

# **NORTH CAROLINA APPRAISAL BOARD**

## **Meeting Minutes Raleigh**

**December 10, 2024**

### **Board Members Present**

Mike Warren, Chair  
Claire M. Aufrance, Vice-Chair  
Sarah J. Burnham  
Lynn Carmichael  
Darius Chase  
Marcella Coley  
Jack C. (Cal) Morgan, III  
Viviree Scotton  
H. Clay Taylor, III

### **Staff Present**

Donald T. Rodgers, Executive Director  
Brandy M. March, Deputy Director  
Sondra C. Panico, Legal Counsel  
Jeffrey H. Davison, Investigator  
Randall L. Echols, Investigator  
Frank Fleming, Investigator  
H. Eugene Jordan, Investigator  
Mindy Sealy, Office Manager

### **CALL TO ORDER**

Chair Warren called the meeting to order at 9:00 a.m.

Ms. Coley read the Board's Mission Statement

Chair Warren read the Conflict-of-Interest reminder. No Board Member indicated any conflict of interest.

### **APPROVAL OF AGENDA**

Mr. Taylor moved, second by Ms. Aufrance, that the Board approve the agenda, with the Chair being able to take the items in any order. Motion carried.

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**APPROVAL OF MINUTES**

Ms. Coley moved, second by Ms. Scotton, to approve the October Minutes (**Exhibit 1**), as presented. Motion carried.

**FINANCE**

The Board reviewed the financial report through November 2024 (**Exhibit 2**).

**LEGAL**

**Probable Cause (Exhibit 3)**

Ms. Aufrance moved, second by Ms. Carmichael, that the Board accept staff recommendations on all probable cause summaries with the exception of case numbers 2023-0121, 2024-0001, 2024-0018, and 2024-0028. Motion carried.

- 2023-0121** Ms. Coley moved, second by Ms. Aufrance, that the Board move this case to a hearing. Motion carried.
- 2024-0001** Ms. Coley moved, second by Ms. Burnham, that the Board move this case to a hearing. Motion carried.
- 2024-0003** Dismiss this case with a warning to provide adequate commentary when describing the subject property and use proper techniques when completing the cost approach, conditioned upon completion of a course in the cost approach.
- 2024-0004** Dismiss this case with a warning to verify that comparable sale information is reported accurately, conditioned upon completion of a course in appraiser liability.
- 2024-0007** Dismiss this case.
- 2024-0009** Dismiss this case with a warning to make sure you understand the impact of the assignment conditions on the value, conditioned upon completion of a course in Fannie Mae Guidelines.
- 2024-0010** Dismiss this case with a warning to better proofread the appraisal report and be cautious about the use of boilerplate language which does not apply to the subject.
- 2024-0013** Move this case to a hearing.
- 2024-0014** Move this case to a hearing.
- 2024-0015** Move this case to a hearing.

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- 2024-0018** Ms. Coley moved, second by Ms. Carmichael, that the Board dismiss this case. Motion carried.
- 2024-0020** Dismiss this case.
- 2024-0028** Ms. Coley moved, second by Mr. Taylor, that the Board dismiss this case with a warning that while maintaining multiple professional credentials and performing work as an appraiser that you clearly clarify to the client when you change your role, conditioned upon completion of a course in appraising in changing markets, non-lending appraisal assignments, and the 15-Hour USPAP. Motion carried.
- 2024-0042** Dismiss this case with a warning that an appraiser's responsibility to appropriately verify and analyze all property data does not change when performing a hybrid appraisal, conditioned upon completion of a course in competitive market analysis and appraiser liability.
- 2024-0044** Dismiss this case.
- 2024-0048** Dismiss this case conditioned upon completion of a course in GSE guidelines and data verification.

The Board reviewed the Pending Hearing Report (**Exhibit 4**) and the Disciplinary Actions Year-to-Date (**Exhibit 5**).

## **LICENSING AND EDUCATION**

The Board reviewed the list of candidates who have been recently registered or certified (**Exhibit 6**).

The Board reviewed the list of AMCs that have recently been registered (**Exhibit 7**).

The Board reviewed the Examination Report through November 2024 (**Exhibit 8**).

## **PUBLIC FORUM (Exhibit 9)**

There were no requests to speak at the Public Forum.

## **OTHER**

Mr. Taylor moved, second by Ms. Carmichael, that the Board accept the 2025 Calendar (**Exhibit 10**), as presented. Motion carried.

The Board reviewed The Appraisal Foundation's reports (**Exhibit 11**).

**Statements of Economic Interest (Ethics Commission)**

Mr. Rodgers read the following Statements of Economic Interest.

The State Ethics Commission did not find Claire Aufrance to have an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity. Ms. Aufrance fills the role of a member who is a real estate appraiser. She owns the real estate and appraisal consulting company, Aufrance Valuations, LLC, and has an interest in the real estate investment company C Flad, LLC. She is the Director of both the Appraisal Institute Education and Relief Foundation, and the NC Realtors Appraisal Section. She and her spouse are both licensed by the Board. Because she serves on the licensing authority for members of her own profession, she has the potential for a conflict of interest. Therefore, Ms. Aufrance should exercise appropriate caution in the performance of her public duties should issues involving her certification, her spouse's certification, any employee's certifications, or any entity that she or her spouse has a financial interest in come before the Board for official action.

The State Ethics Commission did not find Sarah J. Burnham to have an actual conflict of interest or the potential for a conflict of interest. Sarah Burnham fills the role of a public member on the Board.

The State Ethics Commission did not find Lynn M. Carmichael to have an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity. Ms. Carmichael fills the role of a member who is a real estate appraiser. She owns ACE Appraisals. Because she serves on the licensing authority for members of her own profession, she has the potential for a conflict of interest. Therefore, Ms. Carmichael should exercise appropriate caution in the performance of her public duties should issues involving her certification, ACE Appraisals or the certifications of its employees come before the Board for official action.

The State Ethics Commission did not find Darius R. Chase to have an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity. Mr. Chase would fill the role of an appointee who represents either the real estate appraisal management industry or the banking industry. Because he is employed by a bank that could participate in real estate appraising and appraisal management, he has the potential for a conflict of interest. Therefore, Mr. Chase should exercise appropriate caution in the performance of his public duties should issues involving South State Bank or appraisers employed by the bank come before the Board for official action.

The State Ethics Commission did not find Marcella Coley to have an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity. Ms. Coley is an appraiser and broker with Coley Appraisal Company. In addition, she serves as the chair of the NC Realtors Appraisal Section. Because she will serve on the licensing authority for members of her own profession, she has the potential for a conflict of interest. Accordingly, Ms. Coley should exercise appropriate caution in the performance of her public duties should issues involving her certification, Coley Appraisal Company, its employees, or any entity with which she is associated come before the Board for official action.

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The State Ethics Commission did not find Jack Calvin Morgan, III, to have an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity. Mr. Morgan owns the real estate and consulting services company, JC Morgan Company Real Estate, Inc. and has financial interests in other real estate companies. Because he serves on the licensing authority for members of his own profession, he has the potential for a conflict of interest. Therefore, Mr. Morgan should exercise appropriate caution in the performance of his public duties should issues involving his real estate holdings, his certification, JC Morgan Company Real Estate, Inc. or its employees come before the Board for official action.

The State Ethics Commission did not find Viviree P. Scotton to have an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity. Ms. Scotton fills the role of a member who is a real estate appraiser. She owns Scotton Real Estate & Appraisals. Because she serves on the licensing authority for members of her own profession, she has the potential for a conflict of interest. Therefore, Ms. Scotton should exercise appropriate caution in the performance of her public duties should issues involving her certification, Scotton Real Estate & Appraisals or the certifications of its employees come before the Board for official action.

The State Ethics Commission did not find H. Clay Talyor, III, to have an actual conflict of interest or the likelihood of a conflict of interest. Mr. Taylor fills the role of a member of the Board who is not in the appraisal industry.

The State Ethics Commission did not find Michael R. Warren to have an actual conflict of interest but found the potential for a conflict of interest. The potential conflict identified does not prohibit service on this entity. Mr. Warren fills the role of a real estate appraiser on the Board. He and his spouse own financial interests in Mike Warren Construction, Inc. and Mike Warren Appraisal Services, LLC. Because he serves on the licensing authority for members of his own profession, he has the potential for a conflict of interest. Therefore, Mr. Warren should exercise appropriate caution in the performance of his public duties should issues involving Mike Warren Appraisal Services, LLC, his certification, or the certifications of his employees come before the Board for official action.

### **Staff Report**

The Fall AARO Conference was in Boston, MA October 28-30, 2024. In addition to staff, Ms. Aufrance, Ms. Carmichael, Mr. Chase, Ms. Coley and Ms. Scotton attended the conference.

The ASC has granted the Board \$11,800 through the grant program. This covers three AARO conference registrations for Fall 2024 and three registrations for Spring 2025. It also covers a two-day customized investigator training course for enforcement staff.

Reminder that following today's meeting, Ms. Panico will be having the board member training that was planned for September.

The next scheduled Board meeting will be at the Board office on Tuesday, February 11, 2025.

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Mr. Jordan has informed the Board that he is planning to retire the end of January 2025. Gene joined our staff in January 2011 and has been a dedicated employee and outstanding representative for the NC Appraisal Board. The staff will certainly miss both his professional contributions and his personal interaction. We wish him and his wife, Gwen, many happy years of retirement. We will have a more formal recognition of his service at the Board meeting in February.

Ms. Aufrance moved, second by Ms. Coley, that the Board go into closed session. Motion carried.

Ms. Carmichael moved, second by Ms. Aufrance, that the Board go back into open session. Motion carried.

**Report from closed session announced in open session:**

**CONSENT ORDERS**

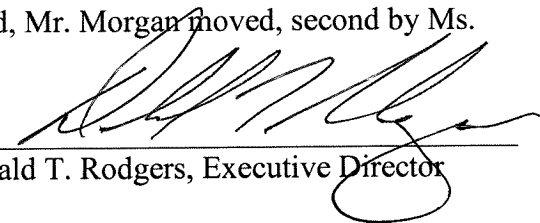
**2023-0123 Timothy Qualls**

Ms. Coley moved, seconded by Ms. Carmichael, that effective December 11, 2024, Timothy Qualls' license as a residential appraiser is reprimanded. No later than June 11, 2025, Respondent shall complete the following coursework: two continuing education courses, one on sales comparison and one on appraiser liability; and the Appraisal Foundation's corrective education course entitled, "Missing Explanations." If Respondent fails to successfully complete the above courses and provide certificates of completion to the Board office by June 11, 2025, the reprimand will be vacated, and an active suspension shall be activated in its place on June 12, 2025. The active suspension shall continue until the Respondent provides proof of completion of the above courses to the Board office. Motion carried.

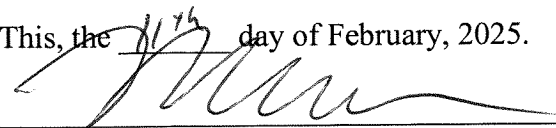
**Request for Reconsideration**

**2023-0111** Ms. Coley moved, seconded by Mr. Taylor that the Board grant the request for reconsideration. Motion carried.

There being no further business to come before the Board, Mr. Morgan moved, second by Ms. Aufrance, that the meeting be adjourned. Motion carried.

  
Donald T. Rodgers, Executive Director

This, the 11<sup>th</sup> day of February, 2025.

  
Mike Warren, Chair