MINUTES

South Carolina Auctioneers' Commission
Board Meeting
10:00 A.M., November 15, 2010
Synergy Business Park
110 Centerview Drive, Kingstree Building, Room 108
Columbia, South Carolina

1. Meeting Called to Order

James Blocker, chairman, of Walterboro, called the regular meeting of the Auctioneer's Commission to order at 10:02 a.m. Other members participating in the meeting included: George Martin, vice chairman, of Pelzer; Wendell Christopher, of Roebuck; and Archie Moody, of Darlington.

Staff members participating in the meeting included: Lenora Addison-Miles, Administrator; Deleon Andrews, Investigator; Sharon Dantzler, Deputy General Counsel; Sandra Dickert, Administrative Assistant; and Suzanne Hawkins.

A video of this meeting can be viewed at www.llr.state.sc.us/POL/Auctioneers . On the Commission's home page, click 'Board Information' and follow the link to the video.

a. Public Notice

Mr. Blocker announced that public Notice of this meeting was properly posted at the S. C. Auctioneer's Commission 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.

b. Pledge of Allegiance
All present recited the Pledge of Allegiance.

2. Approval of Excused Absences

MOTION

Mr. Christopher made a motion the Commission approve Mrs. Towery's absence. Mr. Moody seconded the motion which carried unanimously.

3. Approval of the August 23, 2010 Meeting Minutes <u>MOTION</u>

Mr. Moody made a motion the Commission approve the August 23, 2010 meeting minutes as presented. Mr. Martin seconded the motion which carried unanimously.

4. Chairman's Remarks – James Blocker

Mr. Blocker welcomed everyone to the meeting. He thanked staff for preparing for the meeting.

5. Administrator's Remarks – Lenora Addison-Miles

Mrs. Addison-Miles stated there were nine auctioneer exam candidates during the September 10, 2010. She further stated all nine candidates passed the exam. She noted the average score was 79, the high score was 91 and the low score was 70. She noted the next exam is scheduled for December 3, 2010.

Mrs. Addison-Miles stated she believes the members received a letter drafted by Ms. Dantzler regarding vehicle auctions.

- a. Advisory Opinions, If Needed, Office of General Counsel No advisory opinions were given during this meeting.
- b. Legislative Update, If Needed, Legislative Liaison Office No legislative update was given during this meeting.
- c. OIE (Office of Investigations & Enforcement) Report
 Mr. Andrews stated since January 1, 2010 OIE has received eight new cases regarding the auction profession and have closed 22 cases. He went on to say OIE has closed four cases since the August 2010 meeting.
- d. OGC (Office of General Counsel) Report

 Ms. Hawkins stated there are seven open cases; however six of those are related to two auctioneers and have already been presented to the Commission. She noted those cases are now waiting to be closed. She noted there is only one active case in OGC at this time.
- e. Licensure Report

 Mrs. Addison-Miles stated between July 1, 2010 and November 15, 2010 there are 1,218 active licensees. She further stated also during that time 16 new licenses and three reinstatements have been issued.
- f. Financial Reports Tracey McCarley

 Ms. McCarley stated Mr. Randy Bryant has charged her with gathering financial report information from the different boards and commissions. She further stated the agency has moved to a new accounting system which makes the financial reports difficult to read. She asked the members how much information they would like to receive on the financial reports. She went on to say most of the boards have requested to see revenue and expenditures to include fines. She also stated the agency will probably pattern the format with detailed information which could be provided to the Commission after which the members could determine if they wanted their report to include that information or less information.

The Commission asked that the report include all of the details.

6. Unfinished Business

There was no unfinished business for discussion during this meeting.

7. New Business

a. Approval of the November 2, 2010 IRC Report Mr. Andrews briefed the Commission regarding the November 2, 2010 IRC report. The report contained one case, #2010-14, for dismissal.

MOTION

Mr. Martin made a motion the Commission approve the November 2, 2010 IRC report. Mr. Christopher seconded the motion which carried unanimously.

- b. Review / Approval of Application via Examination
 - i. Russell A. Bass

On August 23, 2010 the Commission received an auctioneer by examination application from Russell Bass. Mr. Bass passed the examination in September 2010. His credit report reflects several unpaid collection accounts which exceed the \$500.00 limit as set by the Commission. He has provided a written explanation regarding his credit report.

Russell Bass appeared before the Commission. He believes there are four unpaid medical bills on his credit report, which is a result of a hospital stay. He has set up payment schedules for these accounts; however, there is one account he is not paying as he has not seen that physician. He has paid the medical bills down a great deal. He has spoken with the physician's office which informed him the physician read test results during his hospital stay. He has no credit cards and does not neglect to pay his bills. If approved he would have a Saturday night auction after which he would pay the customers at the end of the sale.

MOTION

Mr. Moody made a motion the Commission take this matter to executive session. Mr. Martin seconded the motion which carried unanimously.

Ronald Crawford, Jr.

On August 24, 2010 the Commission received an auctioneer by examination application from Ronald Crawford, Jr. Mr. Crawford passed the examination in September 2010. His credit report reflects unpaid collection accounts which exceed the \$500.00 limit as set by the Commission. He has provided a written explanation regarding the accounts.

Ronald Crawford appeared before the Commission. Mr. Crawford stated he has been through a divorce, his son died in 2005 and his daughter died in 2007. He lost his job and his insurance ran out while receiving cancer treatment. He is consolidating his credit cards and will make arrangements on the medical accounts.

MOTION

Mr. Moody made a motion the Commission take this matter to executive session. Mr. Martin seconded the motion which carried unanimously.

Kenneth D. Lee

On August 24, 2010 the Commission received an auctioneer by examination application from Kenneth Lee. Mr. Lee passed the exam in September 2010. His credit report reflects unpaid collection accounts and a civil judgment. He has provided the Commission with a written explanation as well as payment receipts.

Kenneth Lee appeared before the Commission. Mr. Lee stated he has received faxed documents which show he has paid the accounts in full with the exception of BB&T. He has received a bill consolidation loan and used his home as collateral.

Ms. Dantzler reviewed the documents and stated the receipts indicate the Horry County Bank has been paid, a letter indicating the Applied Bank loan has been negotiated, the North Star Capitol, Capitol One has been negotiated, the HSBC Card Services has been paid, World Finance Corporation was paid in full August 10, 2010, Professional Finance has received \$14,000.00, Premier Bank Card has been paid in full, American General Finance has been paid in full, World Finance has been paid in full, the judgment from Coastal Orthopedics has been paid in full and the lien has been released.

Mr. Smith is in negotiations with Conway Hospital.

MOTION

Mr. Moody made a motion the Commission take this matter to executive session. Mr. Martin seconded the motion which carried unanimously.

iv. Brian M. Smith

On September 7, 2010 the Commission received an auctioneer by examination application from Brian Smith. Mr. Smith passed the examination in September 2010. His criminal history report reflects one arrest involving a fraudulent check.

Brian Smith appeared before the Commission. He stated he received a letter in the mail approximately eight months ago stating there was a warrant for his arrest regarding two outstanding checks. Ten years ago his roommate had stolen his checkbook and the roommate's mother had asked that she be allowed to pay the checks in lieu of Mr. Smith pressing charges. He was unaware there were two more checks which had been written. He was advised by the judge to pay the checks to avoid any legal action.

Mr. Smith presented a receipt showing proof of payment for the checks with the additional charges.

Mrs. Dantzler reviewed the document. She confirmed that the receipt was from the Check Recovery Bureau which confirmed that the checks were written in 2000 and the total amounts included the administrative service charges were paid. She noted the arrest date was January 28, 2010 and the date the checks were paid was February 19, 2010.

MOTION

Mr. Moody made a motion the Commission grant Mr. Smith a license. Mr. Martin seconded the motion which carried unanimously.

- c. Review / Approval of Application via Reciprocity
 - i. Steve E. Swearengin

On July 6, 2010 the Commission received an auctioneer via reciprocity application from Steve Swearengin. Mr. Swearengin was licensed in North Carolina on July 1, 2010. His credit report reflects accounts in collection status which exceeds the \$500.00 limit as set by the Commission. He has provided the Commission with a written explanation.

Steve Swearengin appeared before the Commission. Mr. Swearengin had surgery on his shoulder in November 2009 and was out of work for six months. He fell behind on his bills as was not receiving full pay during the recovery process. He has since made arrangements with the companies. He then fell and broke his wrist and was out of work for two months. He has been assisting an auction firm in North Carolina. He attended South Stanley Auction School.

Ms. Dantzler noted additional documentation shows he is making payments to FMS involving a State Farm Bank loan.

MOTION

Mr. Moody made a motion the Commission discuss this matter in executive session. Mr. Martin seconded the motion which carried unanimously.

ii. Zoltan N. Thornburg

On August 24, 2010 the Commission received an auctioneer via reciprocity application from Zoltan Thornburg. Mr. Thornburg was license in North Carolina on August 10, 2009. His credit report reflects accounts in collection status which exceed the \$500.00 limit as set by the Commission.

Zoltan Thornburg appeared before the Commission. Mr. Thornburg has been auctioneering in North Carolina since 2009. He is attempting to resolve his credit issues at this time. Some of the items on the credit report may from earlier in his marriage. He is currently going through a divorce and lost his job. He is calling bids for a cattle barn in Virginia, which is licensed by the federal government.

MOTION

Mr. Martin made a motion the Commission discuss this matter to executive session. Mr. Moody seconded the motion which carried unanimously.

ii. Richard J. Weaver

On August 5, 2010 the Commission received an auctioneer via reciprocity application from Richard Weaver. Mr. Weaver is seeking reciprocity with Georgia. His credit report reflects unpaid collection accounts that exceed the \$500.00 limit as set by the Commission and several I-9 accounts. His application is missing two documents.

A notice stating the Commission would review his application during this meeting and asking that he appear was mailed Mr. Weaver. Mr. Weaver did not appear during this meeting.

MOTION

Mr. Christopher made a motion the Commission table the application. Mr. Moody seconded the motion which carried unanimously.

- d. Reconsideration of Application for Reinstatement
 - . Llewellyn M. Dykes

O May 14, 2010 the Commission received an auctioneer license by examination from Llewellyn M. Dykes. Mr. Dykes' original license lapsed on June 30, 2005. He passed the exam on June 4, 2010. Staff notified Mr. Dykes by letter dated June 4, 2010 that the Commission would review his application during this meeting and informed him to be present to answer questions from the members. The Commission reviewed Mr. Dykes' application during the August 23, 2010 meeting; however, Mr. Dykes did not appear during the meeting. The Commission voted unanimously to take no action on the application until such time that he appears before the Commission. Mr. Dykes is now asking the Commission to reconsider the application for reinstatement. He has provided the Commission with a written explanation.

Llewellyn Dykes appeared before the Commission. Mr. Dykes discovered the lien with Georgia following South Carolina's review of his application. He provided the Commission with a certified receipt for the tax lien. He has had insurance through Blue Cross since 1967 which provided incorrect policy information in regard to an unpaid medical bill was a hospital bill which has now been paid after the insurance company provided the correct information. He provided the Commission with revised credit reports.

Ms. Dantzler stated the documentation dated November 2, 2010 reflects the tax lien has been paid in full. She noted the Equifax credit report dated November 14, 2010 shows the collection account from the hospital has a zero balance.

MOTION

Mr. Moody made a motion the Commission take this matter to executive session. Mr. Martin seconded the motion which carried unanimously.

e. Request to end Probation

i. Charles Easler

Charles Easler appeared before the Commission during the November 16, 2009 meeting to seek the Commission's approval for termination of conditions placed on his license by an order dated November 9, 2006 and to apply for an auction license firm. During the November 16, 2009 meeting the Commission voted to grant an auction firm license to Worldnet Auctions, Inc., that the auction firm license and Mr. Easler's auctioneer's license be placed on probation for one year and until further order of the Commission, that the auction firm and Mr. Easler are to demonstrate in writing to the Commission no later than 35 calendar days from any sale conducted under their licenses showing that full payment has been made to all sellers, and that in November 2010 Mr. Easler submit a current credit report, at his own expense, to the Commission.

Mr. Easler contacted staff by telephone on November 9, 2010 asking to be placed on the agenda. He is seeking the Commission's approval to end his probation.

Charles Easler appeared before the Commission. Mr. Easler stated it is his understanding that the probation was to last one year or until further order of the Commission. He would like to apply for licensure in North Carolina; however, the North Carolina Auctioneers' Commission has informed him not to apply until South Carolina has issued an unrestricted license. He conducts an Internet auction every two weeks. He mailed a current credit report to the Commission; however, the credit report has not yet been received by the agency.

MOTION

Mr. Moody made a motion the Commission take this matter to executive session. Mr. Christopher seconded the motion which carried unanimously.

Mr. Easler was able to have a copy of his current credit report faxed to the Commission for the members' review.

- f. Southern School of Auctioneering Instructor Approval
 - i. James Bryan Hope

On October 18, 2010 the Commission received a request from Southeastern School of Auctioneering seeking the Commission's approval of James Bryant Hope as an approved instructor for the school to teach cattle, livestock and automobile auctions. The letter included Mr. Hope's resume.

MOTION

Mr. Martin made a motion the Commission approve Mr. Hope as an instructor at Southeastern School of Auctioneering. Mr. Christopher seconded the motion which carried unanimously.

- g. Recovery Fund Claims In the Matter of Dean Kruse
 - i. Philip Berlinsky
 - i. Jefferv Levi

Ms. Hawkins stated the Commission heard a disciplinary case against Dean Kruse during the August 2010 meeting. She noted the Commission revoked Mr. Kruse's license and ordered that he make restitution. She further stated Mr. Kruse has not made restitution to the complainants,

and that the complainants filed claims against the recovery fund since the August 2010 meeting. She is asking that the Commission approve the recovery fund claims. Mr. Levi's claim is for \$9,000.00 and Mr. Berlinsky lost \$19,960.00; however, he can only recover \$10,000.00

MOTION

Mr. Moody made a motion the Commission approve the recovery fund claims in the amount of \$9,000.00 for Mr. Levi and \$10,000.00 for Mr. Berlinsky. Mr. Martin seconded the motion which carried unanimously.

8. Public Comments

No public comments were made during this meeting.

9. Executive Session

MOTION

Mr. Christopher made a motion the Commission enter executive session to seek legal advice.

Mr. Moody seconded the motion which carried unanimously.

10. Return to Public Session

<u>MOTION</u>

Mr. Moody made a motion the Commission return to public session. Mr. Christopher seconded the motion which carried unanimously.

Mr. Blocker noted for the record that no official action was taken during executive session.

Approval of License Application by Examination – Russell Bass

MOTION

Mr. Christopher made a motion the Commission grant Mr. Bass a license with one year probation after which he must provide the Commission with a credit report (in November 2011), at his own expense, showing progress on his credit report. Mr. Moody seconded the motion which carried unanimously.

Approval of License Application by Examination – Ronald Crawford, Jr.

MOTION

Mr. Martin made a motion the Commission grant a license to Mr. Crawford with one year probation after which he must provide the Commission with a credit report (in November 2011), at his own expense, showing improvement in his credit report. Mr. Moody seconded the motion which carried unanimously.

Approval of License Application by Examination – Kenneth D. Lee

MOTION

Mr. Moody made the Commission grant Mr. Lee a license with one year probation after which he must provide the Commission with a credit report (in November 2011), at his own expense, showing improvement in his credit report. Mr. Christopher seconded the motion which carried unanimously.

Approval of License Application via Reciprocity - Steve E. Swearengin

MOTION

Mr. Christopher made a motion the Commission grant Mr. Swearengin with one year probation after which he must provide the Commission with a credit report (in November 2011), at his own expense, showing progress on his credit report. Mr. Moody seconded the motion which carried unanimously.

Approval of License Application via Reciprocity – Zoltan Thornburg

MOTION

Mr. Martin made a motion the Commission grant Mr. Thornburg a license with one year probation after which he must provide the Commission with a credit report (in November 2011), at his own expense, showing progress on his credit report. Mr. Moody seconded the motion which carried unanimously.

Reconsideration of Reinstatement – Llewelyn Dykes

MOTION

Mr. Moody made a motion the Commission grant Mr. Dykes a license without probation. Mr. Christopher seconded the motion which carried unanimously.

Request to End Probation - Charles Easler

MOTION

Mr. Moody made a motion the Commission release Mr. Easler from probation. Mr. Martin seconded the motion which carried unanimously.

11. Adjournment

MOTION

There being no further business to be discussed at this time Mr. Christopher made a motion the meeting be adjourned. Mr. Moody seconded the motion which carried unanimously.

The November 15, 2010 meeting of the SC Auctioneers' Commission adjourned at 11:35 a.m.

The next meeting of the SC Auctioneers' Commission is scheduled for February 28, 2011.