

**Minutes**

**South Carolina Real Estate Appraisers Board**

**Thursday, August 16, 2018 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.

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 Council; Charles Gwynne, Office of Disciplinary Counsel, Laura Smith, Administrator; Lori Walters, Administrative Assistant; Three members of the public Harold Paul Davison, Connie G. Davison and Austin Smallwood.

**PLEDGE OF ALLEGIENCE** was recited by all present.

**INTRODUCTION OF BOARD MEMBERS AND ALL OTHER PERSONS ATTENDING**

All board members and staff were introduced by roll call. The public attendees introduced themselves.

**APPROVAL OF EXCUSED ABSENSE**

Mr. Donato made the motion to approve the absences of Mr. Mike Dodds and Mrs. Ann King. Mr. Casterline seconded the motion which carried unanimously.

### **APPROVAL OF AMENDED AGENDA**

#### **MOTION:**

Mr. Casterline made the motion to approve the Agenda as written. Mr. Donato seconded the motion which carried unanimously.

### **APPROVAL OF THE MINUTES FROM MAY 1, 2018 MEETING**

#### **MOTION:**

Mr. Casterline made the motion to amend the minutes. In the interest of privacy, lines 74 and 77 would be corrected to remove the name of the Respondent and put the Case number instead. Also, line 80 would be corrected to remove the pluralized of executive sessions to session and add the language to obtain legal advice on the disciplinary matter as the reason they went into executive session. Mr. Chapman made the motion for the approval of the amended minutes. Mr. Barczak seconded.

### **CHAIRMAN'S REMARKS**

Mr. Knight kept his remarks at a minimum. He spoke of the task force meeting that took place and stated that Mr. Chapman would advise the Board on that during the unfinished business portion of the meeting. He complimented Mrs. Baldwin on her work and let her know the Board appreciated her and her work to reduce the agenda.

### **REPORT- OFFICE OF DISCIPLINARY COUNSEL**

At this time, Mrs. Baldwin introduced Mr. Charles Gwynne who was recently hired to the Office of Disciplinary Counsel. A conversation ensued with the Board members and Mr. Gwynne.

## **DISCIPLINARY HEARING**

### **Case No. 2018-6**

The Board held Memorandum of Agreement hearing to hear and rule on the disciplinary actions brought against the Respondent. The Respondent was not represented by legal counsel. The Respondent was sworn in and presented documents and testimony regarding the disciplinary actions brought against him. Conversation ensued between the Respondent, Disciplinary Counsel and the Board members.

## **MOTION FOR EXECUTIVE SESSION**

Mr. Casterline made the motion to enter into Executive Session. Mr. Donato seconded the motion which carried unanimously.

## **MOTION TO COME OUT OF EXECUTIVE SESSION**

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

## **MOTION FOR DISPOSITION**

Mr. Casterline made the motion that the Board accept The Memorandum of Agreement and Stipulations and dismiss the case. Mr. Donato seconded the motion which carried unanimously.

## **ADMINISTRATORS REMARKS – LAURA SMITH**

### **Budget Update**

Mrs. Smith provided the Budget Report for the Appraisers Board Account (\$815,949.19) for review by the Board. She stated these numbers came out July 1, 2018. The National Registry Account (\$95,960.00) was also presented to the Board for review. This account is allocated to the Appraisal Subcommittee to pay the National Registry fees. She indicated that \$80.00 comes out of the application fees for the National Registry fees.

## **SC REAL ESTATE APPRAISERS BOARD NUMBER OF CREDENTIALS AS OF**

**August 14, 2018**

**LICENSURE UPDATE**

	<b>ACTIVE</b>	<b>INACTIVE</b>	<b>ACTIVE IN RENEWAL</b>	<b>TOTAL</b>
<b>Apprentice</b>	176	0	64	240
<b>Licensed</b>	124	19	32	175
<b>Certified Residential</b>	934	43	95	1072
<b>Certified General</b>	908	21	141	1070
<b>Licensed Mass</b>	45	0	5	50
<b>Certified Residential Mass</b>	61	2	7	70
<b>Certified General Mass</b>	26	2	5	33
<b>Total</b>	<b>2274</b>	<b>87</b>	<b>349</b>	<b>2710</b>

**AMC REGISTRATION**      **Issued 10/2/17 – 8-14-2018**      **130**

**TEMPORARY PERMITS**      **Issued in 2017**    **213**                      **Issued in 2018**    **159**

**CONFERENCE UPDATE**

Mrs. Smith informed the Board the Fall AARO Conference was being held in Washington, D.C. on October 19-22, 2018. She stated the travel budget that is approved is for the Administrator and two Board members to attend the conference. Conversation ensued about who might go and who has been.

**MOTION FOR ATTENDANCE AT FALL AARO CONFERENCE**

Mr. Casterline made the motion that the Board approve the attendance of three Board members and request additional funds in that regard plus one more from Administration. Mr. Donato seconded the motion and it carried unanimously,

**NEW BUSINESS**

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

The IRC report dated August 16, 2018 presented for approval. Discussion ensued.

## **DISMISSALS**

<b>Case #</b>	<b>Investigator</b>	<b>Initial Complaint Allegations</b>	<b>IRC Logic</b>
<b>2017-29</b>	Malcolm Burton	Uniform Standards Violation	No violation. The appraisal under review meets the minimum requirements of USPAP and the South Carolina Real Estate Appraisers Act.
<b>2017-30</b>	Malcolm Burton	Uniform Standards Violation	Insufficient evidence. The appraisal under review meets the minimum requirement of the profession.
<b>2017-34</b>	Malcolm Burton	Uniform Standards Violation	No violation. Value Dispute.
<b>2017-36</b>	Malcolm Burton	Uniform Standards Violation and value dispute	No violation. The appraisal review concludes the final report complies with USPAP.
<b>2017-37</b>	Malcolm Burton	Improper Comps	No violation. Although the Standard 4 appraisal review report identifies an area of USPAP noncompliance, it does not rise to the level of a violation.
<b>2017-41</b>	Malcolm Burton	Misconduct	No violation. Although the Standard 4 appraisal review report identifies two non-compliance items, the report's conclusions are reasonable and credible
<b>2017-51</b>	Malcolm Burton	Misconduct	No violation. The USPAP Standards 3 & 4 appraisal review report concludes the appraisal report is compliant with USPAP 2016-2017
<b>2017-53</b>	Malcolm Burton	Improper Comps	No violation. The accusations in the report are not supported by the facts and the appraisal review concludes the report complies with USPAP.
<b>2017-54</b>	Malcolm Burton	Complainant states better sales available in another S/D. Also states it is not a value dispute.	No violation. The appraisal review report concludes the report provides very well supported opinions and conclusions and exceeds the minimum requirements of USPAP.
<b>2017-57</b>	Malcolm Burton	Improper Comps	No violation. The appraisal review identified an area of non-compliance with USPAP. The errors identified do not affect the credibility of the report.
<b>2018-2</b>	Malcolm Burton	Appraiser threatened to alter findings during verbal altercation with complainant.	No violation. The actions of the Appraiser with the complainant are not a violation of the SC Real Estate Appraisers Licensing and Certification Act.
<b>2018-8</b>	Malcolm Burton	Sanctioned by other Board	No Violation. The states in which Respondent holds an active appraisers license, as well as inactive licenses report no violations.

<b>2018-22</b>	Malcolm Burton	Appraiser submitted an appraisal report for conversion from construction to permanent loan. Value is less than the construction loan.	Insufficient evidence. The appraisal under review meets the minimum requirements of the profession.
<b>2018-31</b>	Malcolm Burton	Mistakes in property description and value dispute	No Violation. The complaint is a value dispute with no support.

**MOTION FOR APPROVAL OF DISMISSAL SECTION OF IRC REPORT:**

Mr. Donato made the motion to approve the IRC recommendations of dismissal. Mr. Casterline seconded the motion which carried unanimously.

**FORMAL COMPLAINTS**

<b>Case #</b>	<b>Investigator</b>	<b>Initial Complaint Allegations</b>	<b>IRC Logic</b>
2017-42	Malcolm Burton	Uniform Standards Violation	Statute violation
2017-45	Malcolm Burton	Unlicensed practice	Statute Violation
2017-46	Malcolm Burton	Dishonest fraudulent or improper conduct and false or misleading statement on appraisal.	Statute violation
2017-49	Malcolm Burton	Substandard appraisal. Lack of adequate explanation of findings.	Statute Violation
2018-11	Malcolm Burton	Uniform Standards Violation	Statute Violation

**MOTION FOR APPROVAL OF FORMAL COMPLAINTS SECTION OF IRC REPORT:**

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

**LETTERS OF CAUTION**

<b>Case #</b>	<b>Investigator</b>	<b>Initial Complaint Allegations</b>	<b>IRC Logic</b>
2017-28	Malcolm Burton	Value dispute. Complainant offered additional sales he considered better.	Be mindful of the Record Keeping Rule. Recommend taking the work file course

2017-31	Malcolm Burton	USPAP violation. Signed report but had someone else do inspection without acknowledging it in the report.	Disclaimer contained within the report. Be mindful of USPAP Standard Rule 2-2 (a) (viii).
2017-62	Malcolm Burton	Respondent did not make visual inspection of the subject property exterior as stated in the scope of work & certification.	Be mindful of the Record Keeping Rule. Recommend taking work file course.

**MOTION FOR APPROVAL OF LETTERS OF CAUTION OF THE IRC REPORT:**

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

**OIE APPRAISER’S BOARD CASE REPORT- ERIN BALDWIN**

**Cases received from January 1, 2018 – August 8, 2018**

<b>Case Statuses</b>	<b>Total</b>
<b>Active Investigation</b>	<b>30</b>
<b>Closed</b>	<b>2</b>
<b>Do Not Open Case</b>	<b>6</b>
<b>Pending Board Action</b>	<b>5</b>
<b>Pending Board Hearing</b>	<b>1</b>
<b>Opened</b>	<b>2</b>
<b>Pending IRC</b>	<b>1</b>
<b>Total</b>	<b>47</b>

**CASES CLOSED January 1, 2018 – August 8, 2018**

<b>Case Statuses</b>	<b>Total</b>
<b>Closed</b>	<b>28</b>
<b>Do Not Open Case</b>	<b>11</b>
<b>Total</b>	<b>39</b>

**OFFICE OF DISCIPLINARY COUNSEL (ODC) UPDATE – ERIN BALDWIN**

**ODC Case Load Statistics as of August 14, 2018**

<b>Board</b>	<b>Open Cases</b>	<b>Pending actions</b>	<b>Pending CA/MOAs</b>	<b>Pending Hearings</b>	<b>Pending Board Action</b>	<b>Pending Final Orders</b>	<b>Pending Appeal</b>	<b>Closed</b>
<b>Appraisers</b>	4	0	0	3	0	0	1	4

**MOTION TO ENTER INTO EXECUTIVE SESSION**

Mr. Casterline made the motion to enter into Executive Session and included Administrator, Laura Smith. This was to obtain legal advice. Mr. Donato seconded the motion which carried unanimously.

**MOTION TO COME OUT OF EXECUTIVE SESSION**

Mr. Casterline made the Motion to come out of Executive Session.

Mr. Donato seconded the motion which carried unanimously.

**UNFINISHED BUSINESS**

**TASK FORCE RECOMMENDATIONS**

Mr. Chapman stated that the task force has met two times and went through the changes. He then turned it over to Mrs. Smith.

Further discussion ensued between Board members, Advice Counsel and Mrs. Smith.

Discussion ensued concerning changes to Statute (Title 40 Chapter 60) based on Task Force recommendations and approval of a Bond form for Appraisal Management Companies. After lengthy discussions, approval of statute changes was postponed. A conference call Board meeting will be called after further review from Advice Counsel.



**MOTION FOR APPROVAL OF CHANGES TO CHAPTER 137 OF THE REGULATIONS**

Mr. Donato made the Motion for the Board to approve the changes of Chapter 135 of the Regulations. Mr. Casterline seconded and the motion was carried unanimously.

**MOTION FOR APPROVAL OF CHANGES TO CHAPTER 10 OF THE REGULATIONS**

Mr. Donato made the motion to approve the changes of Chapter 10. Mr. Casterline seconded. The motion was carried unanimously.

**MOTION TO ADJOURN**

Mr. Donato made the motion to adjourn. Mr. Casterline seconded and the motion carried unanimously.

.

.