

**Minutes**

**South Carolina Real Estate Appraisers Board**

**Wednesday, May 2, 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: Mary League, Advice Counsel; Erin Baldwin, Office of Disciplinary Council; Malcolm Burton, Office of Investigations; Sharon Cook, Office of Investigations; Laura Smith, Administrator; Lori Walters, Administrative Assistant; Ty'Yona Schofield, Program Coordinator.

Eight members of the public Gregory Coleman, Carla Neff, John Phillip Trotter, Pamela Barnes, Willie King, William Johnson, James McGee, Austin Swallowood.

**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 ABSENCE**

Mr. Casterline made the motion to approve the absence of Mr. Mike Dodds. Mr. Donato 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 FEBRUARY 22, 2018 MEETING**

#### **MOTION:**

Mr. Casterline made the motion to approve the minutes with the exception of the following items: under the category of absences, the plural of absences should be singular, so it's clear that Mrs. King was only absent once; the number of credentials should be as of February 15, 2018 and not November 14, 2017; the language on page 5 of the minutes should be expanded to state specifically the Board's interpretation of Code Section 40-6-320 (1).

Mr. Donato seconded the motion to approve the amended minutes which carried unanimously.

### **CHAIRMAN'S REMARKS**

Mr. Knight kept his remarks at a minimum. He showed his appreciation for everyone who was in attendance. Mr. Knight announced and welcomed new Board member, Mark Chapman. He will serve as the AMC representative.

### **APPLICATION HEARINGS**

**Gregory A. Coleman**

The board held a hearing to determine the reinstatement of Gregory Coleman's Licensed Residential Appraiser License. Mr. Coleman did not have legal counsel. Mr. Coleman was sworn in and presented testimony regarding the reinstatement of his license. Discussion ensued.

**MOTION:**

Mr. Donato made the motion to approve the reinstatement of Mr. Coleman's Licensed Residential license. Mr. Hammond seconded the motion which carried unanimously.

**Carla Neff**

The board held a hearing to determine the reinstatement of Carla Neff's Certified Residential Mass Appraiser License. Ms. Neff did not have legal counsel. Ms. Neff was sworn in and presented testimony regarding the reinstatement of her license. Discussion ensued

**MOTION:**

Mr. Barczak made the motion to approve the reinstatement of Ms. Neff's Certified Residential Mass Appraisers license. Mr. Casterline seconded the motion which carried unanimously.

**DISCIPLINARY HEARING**

**Case No. 2016-67**

The Board held a final order hearing to hear and rule on the disciplinary actions brought against the Respondent. The Respondent was represented by legal counsel, William Johnson. The Respondent was sworn in presented testimony regarding the disciplinary actions brought against him.

**MOTION FOR EXECUTIVE SESSION**

Mr. Donato made the motion to enter into Executive Sessions to obtain legal advice in the disciplinary matter. Mr. Barczak 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. Hammond seconded the motion which carried unanimously.

**MOTION FOR DISPOSITION**

Mr. Casterline made the motion that the Board accept The Memorandum of Agreement and Stipulations as provided, finding that the respondent violated several sections of the law. Mr. Casterline asked that the Board issue a private reprimand and the respondent be required to attend QE-3, the National USPAP class and the class not be credited towards his ongoing continuing education credit. He asked that this be done in a reasonable period of time set by the Administrator, not to exceed six months.

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 (\$322,319.22). She stated this number would increase due to renewals starting in June. The National Registry Account (\$71,380.00) is allocated to the Appraisal Subcommittee to pay the National Registry fees. She mentioned that \$80.00 comes out of the application fees for the National Registry fees.

**LICENSURE UPDATE**

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

**April 27, 2018**

	<b>ACTIVE</b>	<b>INACTIVE</b>	<b>TOTAL</b>
<b>Apprentice</b>	223	0	223
<b>Licensed</b>	146	28	174
<b>Certified Residential</b>	1013	55	1068
<b>Certified General</b>	1025	33	1058
<b>Licensed Mass</b>	48	1	49
<b>Certified Residential Mass</b>	67	3	70
<b>Certified General Mass</b>	30	2	32
<b>Total</b>	<b>2552</b>	<b>122</b>	<b>2674</b>

**AMC REGISTRATION**      **Issued 10/2/17 – 4/27/2018**      **119**

**TEMPORARY PERMITS**      **Issued in 2017 213**      **Issued in 2018 83**

**CONFERENCE UPDATE**

Mrs. Smith informed the Board that no one decided to go to the AARO Conference. She stated that due to multiple things going on with the Board, to include upcoming renewals, she did not feel she had the time to commit to going to Washington State. At this point discussions ensued regarding reciprocity and the requirements.

Mrs. Smith stated that she attended the Valuation Expo. Also, Mr. Knight, Mr. Dodds and Mr. Chapman attended.

Mrs. Smith stated that she was approached by the President of SCAAO (South Carolina Association Assessing Officers) to attend their conference in Myrtle Beach. She attended the conference.

Mrs. Smith stated that the AARO Conference that is to be held October 19-22 would be discussed at the August Board meeting.

**NEW BUSINESS**

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

The IRC report dated April 19, 2018 presented for approval. Discussion ensued.

**DISMISS**

<b>Case #</b>	<b>Investigator</b>	<b>Initial Complaint Allegations</b>	<b>IRC Logic</b>
2017-23	Malcolm Burton	Numerous errors in report inflated value.	No evidence of violation.

**MOTION:**

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

**FORMAL COMPLAINT**

<b>Case #</b>	<b>Investigator</b>	<b>Initial Complaint Allegations</b>	<b>IRC Logic</b>
2017-15	Malcolm Burton	Uniform Standards Violation	Statute violation
2017-16	Malcolm Burton	Land appraisal completed with errors relating to property description, comparison analyses, market analysis, etc. A qualified appraisal review of respondent's appraisal is the basis for the complaint.	Statute Violation
2017-20	Malcolm Burton	Respondent was hired to complete two appraisals Respondent did not complete the work and did not return the fee.	Statute violation
2017-25	Malcolm Burton	Uniform Standards Violation	Statute Violation
2018-6	Malcolm Burton	Respondent failed to report a prior criminal conviction on application for licensure as an appraiser. Respondent has criminal conviction in IN. that he did not report on his SC application for reciprocal license.	Statute Violation

**MOTION:**

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

**LETTER OF CAUTION**

<b>Case #</b>	<b>Investigator</b>	<b>Initial Complaint Allegations</b>	<b>IRC Logic</b>
2017-12	Malcolm Burton	The complainant alleges the comparable sales used in the report are not the best available because the cost per square foot of them does not agree with the opinion of value on a cost per square foot analysis	Be mindful of appropriate comps.
2017-22	Malcolm Burton	The respondent readdressed a report prepared for a client to a potential client. The original client is a individual trying to secure a loan. That client asked the appraiser to change the client the bank from whom he was seeking financing. The bank had not requested the readdressed report.	Be mindful of receiving an appropriate engagement letter

2017-26	Malcolm Burton	Uniform Standards Violation	Be mindful of USPAP Standards 1-6
2017-32	Malcolm Burton	Uniform Standards Violation and value dispute	Be mindful of using appropriate terminology in your report and require engagement letter prior to work

**MOTION:**

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

**OIE APPRAISER’S BOARD CASE REPORT- SHARON COOK**

**Cases received from January 1, 2018 – April 24, 2018**

<b>Case Statuses</b>	<b>Total</b>
<b>Active Investigation</b>	<b>15</b>
<b>Closed</b>	<b>2</b>
<b>Do Not Open Case</b>	<b>1</b>
<b>Pending Board Action</b>	<b>1</b>
<b>Pending CA Review</b>	<b>3</b>
<b>Total</b>	<b>22</b>

**CASES CLOSED JANUARY 1, 2018 – APRIL 24, 2018**

<b>Case Statuses</b>	<b>Total</b>
<b>Closed</b>	<b>19</b>
<b>Do Not Open Case</b>	<b>6</b>
<b>Total</b>	<b>25</b>

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

**ODC Case Load Statistics as of November 6, 2017**

<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>Closed</b>
<b>Appraisers</b>	2	0	0	2	0	0	4

**Per Mrs. Baldwin, three cases were accepted by ODC. The report only shows two because one was closed before the statistical report was run. They obtained a consent agreement earlier in the day for one and the hearing was held today on the other one. Therefore, both cases have been closed.**

**MOTION FOR CLARIFICATION FOR ATTENDANCE AT VALUATION EXPO**

Mr. Casterline made a motion to retroactively approve Jake Knight, Laura Smith and Mike Dodds to attend the Valuation Expo in Charleston, SC on March 18, 2018 to cover the costs thereof. Mr. Donato seconded the motion which votes carried unanimously.

**MOTION TO ENTER INTO EXECUTIVE SESSION**

Mr. Casterline made the Motion to enter into Executive Session to obtain legal advice. 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.

Mrs. King and Mr. Barczak seconded the motion which carried unanimously.

**MOTION FOR BOARD MEMBERS TO BE EXCUSED FOR THE REMAINDER OF THE BOARD MEETING.**



Mr. Barczak made the Motion for Mr. Casterline, and Mr. Hammond to be excused from the remainder of the Board meeting. Mr. Donato seconded the motion which carried unanimously.

## **UNFINISHED BUSINESS**

### **APPRAISAL MANAGEMENT COMPANIES**

Mr. Knight stated during the last meeting there was a motion relative to interpretation of the Statute concerning Appraisal Management Companies and commercial properties. The Board felt, with legal advice on the issue, that statute does not indicate difference between residential and commercial properties. However, the intent from the Federal definition only includes residential properties.

### **MOTION FOR CLARIFICATION OF SECTION 40-60-320 (1)**

Mr. Donato made the Motion for the Board to keep with the national intent to only regulate and register those AMC's that are involved in residential transactions. Mr. Donato further requested for written clarification from the Appraisal Subcommittee concerning this matter.

Mrs. King seconded the motion which carried unanimously

### **AMC FEES AND REGISTRATION**

Mrs. Smith stated that AMC's are currently being registered with no fees here in the state since October 1, 2017. She stated that there is quite a bit of discussion about this at the State House. A conversation ensued regarding this matter.

### **2018-2019 USPAP UPDATE**

Mrs. Smith stated that the numbers are low. She stated that this year we only had 550 appraisers download the USPAP Manual. A conversation ensued regarding this matter.

### **PUBLIC COMMENTS**

No public comments

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**MOTION TO ADJOURN**

Mr. Donato made the motion to adjourn.

Mr. Barczak and Mrs. King seconded the motion which carried unanimously.

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