

MINUTES

NORTH CAROLINA AUCTIONEER LICENSING BOARD

October 8, 2018

The North Carolina Auctioneer Licensing Board met on Monday, October 8, 2018 in the Fuquay-Varina Office. The meeting was called to order at 10:00 a.m. Members present were Chairman William B. Lilly, Jr., Vice Chairman Gary Boyd, Lisa L. Brown, Willie A. Johnson, Lisa D. York, Special Deputy Attorney General Anne Brown, and Attorney General Fellow Amber McCoy with the NC Department of Justice. Also, present were Executive Director Charles F. Diehl, Administrative Officer Becky Stewart, and Investigator Ralph Southerland.

Chairman Lilly inquired of each member if there were any known conflicts of interest or an appearance of conflicts with respect to any matters coming before the Board during this meeting. Vice Chairman Boyd recused himself from consideration of the Probable Cause Subcommittee recommendations due to his attendance and participation in the Probable Cause Subcommittee meeting. Other members stated there were none. Then Chairman Lilly welcomed visitors Mara O'Neil with Rockingham Community College and Attorney General Fellow Amber McCoy to the meeting.

Minutes of the meeting held on September 10, 2018 were approved as recorded on motion by Vice Chairman Boyd. Member York seconded the motion, which carried unanimously. Then Ralph Southerland provided the investigative case log update as follows: nine (4) active cases and two (2) cases set for Hearing.

At this time the NC Board of Elections & Ethics Enforcement's Evaluation of Statements of Economic Interest Filed by Mr. William B. Lilly, Jr. was verbally presented by the Chairman and recorded in the minutes pursuant to G.S. 183A-15(c). Each Board Member was presented

with a flier entitled, “State Government Ethics Act – Education Requirements for Public Servants.” **A Motion was made by Member York to accept the NC Board of Elections & Ethics Enforcement’s Evaluation of Statement of Economic Interest filed by William B. Lilly Jr. Vice Chairman Boyd seconded the motion, which carried unanimously.**

Then the Board was presented materials for review of the Initial Application for School of Auctioneering Accreditation of Rockingham Community College. Director Diehl recognized Mara O’Neil, Director of Occupational Extension with Rockingham Community College. After discussion, **Member Johnson made a motion to approve the Initial Application for School of Auctioneering for Rockingham Community College. Member Brown seconded the motion, which carried unanimously.**

Next the Board considered the Probable Cause Report. **Member Brown made a motion to accept the Probable Cause Report. Member York seconded the motion, which carried unanimously.** Prior to the motion or any discussion, Vice Chairman Boyd had recused himself from consideration of the Probable Cause Report due to his attendance and participation in the Probable Cause Subcommittee meeting.

At this time Director Diehl reported on the Ad Violations and other Informal Investigations for the Month of September. Then he presented the financial information concerning the individual month of September. Following review, **Member York made a motion to accept the financial information for the month of September. Vice Chairman Boyd seconded the motion, which carried unanimously.**

Then the Board reviewed the Request for Proposal for the board funded continuing education program. After review and discussion, **Member Johnson moved to accept the**

Continuing Education Proposal for the Eastern, Middle, and Western Districts from the Auctioneers Association of North Carolina (AANC). Member York seconded the motion which carried unanimously.

Next Director Diehl presented for Consideration the Approval of New Instructor for Mendenhall School of Auctioneering – Sam Grasso. After discussion, **Member York made a motion to approve the new instructor for Mendenhall School of Auctioneering – Sam Grasso. Member Johnson seconded the motion, which carried.**

The next item on the agenda was the Consideration for Approval of Applications for Auctioneer Recovery Fund Johnny Jerome Alston and Johnny Junior Alston - Auctioneer Wayne Verlon Kennedy, Jr. d/b/a Family Auction House, NCAL #8947. Director Diehl provided detailed reports on the following claims: 1) Johnny Jerome Alston, \$563.15, 2) Johnny Junior Alston, \$1,358.35, and 3) Joint claim – Johnny Jerome and Johnny Junior Alston, \$593.25. After discussion, **Member Johnson made a motion to pay the three claims from the Recovery Fund. Member Brown second the motion, which carried unanimously.** The Board requested that Director Diehl with assistance from Deputy General Counsel Anne Brown contact the District Attorney’s Office about pursuing criminal charges against the auctioneer.

Next Director Diehl provided an overview of the Rules Redadoption Process for 21 NCAC 4B. Each Board member was presented a draft of the proposed changes for review. Director Diehl reported that these proposed changes have been submitted to the Rules Review Commission staff for pre-review prior to publication. November 26, 2018 is the last date for the NCALB to publish the proposed readopted rules and still meet the rules adoption deadline date of February 28, 2019.

Then Director Diehl reported that three (3) additional comments have been received from the public for consideration. The Board was presented with these comments for review. After discussion, **Member Johnson made a motion to change 21 NCAC .502(a) to remove Hygiene and Personal Appearance and add Cyber Security and Protection of Client Proceeds. Vice Chairman Boyd seconded the motion, which carried unanimously. Member York moved that the Board take no action on the recommendation regarding license requirements for auctioneers consigning property to other auctioneers. Vice Chairman Boyd seconded the motion, which carried unanimously. Vice Chairman Boyd moved that the Board take no action on the recommendation regarding the Local Criminal History Records Check and Statewide Criminal History Records Check since the existing process administered by the staff addresses the concern expressed in the recommendation. Member York seconded the motion, which carried unanimously.**

Next Director Diehl reported that the 2017/2018 Audit Report should be available for review at the November Board meeting. The process is taking longer this year due to new analysis and reporting requirements.

Then Director Diehl reported that the Board had granted Adam Saunders McDaniel a probationary auctioneer license for one (1) year effective September 11, 2017. A probationary report, including a current Local Criminal History Records Search from the Clerk of Superior Court in the County where Adam Saunders McDaniel resides and maintains a business, if applicable, was due by September 11, 2018. Director Diehl reported Adam Saunders McDaniel submitted his probationary report of his auctioneering activities and a current Local Criminal History Records Search from the Clerk of Superior Court. At this time, Mr. McDaniel's has not engaged in any auctioneering activities and his Local Criminal History Records Search indicated no issues. **Member Johnson made a motion to change Adam Saunders McDaniel's license status from probationary to regular active status. Member Brown seconded the motion, which carried unanimously.**

Next Chairman Lilly reported on the South Dakota v. Wayfair Supreme Court decision regarding online sales tax. He stated that H.R. 6824 - Online Sales Simplicity and Small Business Relief Act of 2018 has been introduced to prohibit States from retroactively imposing a sales tax collection duty on a remote seller, and for other purposes.

Following the review and approval of applications for licensing, the Board confirmed the next regular meeting on Tuesday, November 13, 2018 at 10:00 a.m. in the Fuquay-Varina office.

Vice Chairman Boyd made a motion to adjourn the meeting with Member York seconding the motion, which carried unanimously.

The meeting adjourned at 11:53 a.m.

Respectfully Submitted,

Becky J. Stewart
Administrative Officer