violation

MOTION:

Mr. Casterline made the motion to accept the IRC recommendations of dismissal. Mr. Donato seconded the motion. The votes carried unanimously.

FORMAL COMPLAINT

Case#	Investigator	Initial Complaint Allegations	IRC Logic
2019-22	Malcolm Burton	Voluntary surrender of License in Alabama	Statute violation. Surrender of license in Alabama recorded as a revocation.
2019-37	Malcolm Burton	Numerous errors in the appraisal report that overvalued our home	Statute violation. Violation of multiple USPAP standards

MOTION:

Mr. Casterline made a motion to approve the cases for Formal Complaint. Mr. Barczak seconded the motion. The votes carried unanimously.

LETTER OF CAUTION

Case #	Investigator	Initial Complaint Allegations	IRC Logic
2019-10	Malcolm Burton	GLA in report is incorrect affecting the conclusions of the report	Evidence indicated that property was measured correctly but math error caused miscalculation of GLA in report.
2019-20	Malcolm Burton	Disciplined & fined by Michigan Appraisers Board	Based on resolution guidelines
2019-26	Malcolm Burton	Oklahoma suspended license for failing to pay annual license renewal before deadline	Based on resolution guidelines
2019-28	Malcolm Burton	Used older sales that available within neighborhood & numerous errors in the report.	Record Keeping violation/
2019-35	Malcolm Burton	Improper comps resulted in low value for a short sale appraisal.	Record keeping violation
2019-38	Malcolm Burton	Sanctioned by NC Board, Public Reprimand and Additional Education	Based on Resolution guidelines
2019-45	Malcolm Burton	Sanctioned by Michigan Appraisers Board for self-reporting late disciplinary action taken by Maine	Based on Resolution guidelines
2019-46	Malcolm Burton	Sanctioned by Arizona Board, additional education required	Based on Resolution guidelines

2019-47	Malcolm Burton	Sanctioned by other Board, CA fined respondent \$1000.00 for failing to acknowledge discipline on renewal application.	Based on Resolution guidelines
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MOTION:

Mr. Casterline made a motion to approve the cases for letters of caution report. Mr. Donato seconded the motion. The votes carried unanimously. Discussion ensued.

RECONSIDERATION LETTER OF CAUTION

2018-23	Charlie Gwynne	Respondent completed an appraisal-review that identifies non-compliance with USPAP. The review includes an opinion of value that is not supported by the review report.	Assure when completing a review appraisal that there is support for difference in value included in the report.
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MOTION:

Mr. Casterline made a motion to approve the Reconsideration of Letter of Caution. Mr. Donato seconded the motion. The votes carried unanimously. Discussion ensued.

OIE APPRAISER'S BOARD CASE REPORT

Cases received from January 1, 2019 – October 28, 2019

Case Statuses	Total
Active Investigation	8
Closed	7
Do Not Open Case	17
Pending Board Action	15
Pending CA Review	4
Pending Expert Review	4
Total	51

Alleged Issues	Total
Improper Comps (Appraiser)	11
Uniform Standards Violation (Appraiser)	8
Sanctioned by another Board (Appraiser)	13
Unlicensed Practice (Appraiser)	2
Value Dispute (Appraiser)	9
Total	43

Office of Disciplinary Counsel (ODC) Update – Charles Gwynne

OGC Case Load Statistics as of October 21, 2019

Board	Open Cases	Pending Review	Pending CA/MOAs	Pending Hearings	Pending Board Action	Pending Appeal	Pending Final Orders	Pending Closure	Pending Rescheduling	Closed
Appraisers	6	0	0	5	1	0	0	0	0	2

******Closed Cases 8/1/19-10/21/19**

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Administrators Remarks - Laura Smith

Budget Update

Ms. Smith provided the Budget Report for the Appraisers Board account and the National Registry account. She stated the report balances are staying consistent. The balance as of

9/30/19 for the Real Estate Appraisers Board was \$776,118.08. The balance for the National Registry account as of 9/30/2019 was \$77,590.00

Licensure Update

**SC REAL ESTATE APPRAISERS BOARD NUMBER OF CREDENTIALS AS OF
October 30, 2019**

	ACTIVE	INACTIVE	TOTAL
Apprentice	248	0	248
Licensed	131	20	151
Certified Residential	995	45	1040
Certified General	1025	22	1047
Licensed Mass	50	0	50
Certified Residential Mass	64	2	66
Certified General Mass	26	2	28
Total	2539	91	2630

AMC Active 136

AMC Inactive 1

AMC Lapsed 17

TEMPORARY PERMITS

ISSUED IN 2018	ISSUED IN 2019
253	205

NEW BUSINESS

CE BROKER ACCOUNT UPDATE

A chart was provided that gave a breakdown of how many of our appraisers are registered with CE Broker.

AARO Conference

The Board was given the details of the next AARO Conference, which will be held April 2-6, 2020 in San Antonio, TX. A discussion ensued between the Board members and the Administrator.

MOTION

Mr. Casterline made a motion to approve attendance to the AARO Conference for two Board members and the Administrator, Laura Smith and Investigator, Malcolm Burton. Mr. Donato seconded the motion. The votes carried unanimously. Discussion ensued.

SCPAC Conference

The Board was given information regarding the SCPAC conference that is to be held in Charleston, SC on February 7-8, 2020.

MOTION

Mr. Casterline made a motion to approve attendance by the Administrator, to the SCPAC Conference. Mr. Donato seconded the motion. The votes carried unanimously. Discussion ensued.

VALUATION EXPO

The Board was given information regarding the Valuation Expo that is to be held in New Orleans, LA on March 19-22, 2020.

MOTION

Mr. Casterline made a motion for the approval of one Board member to attend the Expo on March 19-22, 2020 in New Orleans, LA. Mr. Donato seconded the motion. The votes carried unanimously. Discussion ensued.

Unfinished Business

Statute & Regulations

Mr. Knight stated Statute and Regulations are moving forward. There was a discussion regarding the reduction of application fees that were approved at the September meeting. Further discussion ensued.

HEARING FOR CASE #2018-34 AND 2018-42 Motion to Modify/Set aside Consent Agreement.

Mr. Knight called the Hearing for Case# 2018-34 & 42 to order. Respondent was present and was sworn in. Both Charlie Gwynne, Office of Disciplinary Counsel and the Respondent gave their opening statements. The Board members asked several questions and a lengthy conversation ensued. Both Mr. Gwynne and Respondent presented their closing statements.

MOTION TO GO INTO EXECUTIVE SESSION:

Mr. Donato made a motion to go into Executive Session. Mr. Casterline seconded the motion. The votes carried unanimously. Discussion ensued

MOTION TO COME OUT OF EXECUTIVE SESSION:

Mr. Donato made a motion to come out of Executive Session. Mr. Casterline seconded the motion. The votes carried unanimously. Discussion ensued

MOTION FOR DISPOSITION:

Mr. Casterline made the motion that the Motion for Reconsideration or Modify be denied for Case # 2018-34 and 2018-42

Mr. Donato seconded the motion which carried unanimously.

Disciplinary Hearing for Case # 2018-69

Mr. Knight called the Disciplinary Hearing for Case# 2018-69 to order. Respondent was present and was sworn in. Both Charlie Gwynne, Office of Disciplinary Counsel and the Respondent gave their opening statements. Mr. Malcolm Burton was called as a witness. He was questioned by Mr. Gwynne and cross examined by Respondent. The Board members asked several questions and a lengthy conversation ensued. Both Mr. Gwynne and Respondent presented their closing statements.

MOTION TO GO INTO EXECUTIVE SESSION

Mr. Donato made a motion to go into Executive Session. Mr. Casterline seconded the motion. The votes carried unanimously.

MOTION TO COME OUT OF EXECUTIVE SESSION

Mr. Donato made a motion to come out of Executive Session. Mr. Casterline seconded the motion. The votes carried unanimously

MOTION FOR DISPOSITION

Mr. Casterline made a motion that the State has met its burden in establishing that the report of the Respondent notes a prior sale of property on June 7, 2018. Also, the State met its burden in establishing that the sales selected as comparables for the property are located in a different market from the stated suburban market. The state did not meet its burden in that the report does not include a summarization of the supported rationale of the report's stated highest and best use of the property. The two violations violate USPAP Standard 2-2. Subset a, subset viii, and therefore is a violation of SC Code Sections 40-60-110, subset 22, and 40-60-38. The Respondent to be publically reprimanded and that the Respondent be required to take the courses, Appraisers Self-Protection: Documentation and Recording and Challenging Assignments for Residential Appraisers, within 12 months. Also, the Board will assess a civil penalty of \$1000.00 which is to be stayed unless the Respondent does not complete the two classes within 12 months.

Mr. Donato seconded the motion. The votes carried unanimously

Public Comments

None.

Adjournment

Mr. Donato made the motion to adjourn the meeting. Mr. Casterline seconded the motion, which carried unanimously.