

SC Manufactured Housing Board
Page 1 of 9
Tuesday, February 14, 2006 - 10:00 AM
110 Centerview Drive
Kingstree Building Suite 108
Columbia, South Carolina

MEMBERS PRESENT

Ralph Camp (Chairman)
Randall Altman (Vice Chairman)
Paul Laurent
Clarence Strickland
Timothy Holt
Michael Levy
Mr. Wayne Iseman
Jane Ballagh
Vanessa Gardner

STAFF

David Bennett
Angela Scott
Rick Wilson
Kent Lesesne

OTHERS PRESENT

Mark Dillard Tammy Bishop
Milton Taylor Neil Mentz
Eric Gore Vickie Scruggs
Stanley Scruggs Tim Fortner
Amy Smith Greg Grant
William Franks Nicole Nicholson
Harold Smith Shirl Fortner
Bernice Bird Joann McDonough

NOTE: Public Notice of this meeting was properly posted at the Board office and provided to any requesting persons, organizations, or news media in compliance with Section 30-4-80 of the 1976 South Carolina Code of Laws, as amended, relating to the Freedom of Information Act.

Call to Order

The February 14, 2006, Chairman Ralph Camp called Manufactured Housing Board meeting to order at approximately 10:00 a.m.

Election of Officers

Chairman Camp turned the election process over to Mr. Rick Wilson, who called for nominations from the floor for the Office of Chairman. Mr. Laurent moved to nominate Mr. Ralph Camp to serve as chairman. Mr. Strickland seconded the motion. There being no further nominations, the nominations were closed and Mr. Camp was elected by acclamation.

Mr. Wilson then called for nominations for the Office of Vice Chairman. Mr. Strickland moved to nominate Mr. Randall Altman to serve as Vice-Chairman. Mr. Iseman seconded the motion. There being no further nominations, the nominations were closed and Mr. Altman was elected by acclamation.

Approval of Agenda

Chairman Camp called for the approval of the agenda as previously noted. After review, Mr. Strickland made a motion, seconded by Ms. Ballagh, to approve the agenda adding Election of Officers and under unfinished business Travel Reports. The motion was unanimously carried.

Approval of Minutes

Chairman Camp called for the review and approval of the October 14, 2005, minutes. After review, Mr. Iseman made a motion, seconded by Mr. Altman, to approve the minutes. The motion was unanimously carried.

New Board Members

Mr. Bennett informed the Board that Mr. Gamble would no longer be serving on the Board. He welcomed and introduced Ms. Jane Ballagh and Ms. Vanessa Gardner. He informed the Board that Ms. Ballagh served on the Board approximately four years ago and will be replacing Mr. Gamble; and Ms. Gardner will replace Mr. Wayne Vicars.

Excused Members

Chairman Camp informed the Board that Ms. Johnson was not able to attend the meeting. Mr. Altman made a motion, seconded by Mr. Laurent, to excuse member absences. The motion was unanimously carried.

Progress Reports

Status Report-Manufactured Housing

The status reports for October, November, December 2005 and January 2006 were reviewed. Copies of the status reports are attached and hereby become part of the record.

Mr. Holt asked how many Manufactured Home Inspectors the Manufactured Housing Board employs. Mr. Bennett stated that prior to the budget cuts there were seven but now there are only two.

New Licenses

Reports listing the licenses issued for October, November, December 2005 and January 2006 for Dealers, Manufacturers, Multi-Lot Salespersons, Contractors, Installers and Repairers were reviewed. Copies of the new reports are attached and hereby become part of the record.

Administrative Hearings

Reports of Administrative Hearings for October, November, December 2005 and January 2006 were reviewed. Copies of the administrative hearing reports are attached and hereby become part of the record.

Unfinished Business

None

New Business

Ethics Commission Reports

Mr. Bennett reminded the Board Members' to complete and mail the State Ethics Commission forms by April 15, 2006.

Board Member Forum

Mr. Bennett informed the Board that South Carolina Department of Labor Licensing and Regulations is hosting a Board Member Forum on Friday, February 17, 2006 at 9:00 a.m., at the Fire Academy in the Denny Auditorium and all Board Members have been asked to attend.

Bond Claims

After review and discussion of the bond claims presented, Mr. Holt made a motion, seconded by Mr. Strickland, to approve the bond claims submitted. The motion was unanimously carried.

Application Review

Mrs. Tammy Bishop

The Board reviewed the retail dealer application of Mrs. Tammy Bishop. Mrs. Tammy Bishop was sworn in by Mr. Altman. Mrs. Bishop waived her right to counsel.

Mr. Bennett informed the Board that Mrs. Bishop applied for a retail dealer license and upon staff review of the application, questions arose regarding the sufficiency of Ms. Bishop's financial responsibility.

Mrs. Bishop testified that she has no intention of being a retail dealer with inventory, her intent is to engage in limited sales of re-conditioned used manufactured homes being replaced with new homes on her rental lots in Spartanburg County. She also expressed her willingness to submit to any conditional license the Board may desire.

After review and discussion, Mr. Strickland made a motion, seconded by Mr. Holt, to grant Mrs. Bishop retail dealer license. Mrs. Bishop must limit business to the sale of used manufactured homes being replaced with new homes on her rental lots in Spartanburg County; She must not employ retail salespersons; and shall not open a retail lot or other dealership operation without prior written approval of the Board. The motion was unanimously carried.

(Official transcripts of the aforementioned person's appearance before the Board are available upon request for a thirty-day time period.)

Milton Eric Taylor

The Board reviewed the retail salesperson application of Mr. Milton Eric Taylor. Mr. Taylor was sworn in by Mr. Altman. Mr. Taylor waived his right to counsel.

Mr. Bennett informed the Board that Mr. Taylor applied for retail salesperson's license and, upon staff review of the application, questions arose regarding the Applicant's conduct and character and fitness for licensure. He stated that the Board denied Mr. Taylor a license on October 8, 2003, for misrepresentation or omission of material facts in a manufactured home transaction and employment of unfair, fraudulent or deceptive acts or practices.

Mr. Taylor testified while he was previously licensed he made a mistake in misappropriating funds belonging to Mr. Hurburt Fekel who gave him five hundred (\$500.00) dollars for a down payment on a manufactured home purchase. He has since repaid the money to Palm Harbor Homes. He also expressed his willingness to submit to any conditional license the Board may desire.

Ms. Robin B. Sanders, Manager of Palm Harbor Homes, Florence, South Carolina testified by letter of her willingness to hire Mr. Taylor and being responsible for properly supervising him if issued a license.

After hearing testimony, Mr. Iseman made a motion, seconded by Mr. Altman, to grant Mr. Taylor's salesperson license with a one-year probationary status. Mr. Taylor must furnish a surety bond in the amount of thirty thousand (\$30,000) dollars. The motion carried with one nay vote.

(Official transcripts of the aforementioned person's appearance before the Board are available upon request for a thirty-day time period.)

Administrative Hearings

A & P Manufactured Homes, Inc. d.b.a. Oak Creek Village

The Board reviewed the complaint against A & P Manufactured Homes, Inc., d.b.a. Oak Creek Village. Mr. David Bennett, Mr. Harold Smith, Ms. Joann McDonald, Ms. Bernice Byrd and Mr. Neil Mentz were sworn in Mr. Randall Altman. Mr. Mentz waived his right to counsel.

Mr. Lesesne advised the Board that staff received two consumer complaints, one from Ms. Bernice Byrd and another from Mr. Harold Smith, alleging they gave down payments on

manufactured homes to A & P Manufactured Homes, Inc., d.b.a. Oak Creek Village. Manufactured Housing Board Staff on or about October 6, 2005, November 7, 2005, November 22, 2005 and November 30, 2005, notified A & P Manufactured Homes, Inc., d.b.a. Oak Creek Village, by letter and respondent has failed to respond. Ms. Bernice Byrd made a down payment of fifteen thousand five hundred (15,500) dollars and later decided it was not a good deal and asked for her money back. Mr. Harold Smith gave a down payment of two thousand one dollar and fifty-five cents (\$2001.55) and was later told he could not get financing. He then asked for his money back. Since that time, A & P Manufactured Homes, Inc., has failed to refund the consumers' money.

Ms. Bernice Byrd testified that on May 2, 2005, she gave a down payment of five hundred (\$500) dollars to a salesperson working for A & P Manufactured Homes, Inc., d.b.a. Oak Creek Village, to hold a manufactured home she was interested in purchasing. No contract was ever signed. Several days later, Ms. Byrd was advised she would have to place additional money down to hold the home. She then gave the salesperson an additional twenty thousand (\$20,000) dollars and five thousand (\$5,000) dollars was given back to Ms. Byrd. Ms. Byrd later advised the salesperson that she could not sell her home in North Carolina, therefore, she no longer wanted to purchase the manufactured home. She was told by the salesperson her money would be refunded. Her money was never refunded and her calls were never returned.

Mr. Harold Smith testified that he met with a salesperson at A & P Manufactured Home, Inc., d.b.a. Oak Creek Village, picked out a manufactured home and gave a down payment of five hundred (\$500) dollars. Several hours later he was contacted by one of the salespersons advising him that he needed an additional one thousand five hundred one dollar and fifty-five cents (\$1,501.55). He paid the additional money and was later advised that financing was denied because he was self-employed. He then asked for his money back. After several weeks of not receiving his money he wrote several letters requesting his money and he still has not received his money.

Mr. David Bennett, Manufactured Housing Board Administrator, testified that staff contacted A & P Manufactured Homes, Inc., d.b.a. Oak Creek Village, on several occasions and was advised by Mr. Mentz that he would check into the matter and get back with him. He did not receive a response again until Monday, February 13, 2006. Mr. Metz called and asked

whether the hearing could be cancelled if the money was refunded to both Ms. Byrd and Mr. Smith. He informed Mr. Metz that he had to appear before the Board.

Mr. Alan Metz, the registered agent for A & P Manufactured Homes, Inc., d.b.a. Oak Creek Village, testified that the money had not been returned to Ms. Byrd or Mr. Smith and he did not know why. He admitted that there was a lack of communication with both the complainants and the Board. He testified that he had mailed a check for two thousand one dollar and fifty-five cents (\$2,001.55) to Mr. Smith but did not know whether it had been received since it was sent to a post office box. Also, he brought a certified check for fifteen thousand five hundred (15,500) dollars for Ms. Bernice Byrd. Mr. Metz testified that this is his livelihood and promised to better communicate with the Board and consumers.

After hearing testimonies, Mr. Strickland made a motion, seconded by Mr. Holt for the Board to go into executive session for legal advice. The motion was unanimously carried.

The Board returned to public session. The Chairman stated for the record that no action had been taken in executive session. Mr. Levy made a motion, seconded by Mr. Strickland, to suspend the license of A& P Manufactured Homes, Inc., Respondent must pay a fine of two thousand five hundred (\$2,500) dollars, refund the deposit money referenced to Ms. Byrd and Mr. Smith, after payment of the fine and deposit money, the suspension is stayed, after the stay the respondent is on probation for a period of two years. Within ninety days (90) days of the stay, the authorized official and owner of respondent must attend and successfully complete the pre-licensing dealer course and during the period of probation, respondent must increase their bond to sixty thousand dollars (\$60,000). Failure by the respondent to abide by any of the conditions shall warrant the immediate lifting of the stay and result in a temporary suspension of the respondent's license pending hearing into the matter and until further order of the Board. The motion was unanimously carried.

(Official transcripts of the aforementioned person's appearance before the Board are available upon request for a thirty-day time period.)

Vickie Scruggs d.b.a. Scruggs Mobile Home Transport

The Board reviewed the complaint against Mrs. Vickie Scruggs, d.b.a. Scruggs Mobile Home Transport. Mr. David Bennett, Mr. William E. Franks, Mr. Stanley Scruggs, Ms. Amy Smith, Ms. Sheryl Fortner, Mr. Tim Fortner, Ms. Nichole Nicholson and Mr. Greg Grant were

sworn in by Mr. Randall Altman. Mrs. Vickie Scruggs was represented by Mr. James O'Connell, Esquire.

Mr. Lesesne advised the Board that staff received two consumer complaints, one from Ms. Amy Smith and another from Mr. Tim Fortner. He advised the Board that when Mrs. Scruggs license was granted, she was put on notice by a letter from David Bennett, Administrator of the Manufactured Housing Board that Mr. Stanley Scruggs could not participate in any manner in the business of Scruggs Mobile Home Transport. The reason being, Mr. Scruggs was previously licensed by the Board as a contractor. His license expired on June 30, 2004. Mr. Scruggs applied for a renewal license and was denied by Order of the Board on December 14, 2004.

Ms. Amy Smith contracted with Scruggs Mobile Home Transport, owner Stanley Scruggs to move and setup a manufactured home. Mr. Tim Fortner contracted with Scruggs Mobile Home Transport to move and set up a manufactured home.

Ms. Amy Smith testified that on or about November 8, 2005, she called Scruggs Mobile Home Transport after seeing an advertisement in the paper regarding the moving and set up of mobile homes. Mr. Stanley Scruggs' was listed as the owner. Ms. Smith testified that she spoke to Mr. Stanley Scruggs over the telephone about the cost to move the home and she met with an employee of Scruggs Mobile Home Transport at the home site. Mr. Scruggs called her back to quote a final price of four thousand five hundred (\$4,500) dollars. She then went to the respondent's office and paid to Mr. Scruggs a deposit of two thousand two hundred (\$2,250) dollars. Mr. Scruggs advised her that the home would be moved within a week of payment of the deposit, weeks passed and the home was not moved. She telephoned Ms. Vickie Scruggs who advised her that the trucks were out of service but she could have some of her money back at that time and the rest at a later date. Ms. Smith refused to take partial repayment and testified that she hired another company to move the home and had not yet received her deposit back from Scruggs Mobile Home Transport.

Mr. Tim Fortner testified that he contacted Scruggs Mobile Home Transport regarding moving his manufactured home. Mr. Fortner testified that he spoke with Mr. Stanley Scruggs over the telephone and was quoted a price. Later he met with Mr. Eddie Franks an employee of Scruggs Mobile Home Transport. He paid three thousand (\$3,500) in cash to the respondent but it took almost a month to move the home and additional charges that the respondent alleged that Mr. Fortner owes due to equipment needed but not included in the quoted price.

Mr. Stanley Scruggs testified that he never spoke with Ms. Amy Smith over the telephone or quoted her a price. He testified that he owns a wrecker company. They operate out of the same office as the Respondent's business. While he still had signature authority over the bank account or the respondent's bank account, he had no dealings with the respondent business. Mr. Scruggs testified that the failure to remove his name from the advertisement was inadvertent and that the business card Ms. Smith had was an old business card.

Mrs. Vickie Scruggs testified that she shares office space with her husband Mr. Stanley Scruggs and he do not participate in her business in any manner. She testified that she advised Ms. Smith that she would refund her deposit money but Ms. Smith never came by the office to pick it up.

Mr. Eddie Franks testified that he quoted the price to Mr. Tim Fortner, not Mr. Stanley Scruggs, and advised that he told Mr. Fortner that the additional equipment would be needed to move the home and it was not included in the quoted price. Mr. Franks testified that Mr. Fortner owes Scruggs Mobile Home Transport an additional nine hundred (\$900) dollars.

After hearing testimonies and closing statements, Mr. Holt made a motion, seconded by Mr. Strickland for the Board to go into executive session for legal advice. The motion was unanimously carried.

The Board returned to public session. The Chairman stated for the record that no action had been taken in executive session. Mr. Randall Altman made a motion, seconded by Mr. Strickland, to suspend the license of Ms. Vickie Scruggs d.b.a. Scruggs Mobile Home Transport. The respondent must pay a fine of two thousand five hundred (\$2,500) dollars; respondent is ordered to refund the deposit money to Ms. Amy Smith; after the payment of the fine and deposit money the suspension is stayed; After the stay, respondent is on probation for a period of two years; during the probation, the respondent must increase her surety bond to ten thousand (\$10,000) dollars; failure by the respondent to abide by any of the conditions shall warrant the immediate lifting of the stay and result in a temporary suspension of the respondent license pending hearing into the matter and until further order by the Board; and respondent is further cautioned to separate her business from her husband Mr. Stanley Scruggs and ensure that he is no way involved in the respondents business. The motion was unanimously carried.

(Official transcripts of the aforementioned person's appearance before the Board are available upon request for a thirty-day time period.)

SC Manufactured Housing Board

Page 9 of 9

Date of Next Meeting

Tuesday, April 11, 2006 Room 108

Adjournment:

There being no further business, Mr. Strickland made a motion, seconded by Mr. Laurent, to adjourn. The motion was unanimously carried. The meeting was adjourned at 3:28 p.m.