

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF STATE
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS

F I N A L M I N U T E S

MEETING OF:

STATE BOARD OF AUCTIONEER EXAMINERS

TIME: 10:30 a.m.

Held at

PENNSYLVANIA DEPARTMENT OF STATE

2525 North 7th Street

CoPA HUB, Eaton Conference Room

Harrisburg, Pennsylvania 17110

as well as

VIA MICROSOFT TEAMS

Monday, November 18, 2024

State Board of Auctioneer Examiners
November 18, 2024

BOARD MEMBERS:

Gerald A. Rader, AU, Chairman, Professional Member
Arion R. Claggett, Acting Commissioner, Bureau of
Professional and Occupational Affairs
Sherman E. Hostetter Jr., AU, Professional Member
Daniel A. Trace, AU, Secretary, Professional Member
Hayley Dull, Consumer Protection Agent
Thomas L. Abruzzese, Trading Assistant

BUREAU PERSONNEL:

Dana M. Wucinski, Esquire, Acting Senior Board
Counsel
Shawn J. Jayman, Esquire, Board Counsel
Michael Merten, Board Counsel
J. Karl Geschwindt, Esquire, Senior Board Prosecutor
Riley Baker, Esquire, Board Prosecutor
Terrie Kocher, Board Administrator
Andrew LaFratte, MPA, Deputy Policy Director,
Department of State
Marc Farrell, Esquire, Regulatory Counsel,
Office of Chief Counsel, Department of State
Carlton Smith, Esquire, Deputy Chief Counsel,
Prosecution Division
Stephanie Dunkerley, Legal Analyst, Office of General
Counsel
Amanda Richards, Fiscal Supervisor, Bureau of Finance
and Procurement, Department of State
Marcedes Newby, Fiscal Management Specialist 1,
Bureau of Finance and Procurement, Department of
State

ALSO PRESENT:

Jennifer Smeltz, Republican Executive Director,
Senate Consumer Protection & Professional Licensure
Committee
George Michak, Esquire, Michak Legal
Jennie Baar, Dean School Of Business, Technology, and
Industry at HACC, Central Pennsylvania's Community
College

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ALSO PRESENT: (cont.)

Jessica Kemmerer, Government Affairs, Pennsylvania
Auctioneers Association

Ryan Gonder, Esquire, McNees Wallace & Nurick LLC

Jennifer Jumper

Derek Richmond, Sargent's Court Reporting Service,
Inc.

1 ***

2 State Board of Auctioneer Examiners

3 November 18, 2024

4 ***

5 [Pursuant to Section 708(a)(5) of the Sunshine Act,
6 at 9:00 a.m. the Board entered into Executive Session
7 with Shawn J. Jayman, Esquire, Board Counsel, to have
8 attorney-client consultations and for the purpose of
9 conducting quasi-judicial deliberations. The Board
10 returned to open session at 10:30 a.m.]

11 ***

12 The regularly scheduled meeting of the State
13 Board of Auctioneer Examiners was held on Monday,
14 November 18, 2024. Gerald A. Rader, AU, Chairman,
15 Professional Member, called the meeting to order at
16 10:30 a.m.

17 ***

18 Roll Call of Board Members

19 [Gerald A. Rader, AU, Chairman, Professional Member,
20 requested a roll call of Board members. A quorum was
21 present.]

22 ***

23 Introduction of Attendees

24 [Terrie Kocher, Board Administrator, provided an
25 introduction of attendees.]

[Shawn J. Jayman, Esquire, Board Counsel, noted the meeting was being recorded and continued participation constituted consent to be recorded.

Mr. Jayman also noted the Board entered into Executive Session for the purpose of conducting quasi-judicial deliberations and to receive the advice of counsel.]

Amendment to the Agenda

CHAIRMAN RADER:

We are going to amend the agenda to include some travel pay, so let's vote on amending the agenda.

MR. HOSTETTER:

So moved.

MR. TRACE:

Second.

MS. KOCHER:

Roll call.

Gerald Rader, aye; Arion Claggett, aye; Sherman Hostetter, aye; Daniel Trace, aye; Hayley Dull, aye; Thomas Abruzzese, aye.

1 [The motion carried unanimously.]

2 ***

3 MR. HOSTETTER:

4 The motion I make is to send two
5 people, Dan Trace and Sherman
6 Hostetter, to the 2025 Annual
7 Pennsylvania Auctioneers Association
8 Conference & Trade Show January 7-10 in
9 Harrisburg at the Sheraton Harrisburg
10 Hersey Hotel. It will be travel,
11 registration, and lodging.

12 ACTING COMMISSIONER CLAGGETT:

13 So moved.

14 MR. TRACE:

15 Second.

16 MS. KOCHER:

17 Roll call vote.

18
19 Gerald Rader, aye; Arion Claggett, aye;
20 Sherman Hostetter, aye; Daniel Trace,
21 aye; Hayley Dull, aye; Thomas
22 Abruzzese, aye.

23 [The motion carried unanimously.]

24 ***

25 Appointment - Bureau of Finance and Operations

1 Annual Budget Presentation

2 [Amanda Richards, Fiscal Supervisor, Bureau of
3 Finance and Procurement, Department of State,
4 presented the Annual Budget Report. She referred to
5 the license population over the last seven years,
6 noting the Board has five license classes. She noted
7 the prior renewal period showed an average license
8 population of 2,130 and the current renewal at 2,236
9 licenses, showing an increase of 106 licenses.

10 Chair Rader informed Ms. Richards that trading
11 assistants and trading assistant companies are
12 registrations and not licensees, and Ms. Richards
13 noted that for next time.

14 Ms. Richards reminded Board members of their
15 approval of a 10% incremental increase for biennial
16 renewals in 2019, noting the second fee increase will
17 happen in February 2025 with the final step in
18 February 2027.

19 Mr. Hostetter referred to the definition of
20 licensee list sales, where there is no address if
21 somebody gets this information. He also noted it
22 says certification and questioned whether it should
23 be registered or registration.

24 Ms. Kocher explained that the letter of good
25 standing/certification is the term used for somebody

1 who may want a letter of good standing or
2 certification be sent to another state and did not
3 believe there was any problem with that terminology.

4 Acting Commissioner Claggett noted a question
5 about whether the address as in the Pennsylvania
6 Licensing System (PALS) verified, where they give the
7 city and state, but the address is not provided, and
8 the definition requests the address.

9 Mr. Hostetter stated it refers to revenue
10 collected, so licensee list sales is referring to the
11 money coming in and questioned whether registrants
12 should be included. He noted they have
13 licensees and registrants, and they are all on that
14 list and suggested registrants also be on the list to
15 make it clear.

16 Acting Commissioner Claggett agreed, noting it
17 would be a simple change.

18 Ms. Richards addressed revenue and referred to
19 the breakdown of categories coming into the Board on
20 a biennial basis. She referred to the biennial
21 revenue, noting 96.9% of that comes from your
22 renewals and applications, including registrants with
23 the renewals.

24 Ms. Richards noted expenses can hit the Board
25 through direct charges, timesheet-based charges, and

1 by licensee population. She noted the two main
2 categories used for expenses are administrative costs
3 and legal costs. She referred to the prior biennial
4 period, noting the Board's expenses. She noted the
5 budget for FY24-25. She explained that the increase
6 in cost and expenses is for replacement of the
7 Pennsylvania Licensing System (PALS), relocation of
8 legal employees from Penn Center to Thea Drive, and a
9 new legal information technology (IT) system.

10 Mr. Hostetter requested a breakdown of
11 administrative costs other than the Board
12 administrator and also asked for an explanation of
13 departmental services.

14 Ms. Richards explained that it would be anybody
15 processing an application or doing administrative
16 work for the Board.

17 Ms. Richards explained that departmental services
18 would be timesheet-based charges for support provided
19 by various offices within the agency, where somebody
20 in the Bureau of Finance and Procurement (BFP) would
21 be processing invoices for the Board or registration
22 renewals.

23 Ms. Richards addressed expenses and revenue and
24 referred to FY22-23 and FY23-24, noting the Board
25 started out with a restricted balance. She noted the

1 biennial revenue and expenses, giving a new
2 restricted account balance. She again noted
3 considering that on a biennial basis and informed
4 Board members that expenses are not exceeding
5 revenue.

6 Ms. Richards reported that the fee increase and
7 increase in licensees helped the Board and did not
8 see a need for an increase anytime in the near
9 future.

10 Mr. Hostetter asked what happens to the money in
11 FY28-29 and FY30-31, where close to \$1 million is
12 projected.

13 Ms. Richards explained that the money stays with
14 the Board.

15 Mr. Hostetter asked whether there would ever be a
16 point where they would be able to lower license fees.

17 Ms. Richards stated they prefer waiving fees for
18 the renewal cycle versus decreasing license renewal.

19 Mr. Hostetter referred to the fee increase in two
20 years from \$475 to \$500 and asked whether that could
21 be eliminated if they do not need it.

22 Acting Commissioner explained that the increase
23 could be revisited.

24 Ms. Richards believed that would be a question
25 for the legal team because the increase is already in

1 effect and part of the regulations.

2 Chair Rader also suggested revisiting the fee
3 increase in two years. He referred to the overall
4 report showing investigations actually making money
5 at some point as far as income.

6 Ms. Richards explained that the investigations
7 category is something that can be assessed but not
8 guaranteed as a main source of revenue.

9 Mr. Geschwindt believed the costs of
10 investigation imposed as part of Consent Agreements
11 or Final Adjudications and Orders is not a net profit
12 on investigations and only the amount that comes in
13 from investigations.]

14 ***

15 Approval of minutes of the September 9, 2024 meeting
16 CHAIRMAN RADER:

17 Next on the agenda is approval of the
18 minutes. You have all had a chance to
19 review them prior to now. Any
20 suggestions as far as additions or
21 comments?

22 MR. HOSTETTER:

23 I move that we accept those minutes?

24 MR. TRACE:

25 Second.

1 MS. KOCHER:

2 Gerald Rader, aye; Arion Claggett, aye;
3 Sherman Hostetter, aye; Daniel Trace,
4 aye; Hayley Dull, abstain; Thomas
5 Abruzzese, aye.

6 [The motion carried. Hayley Dull abstained from
7 voting on the motion.]

8 ***

9 Report of Board Prosecution - Status of Cases

10 [J. Karl Geschwindt, Esquire, Senior Board
11 Prosecutor, on behalf of Jonathan Zurinskas, Esquire,
12 Board Prosecution Liaison, provided a Status of Cases
13 Report for the Board's review. He noted from August
14 25 until November 5, 2024, that there were 141 open
15 cases. He reported 12 were open since August 25, and
16 137 of those cases are with the Professional
17 Compliance Office (PCO) or prosecution.

18 Mr. Geschwindt also noted 4 cases are with the
19 prothonotary's office or hearing examiner's office.
20 He mentioned that the bulk of the cases deal with
21 fraud, misrepresentation, and unprofessional
22 conduct.]

23 ***

24 Report of Board Counsel

25 [Shawn J. Jayman, Esquire, Board Counsel, had nothing

1 to report at this time.

2 Marc Farrell, Esquire, Regulatory Counsel, Office
3 of Chief Counsel, Department of State, reported one
4 open regulatory matter concerning the general
5 revisions package at 16A-6410. He noted the Board
6 approved the preamble and the annex at the September
7 9 meeting.

8 Mr. Farrell informed Board members that they are
9 still working on the Regulatory Analysis Form and is
10 hoping to have this wrapped up by the end of next
11 year. He offered to provide any changes for the
12 Board's review.]

13 ***

14 Report of Acting Commissioner

15 [Arion R. Claggett, Acting Commissioner, Bureau of
16 Professional and Occupational Affairs, informed Board
17 members that a vendor was selected for replacement of
18 PALS, and System Automation will be implemented at
19 the end of 2025.]

20 ***

21 Report of Board Chair

22 [Gerald A. Rader, AU, Chairman, Professional Member,
23 again noted the 2025 Annual Conference & Trade Show
24 January 7-10 at Sheraton Harrisburg Hersey. He
25 commented that it is a great place to learn and meet

1 fellow auctioneers.]

2 ***

3 Report of Board Administrator

4 [Terrie Kocher, Board Administrator, reminded
5 everyone that their renewal period starts February
6 28, 2025. She noted renewal notices are emailed to
7 addresses on file and go out approximately 45-60 days
8 prior to the expiration date of a license. She
9 encouraged everyone to check their inbox.]

10 ***

11 Report of Board Administrator - Election of Officers

12 MR. JAYMAN:

13 Is there a nomination for Chair of the
14 State Board of Auctioneer Examiners?

15 MR. TRACE:

16 I nominate Gerald Rader.

17 MR. JAYMAN:

18 Is there a second?

19 MR. HOSTETTER:

20 Second.

21 MR. JAYMAN:

22 Are there any other nominations for
23 Chair of the State Board of Auctioneer
24 Examiners? Seeing none.

25 Is there a motion to elect Gerald

1 A. Rader as Chair of the State Board of
2 Auctioneer Examiners?

3 MR. TRACE:

4 So moved.

5 MR. HOSTETTER:

6 Second.

7 MR. JAYMAN:

8 Roll call.

9

10 Arion Claggett, aye; Gerald Rader, aye;
11 Sherman Hostetter, aye; Daniel Trace,
12 aye; Hayley Dull, aye; Thomas
13 Abruzzese, aye.

14 [The motion carried unanimously.]

15 ***

16 MR. JAYMAN:

17 Is there a nomination for Secretary of
18 the State Board of Auctioneer
19 Examiners?

20 MR. HOSTETTER:

21 I nominate Dan Trace.

22 CHAIRMAN RADER:

23 I second that.

24 MR. JAYMAN:

25 Are there any other nominations for

1 Secretary of the State Board of
2 Auctioneer Examiners? Seeing none.

3 Is there a motion to elect Daniel
4 A. Trace as Secretary of the State
5 Board of Auctioneer Examiners?

6 MR. HOSTETTER:

7 So moved.

8 CHAIRMAN RADER:

9 Second.

10 MR. JAYMAN:

11 Roll call.

12
13 Gerald Rader, aye; Arion Claggett, aye;
14 Sherman Hostetter, aye; Daniel Trace,
15 aye; Hayley Dull, aye; Thomas
16 Abruzzese, aye.

17 [The motion carried unanimously.]

18 ***

19 Miscellaneous - 2025 PPA Conference Information

20 [Gerald A. Rader, AU, Chairman, Professional Member,
21 referred to the Pennsylvania Auctioneers Association
22 Conference & Trade Show. He noted there is a change
23 as far as their schedule, where the business meeting
24 on Thursday at noon has been changed to Friday.]

25 ***

1 Adjournment

2 CHAIRMAN RADER:

3 Motion for adjournment.

4 MR. TRACE:

5 So moved.

6 MR. HOSTETTER:

7 Second.

8 ***

9 [There being no further business, the State Board of
10 Auctioneer Examiners Meeting adjourned at 10:59 a.m.]

11 ***

12

13 CERTIFICATE

14

15 I hereby certify that the foregoing summary
16 minutes of the State Board of Auctioneer Examiners
17 meeting, was reduced to writing by me or under my
18 supervision, and that the minutes accurately
19 summarize the substance of the State Board of
20 Auctioneers meeting.

21



22

Derek Richmond,

23

Minute Clerk

24

Sargent's Court Reporting

25

Service, Inc.

26

STATE BOARD OF AUCTIONEER EXAMINERS
REFERENCE INDEX

November 18, 2024

TIME

AGENDA

9:00	Executive Session
10:30	Return to Open Session
10:30	Official Call to Order
10:30	Roll Call of Board Members
10:30	Introduction of Attendees
10:34	Appointment - Bureau of Finance and Procurement Annual Budget Presentation
10:51	Approval of Minutes
10:51	Report of Board Prosecution
10:52	Report of Board Counsel
10:54	Report of Acting Commissioner
10:55	Report of Board Chair
10:56	Report of Board Administrator
10:59	Miscellaneous
10:59	Adjournment