

Minutes
South Carolina Real Estate Appraisers Board
Synergy Business Park, Saluda Building, Room 201-03
Columbia, South Carolina 29210
August 14, 2008

Members attending: Herb Sass, Chair; Drew Johnson; Terry O'Brien; and Carlton Segars
Absent: Ann King and Rhonnie Newton

Staff: Jay Pitts, Administrator; Paula Magargle; Office of General Counsel; Ann Parris, Administrator Assistant; Shirley Robinson; Staff Counsel; Laura Smith, Investigator; Beau Tiller, Education Manager; and Sharon Wolfe, Chief Investigator, Office of Investigations and Enforcement

Chairman Sass called the meeting to order at 10:10 am. He stated for the record the following South Carolina Freedom of Information statement. Public notice of this meeting was properly posted at the Real Estate Appraisers office, Synergy Business Park, Kingstree Building, Columbia, South Carolina, 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.

Pledge of Allegiance

Members Absences – Ann King and Rhonnie Newton. Both members notified the staff that they would not be in attendance today due to family matters.

Approval of Minutes – May 8, 2008

Motion: Minutes of the May 8, 2008 meeting were approved as written on motion of Mr. Segars and second of Mr. Johnson. Motion carried.

Management Update – Jay Pitts, Administrator

Staff: Mr. Pitts reported that Ed Coleman resigned to take a position with HUD. He said this was a great opportunity for Ed and that he will be missed. Mr. Pitts stated there has been discussion to bring Laura Smith back to the Board to handle the upgrades and maintain the high standard of work in this area. He said Ms. Smith has excellent credentials and experience; however, if she should move back to the Board staff, it would create a vacancy in Office of Investigations and Enforcement (OIE). In order to keep up with job duties, he said one of the possible options to alleviate the shortage of a staff person would be to outsource some of the investigations and/or upgrades to a highly experienced appraiser. Mr. Pitts has discussed this with Chairman Sass and Jake Knight, IRC representative, and said he would be happy to have any recommendations from the Board.

Other changes at LLR: Mr. Pitts reported that major changes are taking place within LLR. Restructuring the way licenses are being issued as well as physical restructuring and reconfiguration of the Kingstree Building are underway. The construction of the building is the reason the Board is meeting in the Saluda Building today. Mr. Pitts gave a short overview of several other changes within the agency. LLR has created an Office of Licensure and Compliance (OLC) for all LLR licensing boards. The staff for OLC is made up of some of the licensing staff from each of the individual boards. The OLC will handle all licensing. When there is a problem with an application that cannot be handled at staff level,

those applications will come before the Board. Laura McDaniels, Administrative Assistant, was moved to OLC, but after much deliberation, it was decided that she should stay with the Board staff. Mr. Pitts said this was good for him and the Board as Ms. McDaniels does not just issue licenses. Her duties include keeping the Appraisers Board in compliance with all the federal regulations.

Bob Selman has assumed a new position with LLR. He is no longer the Assistant Deputy Director (ADD) of the building-related Boards. He has accepted the position of the Director of Legislation for LLR. Randy Bryant is now the ADD for all the boards that Mr. Selman directed. Mr. Bryant oversees all business and building boards within LLR.

Ann Parris is leaving the Appraisers Board to work directly for Mr. Bryant. Ms. Parris has been with the Appraisers Board since its inception and the Real Estate Commission for 21 years. Her duties will be absorbed by the Administrator. Board meetings, including the format of the agenda, will be changing in many ways. LLR is outfitting conference rooms with the latest high-tech equipment which will change the way minutes are done as well as live-streaming of board meetings.

Renewals - Renewals have been completed successfully and the audit has begun. Licensing numbers reported as of today: 2, 796 active appraisers; active in renewal -- 421 (have not renewed); 14 temporary permit for a total of 3,330.

Update on investigations – eight (8) open; 13 are ready to be closed; seven (7) cases are currently in legal. Out of the seven (7) active cases, four (4) will come before this Board in November. There is an opportunity that one or more of these cases could be settled by Consent Agreement, Memorandum of Agreement, etc. November may be strictly a hearing date with no business meeting. Mr. Pitts stated he would keep the Board apprised.

Unfinished Business – Chairman Sass stated appraiser independence was discussed at the May meeting of the Appraisers Board and was on the agenda for further discussion today. Mr. Segars stated that the Home Valuation Code of Conduct (HVCC) issue is going to be accepted in January 2009. Mr. Segars discussed why and how the HVCC came about. Chairman Sass stated that this is a situation where the Board would have to wait and see what takes place.

New Business – Investigative Review Committee (IRC) Reports
Motion: IRC reports for May 28, 2008 and August 6, 2008 were approved as presented on motion of Mr. O'Brien and second of Mr. Johnson.

Disciplinary Action: Memorandum of Agreement – Peter J. Gallo
Paula Magargle, LLR Counsel; Shirley Robinson, LLR Advice Counsel
Peter J. Gallo, Respondent – not represented by counsel

Executive Session – Motion of Mr. O'Brien and second of Mr. Johnson for the Board to go into Executive Session. Motion carried.

Out of Executive Session – Motion of Mr. Segars and second of Mr. Johnson to come out of Executive Session. Motion carried.

Motion: Mr. Johnson moved to dismiss the case and Mr. Segars seconded the motion. Motion carried.

Adjourned – 11:10 AM

No further business, the meeting adjourned of motion of Mr. Segars and second of Mr. O'Brien.

Reconvened at 11:15 AM

The Board reconvened to discuss serious concerns regarding the consequences when an appraiser's digital signature is stolen. One of the grave concerns is that the owner of the signature which was lifted without his permission or knowledge can be held responsible for a fraudulent report under the law—as the law states an appraiser is responsible for maintaining his/her signature. Other concerns were discussed. Chairman Sass stated this is going to take longer than today to try and come up with a solution for this problem. Mr. Pitts suggested that the Board put together a Task Force to study this matter in depth and asked Laura Smith to be the point person for this group. Mr. Pitts stated he would keep the Board updated on this matter.

Adjourned at 11:50 AM on motion of Mr. Segars and second of Mr. O' Brien.

Submitted,

A handwritten signature in black ink, appearing to read "John R. Pitts, Jr.", with a long horizontal line extending to the right.

John R. Pitts, Jr.
Administrator

/ap