

NORTH CAROLINA APPRAISAL BOARD**Minutes****One Hundred Thirty-Seventh Meeting
November 19, 2002****Board Members Present**

Bart Bryson, Chairman
J. Vance Thompson, Vice-Chairman
Bruce W. DesChamps
Henry E. Faircloth
Charles K. Hinnant
Jack O. Horton
E. Ossie Smith

Staff Present

Mel Black, Executive Director
Roberta A. Ouellette, Legal Counsel
John K. Weaver, Deputy Director
Philip W. Humphries, Deputy Director
Matthew W. Green, Investigator
Donald T. Rodgers, Investigator
Kim G. Maney, Administrative Assistant

CALL TO ORDER

Chairman Bryson called the meeting to order at 9:00 a.m.

Mr. Black read the Conflict of Interest reminder. Mr. Hinnant reminded Chairman Bryson of his request to recuse himself from the discussion and vote in the Thomas G. Hildebrandt hearing. Chairman Bryson noted that that matter was to be heard at this meeting. Mr. Horton indicated a conflict of interest and will recuse himself prior to the Board discussing the matter.

APPROVAL OF AGENDA

Mr. Thompson moved, second by Mr. Smith to approve the agenda with the Chairman being able to take items in any order and to add a closed session to discuss legal matters. Motion carried.

APPROVAL OF MINUTES (Exhibit 1)

Mr. Hinnant moved, second by Mr. Smith to approve the minutes as presented. Motion carried.

HEARINGS:

2002-0186 **Steven Chiban**

Following a hearing, the Board granted Mr. Chiban's application to become a registered trainee.

2000-0069 **In Re: Thomas G. Hildebrandt**

The Board heard two motions in this case.

The first hearing was on Counsel for the State's request to be heard on the issue of Mr. Charles Hinnant's request to recuse himself from this matter. The Board voted to deny Mr. Hinnant's request.

The second motion was Mr. Hildebrandt's motion to disqualify Mr. Bart Bryson. The Board voted to deny this motion.

OPEN FORUM (Exhibit 2)

There were no timely requests to speak at the Open Forum. There was one late request. That speaker has been invited to speak at the December Board meeting.

FINANCE (Exhibit 3)

The Board reviewed the financial report (**Exhibit 3**) for the current fiscal year through November 8, 2002.

The Board discussed and accepted the Audit Report (**Exhibit 4**) for the 2001-2002 fiscal year.

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PERSONNEL

Paula Ford, the Board's new Appraiser Clerk, was introduced to the Board. Ms. Ford began her employment with the Board on November 4, 2002.

LEGAL

Consent Orders

2001-0145 **Jack Ragan**
2001-0146 **B. Thomas Kennedy**

Mr. Thompson moved, second by Mr. DesChamps that the Board suspend Mr. Ragan's and Mr. Kennedy's certifications for six months. The suspensions are stayed until March 1, 2003. Mr. Ragan also agrees to take a course in manufactured housing by March 1, 2003, and Mr. Kennedy also agrees to take. If they fail to take the courses as agreed, the suspension will be activated on that date. If the courses are not available, Respondents may request either an extension of time to take the courses or to substitute another course. Any such request must be received by February 15, 2003. Motion carried.

2001-0167 **Dan Allen Wesson**
2001-0168 **Jeremy Bridges**

Mr. Smith moved, second by Mr. Thompson that the Board suspend Mr. Bridges' residential certification for six months. The suspension is stayed until March 1, 2003. Mr. Bridges and Mr. Wesson also agree to take a course in manufactured housing and a 14-hour course in standards (USPAP) by March 1, 2003. If they fail to take the courses as agreed, the suspension will be activated on that date. Motion carried.

2002-0008 **Jeanette Ford**

Mr. Smith moved, second by Mr. Hinnant that the Board issued a reprimand to Ms. Ford. Motion carried.

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2002-0097 William Hall

Mr. Smith moved, second by Mr. Hinnant that the Board suspend Mr. Hall's residential certification for six months. The first month of the suspension will be active and begins on January 1, 2003. The remainder of the suspension is stayed until April 1, 2003. If Mr. Hall completes a course in sales comparison or market analysis by that date, the remainder of the suspension will be inactive. Motion carried.

2002-0105 Henry M. Watts

Mr. Bryson recused himself from the discussion and vote in this matter. Mr. Faircloth moved, second by Mr. Smith that the Board deny the consent order in this matter. Motion carried with two votes in the negative.

2002-0178 Edward Robinson

Mr. Thompson moved, second by Mr. Faircloth that Mr. Robinson agree that he will not perform any appraisals in North Carolina without first being licensed to do so, either by obtaining a temporary practice permit for each assignment or by becoming licensed in North Carolina by the Board. If Mr. Robinson should do any more appraisal work in North Carolina without a license, the Board will seek an injunction against him. If that should occur, and the Appraisal Board is successful in obtaining an injunction, Mr. Robinson agrees to pay all costs and attorney's fees incurred by the Board in that action. The Board will also refer that matter to the District Attorney's office for criminal prosecution. Motion carried.

Probable Cause (Exhibit 5)

Mr. Hinnant moved, second by Mr. Smith that the Board accept staff recommendation on all probable cause summaries. Motion carried.

2002-0084 Dismissal conditioned upon completion of a course on manufactured and/or modular housing.

2002-0085 Dismiss

2002-0110 Hearing

2002-0112

2002-0113 Dismiss

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2002-0114 Hearing

2002-0118 Hearing

2002-0120 Dismiss

2002-0125 Hearing

2002-0127

2002-0128 Dismiss

2002-0132 Hearing

2002-0134 Dismiss

2002-0146

2002-0162 Dismiss

2002-0152 Hearing

2002-0155 Dismiss

2002-0165

2002-0166 Hearing

2002-0171

2002-0172 Hearing

2002-0177 Hearing

Investigation Request

Mr. Smith moved, second by Mr. Faircloth to open cases against the state-licensed appraiser and the state-certified residential appraiser who co-signed the reports. Motion carried.

The Board reviewed the **Pending Cases Report (Exhibit 6)** and the **Disciplinary Actions Year-to-Date (Exhibit 7)**.

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LICENSING AND EDUCATION

The Board reviewed the list of candidates who have been recently registered, licensed or certified (**Exhibit 8**).

The **Character Conference Panel** presented its recommendations (**Exhibit 9**). Mr. Thompson moved, second by Mr. Hinnant to accept the recommendations of the Character Conference Panel and issue a residential license to **Ann Meredith Kilday**. Motion carried.

Consider character of candidates who otherwise are qualified (Exhibit 10)

Mr. Horton recused himself from the discussion and vote for applicants (a) and (e). Mr. Faircloth moved, second by Mr. Hinnant to take the following actions on applicants (a) and (e) with a character matter. Motion carried.

Applicant	Level	Action Taken
(A) Graydon Sherman Brewington	Registered Trainee	Approve
(E) Rebecca Revelle Parks	Registered Trainee	Approve

Mr. Thompson moved, second by Mr. Smith to defer the trainee application of applicant **(B), David Matthew Horton**. Motion carried.

Mr. Hinnant moved, second by Mr. Faircloth to take the following actions on applicants (c), (d), (f), (g) and (h). Motion carried.

(C) Timothy Owen Kain	Registered Trainee	Approve
(D) Anne Hodges Morrisette	Registered Trainee	Approve
(F) John Alden Ramsey	Certified Residential	Approve
(G) Jason John Schutt	Registered Trainee	Delay action until final adjudication of all pending legal matters
(H) Harvey Francis Snyder	Certified General	Approve

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Qualifying Education Equivalency (Exhibit 11)

Mr. Faircloth moved, second by Mr. Smith to accept the submitted qualifications of **Kenneth Lawrence Bauer** and **Michael Fisher Berry** and allow them to sit for the certified general examination. Motion carried.

Applications for Reinstatement (Exhibit 12)

Mr. Smith moved, second by Mr. Horton that **Scott Daniel Nafe** complete G-1 and a USPAP course to reinstate his general certification and **Joseph Michael Rabb** complete R-1, R-2, R-3 and pass the licensing examination to reinstate his residential license. Motion carried.

Applications for original approval to conduct continuing education courses for Renewal Year 2002-2003 (Exhibit 13)

Mr. Faircloth moved, second by Mr. Smith to not approve IAAO's course titled "**Assessment Administration**" for appraisal continuing education credit. Motion carried.

Application for School Approval (Exhibit 14)

Mr. Smith moved, second by Mr. Hinnant to approve **Johnston Community College** to offer the residential and general courses and for **Moultrie Watts** to offer the residential and general courses. Motion carried.

Licensing Issues

The Board considered entering into a reciprocal agreement with the **Arizona Board of Appraisal (Exhibit 15)**. Mr. Faircloth moved, second by Mr. Hinnant to defer action until the Board receives more information. Motion carried.

Mr. Smith moved, second by Mr. Hinnant that the Board enter into a reciprocal agreement with the **Tennessee Real Estate Appraiser Commission (Exhibit 16)**. Motion carried.

OTHER ITEMS

The **Examination Report** for October was unavailable from the examination service; this report will be presented at the next Board meeting.

The Board reviewed the **Course and Instructor Evaluation Summaries (Exhibit 18)**.

The Board reviewed again the evaluation summary for the Institute of Government's course: **IAAO Course 102 – Income Approach to Valuation (Exhibit 19)** that was presented at the October Board meeting.

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The Board considered **purchasing the 2003 edition of USPAP (Exhibit 20)** for all North Carolina appraisers. If The Appraisal Foundation makes the 2003 edition of USPAP available online, the Board will send a letter to North Carolina appraisers with instructions to access USPAP online.

Mr. Smith moved, second by Mr. Hinnant to have Mr. Black write to **The Appraisal Foundation** regarding their **“Update on Activities” Memorandum (Exhibit 21)**. Motion carried. The Board is asking The Appraisal Foundation to reconsider its decision to form a State Regulator Advisory Group. While the Board fully supports the participation of state regulators in any appropriate federal initiative, the advisory group is not the way to go.

The Board reviewed the AQB’s **“Third Exposure Draft on revising the *Real Property Appraiser Qualification Criteria* (Exhibit 22)**. Mr. Black will submit written comments and reiterate the Board’s position from the Second Exposure Draft on revising the *Real Property Appraiser Qualification Criteria*.

Mr. Thompson moved, second by Mr. Faircloth that the Board **reaffirm it’s October 17, 2002 fax vote on rulemaking (Exhibit 23)**. Motion carried. The fax vote indicated that the Board wished to adopt the proposed rules as amended.

Committee Updates

Mr. Faircloth gave the report for the Building Committee. The Building Committee has tentatively agreed to employ Oakley Associates of Rocky Mount as the architectural firm to design the Board’s new office building. Mr. Hinnant moved, second by Mr. Smith to allow the Building Committee to go forward working with the architects. Motion carried. Mr. Faircloth also reported that the purchase of the property on Six Forks Road has been finalized.

Mr. Hinnant gave the report for the Education Committee. The Education Committee is collecting ideas and topics for AARO to have a course to train investigators. The Community College system is sending letters to all community colleges letting them know that work on the real estate appraiser degree curriculum has begun. The Education Committee is continuing looking into the Board hosting a make-up exam for the AQB Instructor Certification Course.

Mr. Faircloth moved, second by Mr. Smith that the Board go into closed session. Motion carried.

Mr. Hinnant moved, second by Mr. Faircloth that the Board go into open session. Motion carried.

Staff Report

Ms. Ouellette announced that the record on the Hildebrandt case was available for the four Board members hearing the case and that it would be distributed after the meeting.

The December Board meeting is scheduled to have one hearing and Board agenda items on Tuesday and one hearing on Wednesday morning.

Ms. Ouellette explained that it may be time for the Board to revise its videotaping policy for Board meetings. This item will be discussed at the December Board meeting.

The 2003 USPAP Update for Instructors and Regulators will be held in Washington DC on February 15, 2003. Board members may attend. Staff members may attend upon approval of the Executive Director.

Board members were presented with a paper titled: Lessons Learned from the Baltimore Laboratory, May 1, 2000 to May 1, 2002; A Report of the Baltimore City Flipping and Predatory Lending Task Force.

The Board's holiday dinner will be on Monday, December 9, 2002.

Board members were asked for and gave their preferences for lodging for Board meetings for the 2003 calendar year.

Mr. Black has been asked by several magazines to possibly write articles. Board members will be informed of the articles written by Mr. Black.

There being no further business to come before the Board, Mr. Faircloth moved, second by Mr. Horton the meeting be adjourned. Motion carried.

Mel Black, Executive Director

This, the day of December, 2002.

Bart Bryson, Chairman