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July 2, 2021

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Re: Home Inspection Carolina's Walk and Talk Program

Dear Home Inspector Licensure Board:

This firm represents Home Inspection Carolina, Inc. ("HIC"). We were recently informed that an emergency session of your Board was called to discuss a new Walk-Through Consultation Program ("Walk and Talk Program") that our client HIC has recently implemented similar to programs and services offered by other companies as well. This was the second emergency meeting held in the last month on this issue. HIC's Walk and Talk Program is <u>not</u> a home inspection either in practice, nor as defined by law. As the name implies, HIC's Walk and Talk Program only involves an informal walk-through of a real estate property for a prospective buyer. This program was implemented in response to market demand and HIC takes several precautions in their marketing materials and in their contract to distinguish this service from a comprehensive formal "home inspection".

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Notwithstanding all of these facts, we are informed that some direct competitors of HIC are attempting to use the Home Inspection Licensure Board (HILB) to unfairly target our client's business practices. Specifically, they are misrepresenting facts about our client's Walk and Talk Program, and they are attempting to use the HILB to go over and above its jurisdictional authority to unfairly harm our client's business. Also disturbing is the fact that these direct competitors of HIC are refusing to recuse themselves from discussing and voting on these matters despite having a direct conflict of interest on this issue.

HIC's Walk and Talk Program is NOT a "Home Inspection"

A home inspection is defined by two or more systems being inspected, payment being received, and a written report being produced. See NC Gen. Stat. § 143-151.45. HIC's Walk and Talk Program only looks at the structural system during a preliminary showing of the house. They do not look at the electrical, plumbing, or HVAC systems like a formal inspection would. No formal written report is ever produced, and HIC purposefully includes disclaimers in their contract to advise the general public that they are *not* receiving a full home inspection which would be an added service. HIC started this program in response to high market demand created by ever increasing due diligence fees which are nonrefundable in most real estate purchases. HIC's Walk and Talk Program takes some of the risk out of this situation for buyers who are pressed for time, and thereby actually protects the public. It is not a home inspection by the very definition used in the standards of practice and the general statutes.

HILB Board Members' Conflict of Interest

We are informed that when HIC began offering their Walk and Talk Program some competitors of HIC who also serve on the HILB were asked if they offer similar type programs to what HIC was offering. Since they did not, this hurt their business. This is likely what fueled their desire to unfairly target our client. It is our understanding that these same board members with the conflict of interest have failed to present any direct evidence of members of the public being confused or harmed in any way by HIC's Walk and Talk Program. Moreover, unless these same board members recuse themselves from any deliberations or decisions of the HILB regarding these issues, the legitimacy of whatever the HILB ultimately decides on this issue could likely be questioned. These competitors of our client are acting in a manner to protect their own financial and business interests rather than the public's best interest. Since HIC's Walk and Talk is <u>not</u> a home inspection, these individual board members are misusing HILB's jurisdictional authority at best, and at worst, they are committing illegal acts including, but not

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limited to, defaming our client and unfairly competing against them. Please note that, if necessary, HIC will enforce its legal rights by taking legal action.

Informal Advisory Opinions By State Officials on this Issue

Our client has taken steps to attempt to obtain advisory opinions on this issue from various state officials. These officials include: Chief State Fire Marshall Brian Taylor and Representative George Robinson at the Department of Insurance. These officials have stated that as the law is presently written what our client is doing is permissible so long as their Walk and Talk Program properly discloses to the public that a formal inspection is not being conducted, just as HIC has done.

Improper Use of HILB's Jurisdiction

Our client strongly suspects that the HILB is being used improperly to serve the interests of certain board members who want to unfairly target their biggest competitor, HIC. As previously stated, we do not believe that the Walk and Talk Program falls within the explicit statutory definition of a "home inspection." If any members of the public have complained about HIC's Walk and Talk Program, then a copy of the complaint and any supporting documentation is supposed to be provided to our client according to the Board's written standards of practice. See SOP § .1204(b). Since our client has not received anything in the way of written complaints, this likely means that HILB's own board members have complained against HIC. The HILB should not be used in this manner to improperly serve the competitive business interests of individual board members by legitimizing these unfounded grievances.

Feel free to call if you have any questions, or if you wish to discuss for any reason.

Sincerely,

/S/ SANJAY R. GOHIL

Sanjay R. Gohil, Esq.

cc: Client

NC Attorney General, info@JoshStein.org

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