

**FINAL MINUTES OF THE
REGULAR BOARD MEETING
March 15th, 2013 8:35 A.M.**

Call to order and roll call

The meeting was called to order by Kevin Yeanoplos, Chairman at 8:35 a.m.

Those board members present at roll call:

Frank Ugenti

Joe Stroud

Erik Clinite

James Heaslet

Jeff Nolan

Kevin Yeanoplos, Chairman

Michael Petrus, Vice Chairman

Staff Attendance:

Debra Rudd, Executive Director

Jeanne Galvin, Assistant Attorney General

Amanda Benally, Staff

Pledge of Allegiance, Approval of the Minutes

After the pledge of allegiance, Kevin Yeanoplos asked for a motion to approve the minutes of the February 13th, 2013 regular board meeting. Ms. Galvin pointed out a correction that was needed, adding Jeff Nolan as being in attendance when the meeting started. Jeff Nolan motioned to approve the minutes as amended. James Heaslet seconded the motion. All voted in favor of the motion.

Case 3522 – John J. Giordano, III

Mr. Giordano was present. Frank Ugenti read the summary of the case into the records. The complainant is the homeowner who alleges that the appraiser inaccurately reported the square footage of this home, relied upon comparables of lesser quality and failed to make adjustments for recent upgrades. The respondent stated that he hand measures every property and that assessor records are frequently wrong. The respondent defended the comparables sales used as the best available data at the time of the appraisal. Mr. Giordano stated that he never received a request for reconsideration of value or alternative comparable sales. Kevin Yeanoplos pointed out that the case had been reviewed by the board's contract investigator and that there were some issues found in the report. James Heaslet asked Mr. Giordano about the land value in his report, based on his comments in the appraisal that he relied upon assessor's site value. Mr. Giordano stated that he had attended a class where the instructor taught that using this information was an acceptable practice. She stated this was the way she did it, and several others in the class agreed. Discussion by the board resulted in their consensus that this was not a reliable practice. Additional discussion included comments about the number of bathrooms in the subject property versus the comparables, the comments on the 1004MC form regarding the median concessions.

During the discussion of the case, Frank Ugenti left the meeting at 9:00 a.m.

James Heaslet motioned to offer a Letter of Concern for USPAP standards 1-1(a) and 1-4(b) violations Level 1 for the site valuation method not being credible. The board suggests that Mr. Giordano obtain knowledge about how to value sites, other than through the assessor's value. Erik Clinite seconded the motion. All those in attendance voted in favor of the motion.

Informal Hearing for Case 3331 – Joseph A. Blagg

Mr. Blagg was present. He was given the opportunity to discuss the investigator's report that had been supplied to him prior to this meeting. Mr. Blagg discussed with the board the review that he commissioned from Chuck Johnson, AQB Certified USPAP Instructor to review the Investigator's report. The restricted report failed to have a signed certification in the appraisal, but there was one in the file. The board explained that the certification must be in the report, not just the work file. Mr. Blagg stated Chuck Johnson's report showed that he "may have USPAP errors", but did not say for sure that he did. Michael Petrus pointed out that Chuck Johnson agreed with the investigator's report on almost all of the items found in the investigator's report. James Heaslet disagreed with Chuck Johnson's report, and that the verbiage in the respondent's report made him think that it was biased toward investors, instead of reporting the market. Kevin Yeanoplos pointed out that two reviews (the investigator's report and the one that Chuck Johnson provided), both show non-compliance. The purpose of this meeting today was due to the failure of Mr. Blagg to accept the original consent agreement which indicated that the violations rose to a Level 4 with a 30-day suspension and six months probation with mentorship and education. The case was sent for investigation after Mr. Blagg refused to sign. After much discussion, Michael Petrus motioned to keep the Level 4 classification and reissue the consent agreement, removing the suspension, but continuing with all of the other discipline. Erik Clinite seconded the motion. Joe Stroud, Erik Clinite, Michael Petrus, Jeff Nolan and Kevin Yeanoplos voted aye. James Heaslet voted no. The motion carried.

Informal Hearing for Case 3435 – Scott Smith

The respondent, Scott Smith was present at the hearing. This was a continuance from a prior meeting where the board due to the age of the original appraisal that was the subject of this complaint, requested his most recent six months appraisal log. They would select three of the recent appraisals for audit, and then reissue the invitation for this informal hearing. Discussion of the three reports resulted in noticing additional possible errors. Questions from the Board involved sketching a complex designed house, the size adjustments for livable area and the site value. Mr. Smith answered the questions but the board still thought there were some issues due to a lack of support in the work file for the livable area adjustments and the respondent's reliance on the site valuation from the county assessor's office. Michael Petrus made a motion to find a Level 2 and issue a Letter of Remedial Action and to take a 7-hour Report Writing and a 7-hour Sales Comparison Approach class or to take a 15-hour basic appraisal class with exam, to be completed within six months; no continuing education. James Heaslet seconded the

motion. All voted in favor of the motion, with the exception of Frank Ugenti who abstained. **Mr. Ugenti had rejoined the meeting during this discussion of this case.**

Informal Hearing for Case 3438 – Don C. Cashman

The respondent, Mr. Cashman, was present at the hearing. An investigator's report was provided to Mr. Cashman prior to this meeting. This was a continuance from a previous meeting regarding an appraisal that was completed in 2008. The board had requested an appraisal log for staff to select three more recent appraisals for the board to audit. Michael Petrus stated that he had no problems with the more recent appraisals other than the failure to note the three year prior appraiser history with the subject properties. Mr. Cashman stated that they are in his scope of work now. Mr. Petrus then stated that the original appraisal had errors that rose to a Level 2, per the board's matrix*, with the violations noted in the investigator's report other than the ethics conduct section as he did not believe there was bias in this report. He motioned to issue a Letter of Concern with it still being a Level 2, but he did not think that discipline was necessary. James Heaslet seconded the motion. Mr. Stroud noted matrix differences and requested that an explanation in the letter to reflect the current reports that were reviewed found no violations were evident. The board voted unanimously in favor of the motion.

Initial File Review for Case 3503 – David Snyder

The respondent, Mr. Snyder, was present. Kevin Yeanoplos read the summary into the records. The subject is an appraisal that was completed in 2012 on a single family residence located in Prescott. The Complainant was the homeowner who alleged that the appraiser undervalued their property by using improper comparables and not considering recent updates. A second appraisal was obtained that concluded a higher value. The Respondent acknowledged that there were minor errors in the report that did not impact the value conclusion. The appraiser defended his analysis and the comparable sales used as they were the most recent and similar sales that occurred in the 12-months prior to the effective date of the appraisal. Mr. Yeanoplos pointed out that a review had been completed by the board's contract investigator and this review indicated that some minor issues were noted, but that the appraisal did not violate standards of USPAP. After questioning the appraiser about the report and listening to his answers, Michael Petrus motioned to dismiss the complaint. Erik Clinite seconded the motion. The board voted unanimously in favor of the motion.

Informal Hearing for Case 3417 – Lisa A. McNeil

Ms. McNeil was present. Mr. Yeanoplos noted that there was no investigator's report for this file. After several questions about the comparables used versus the ones that were supplied by the complainant in another appraisal, she was able to answer the questions satisfactorily for the board members. Frank Ugenti motioned to dismiss the complaint. Joe Stroud seconded the motion, and the board voted unanimously to dismiss the case.

Informal Hearing for Cases 3254 – Kyle L. Voris and 3255 – W. Wade Clark

Mr. Voris and Mr. Clark, along with their attorney Mr. Anthony Misseldine were present. Mr. Misseldine opened the hearing with a summary of the cases, which is for a 1710 acre

*See Substantive Policy Statement No. 1 shown as the Board Resolution Chart under 3
Complaints on the website.

proposed master planned community with a destination resort hotel and golf course near Tombstone. A summary appraisal was completed in 2006 and a restricted report was completed in 2007. He noted that the complaint was anonymous and was filed four years after the completion of the reports. Mr. Misseldine explained that years ago, Mr. Swango, the board's investigator, was employed at the same time as Mr. Clark in the same company. Mr. Swango's son was competing for the same job that Mr. Clark now holds with the City of Tucson. He believed that although Mr. Swango is a respected instructor and appraiser in the area, he made some mistakes in the report citing the wrong edition of USPAP (2010 cited in the investigator's report), and that the investigator did not disclose whether he had appraised any master planned communities or golf courses in his career. After Mr. Clark testified about this destination proposed development and that he has deep respect for Mr. Swango, but that he has never appraised a golf course, hotel or master planned community. Mr. Clark has extensive experience at a national level for this type of project. He cited twelve master planned communities and eleven golf course developments in the report. He defended the report which had 750 pages of data in the file. Mr. Yeanoplos pointed out that there were fifteen findings in the investigator's report. Mr. Clark replied that he disagreed with the findings and gave his rationale for his opinion. Joe Stroud motioned to go into Executive session for legal advice. James Heaslet seconded the motion. The board voted unanimously in favor of the motion. Upon return from Executive Session, Mr. Yeanoplos pointed out that the additional information that was received from the respondents the day before this meeting made it very difficult for the board to adequately review it. The board decided to break for a 30 minute lunch giving the board member's time to review the additional information. After returning from lunch, Kevin Yeanoplos made a motion to dismiss. Erik Clinite seconded the motion. The board voted unanimously in favor of the motion.

Informal Hearing for Case 3495 – Jay B. Clark

Mr. Yeanoplos noted for the board that there was no investigator's report completed on this case. Mr. Clark was present for the hearing and gave an opening statement that arm's length sales were not available. Mr. Ugenti questioned Mr. Clark about the term "arm's length sales", noting that he believes he may be confusing the term with "distressed sales". Mr. Clark believes this is for boarded up properties in the subject's area, which are not arm's length. The subject is a remodeled single family residence on a larger site. Mr. Heaslet noted that the comparables were all quite some distance from the subject in what appears to be superior locations. Michael Petrus stated that he found 50 sales closer to the subject than those in the report which were at least five miles away. James Heaslet asked about targeting values with the comparables being five miles away. After more questions, Frank Ugenti motioned to send this to investigation. James Heaslet seconded the motion. The board voted unanimously in favor of the motion.

Compliance File Review for Case 3484 – Starlyn L. Dupree

The Respondent was present along with her attorney, Tina M. Ezzell. After Ms. Galvin, the Assistant Attorney General gave a summary that a consent agreement was given to the Respondent and she declined to sign the agreement. She and her attorney have now submitted a counteroffer. Ms. Ezzell gave a statement that she requested a copy of the Board member Michael Petrus' workfile to address his opinion about the appraisal. She

further explained that she believed the Board members could question the respondent about their support, but specific criticism about the adjustments is not allowed. That becomes an oral appraisal instead of judging the case. Kevin Yeanoplos agreed with Ms. Ezzell, citing he thought the Board members could question “Where did you come up with the adjustment?” versus “I don’t agree with the adjustment”. There was further discussion about judging the credibility of the report. Mr. Petrus and Mr. Heaslet stated that everything that is before them is a judgment on the credibility of the report. Ms. Galvin pointed out that she believed there was enough information in this particular case for this to not matter, as this is a theoretical question that can be taken up at another time. As a counteroffer Ms. Ezzell explained that her client would be willing to accept a Level 1, instead of a Level 2 with a specific course taken in classroom. This counteroffer included a Letter of Concern with no education requirements. Joe Stroud stated that he was not in favor of the counteroffer, but would be willing to send this case to investigation. James Heaslet made a motion to accept the counteroffer. Jeff Nolan seconded the motion. The motion failed with 4 no’s and 3 ayes. Erik Clinite motioned to go into Executive Session for legal advice on this matter. Frank Ugenti seconded the motion. All voted to approve this motion. Upon return from Executive Session, Mike Petrus made a motion to accept the counteroffer, noting all of the findings that the Board’s previous consent agreement noted, allowing the Respondent to take the previously offered course online instead of in classroom. Kevin Yeanoplos seconded the motion. On a voice vote Joe Stroud voted no; Frank Ugenti – no; Jeff Nolan – aye; Kevin Yeanoplos – aye; Mike Petrus – aye; Erik Clinite – no; James Heaslet – aye. The motion carried with four ayes and three no’s.

Kevin Yeanoplos left the meeting – a quorum remained

Initial File Review for Case 3506 – Todd Steddom

The Respondent, Todd Steddom, was present. Mike Petrus read the summary into the record. Complainant is the respondent’s ex-wife. During divorce proceedings, the respondent gave an opinion as to the value of the two rental properties owned by the couple. The complainant alleged that the respondent undervalued the asset that was to be awarded to him and that he did not research comparable sales, nor provide sufficient analysis for his value conclusion. The court order provided with complaint noted “Given that Father is a real estate appraiser and that he admits that the Spruce property has \$25,000 in equity while the Kimberlee property is approximately \$10,000 “under water”; the Court will accept Father’s statements as to the equity in each of these properties.” The Respondent stated that he was asked by the judge for his opinion of the property value as the owner of the asset. Mr. Steddom believed he was acting as a property owner, not an appraiser. As a result, he was not providing an appraisal service and was not obligated to comply with USPAP. Discussion by the Board members recognized the rights of a property owner to testify in his own interests and not as an appraiser. James Heaslet motioned to dismiss, Joe Stroud seconded the motion and the motion carried unanimously.

Initial File Review for Case 3500 – Derek Stetson

The Respondent, Derek Stetson, was present. James Heaslet read the summary into the records. Complainant is the property owner/listing agent who alleged that the respondent used comparable sales that were dated, in inferior condition and 5-6 miles from the subject. The owner further alleged that the appraiser failed to consider the arm’s length contract on the subject for \$67,000 when he concluded to a market value estimate of \$45,000. Additional comparables were

presented by the complainant that was deemed to be more representative of the subject property. The Respondent defended the comparable sales used as the most recent sales of manufactured homes in the area. The respondent described the subject neighborhood as non-homogeneous with a combination of manufactured and older site built homes and commercial uses. The subject street is reported to be partial pavement and partial gravel, lacking any curbs, gutters or sidewalks. Mr. Stetson addressed each of the additional comparables provided by the owner. Three of the four sales are located in age restricted, master planned communities with extensive common amenities, such as golf courses, swimming pools and club houses. The fourth comparable is located nearly 9 miles from the subject. Upon questioning the Respondent about FHA guidelines and noting that the utilities were not on, Michael Petrus asked if this was a Scope of Work violation. The Respondent pointed out that he had mentioned the utilities were not on, and that he had made an error stating that the value was “as is” in the report. Mr. Petrus further questioned the Respondent about the engineer’s certification for the foundation. James Heaslet motioned to offer a non-disciplinary Letter of Concern Level 1, for Scope of Work. Erik Clinite seconded the motion. The board voted in favor of the motion.

Initial File Review for Case 3511 – Don Stenberg

The Respondent was present. Erik Clinite read the summary into the records. Complainant is the sister of the client who retained the respondent to appraise their father’s home for estate purposes. The complainant alleged that the appraiser used poor comparables that were HUD, lender owned or short sales and that adjustment for condition on the comparables were not warranted. The Respondent stated that the appraisal was completed for estate purposes and that the client denied permission for him to speak with the complainant regarding the appraisal. The Respondent defended the comparable sales used as the most recent sales in the area, and that appropriate adjustments were applied. After further discussion, James Heaslet motioned to dismiss the complaint. Joe Stroud seconded the motion. The board voted unanimously in favor of the motion.

Initial File Review for Case 3515 – Thomas O’Neill

The Respondent was present. James Heaslet recused himself from this matter. Frank Ugenti read the summary into the records. The case is regarding a property in Prescott. Complainant is the buyer who obtained a copy of the appraisal after the close of escrow. At that time, the buyers noted that the appraisal included 4.11 acres, rather than the 2.1 acres the buyers had acquired. The Respondent stated that MLS identified the subject as 11165 N. Deer Hill Lane, APN 100-24-007A and included 2.1 acres. The county assessor reported that APN 100-24-007A was 4.11 acres. Due to the discrepancy, the appraiser contacted the listing agent and was told to verify the site area with the sellers. At the time of inspection, the sellers told the appraiser that the sale included 4.11 acres. Mr. O’Neill completed his appraisal based upon the information provided. After the Board questioned the Respondent about how he verified the legal description, Michael Petrus made a motion to find a violation of Standard 1-2(e) for improperly identifying the subject property, with the violation being a Level 1, Letter of Concern, non-disciplinary action. Erik Clinite seconded the motion. All Board members with the exception of James Heaslet approved the motion.

Initial File Review for Case 3507 – Robert Nixon

The Respondent, Robert Nixon, was present. Joe Stroud read the summary into the records and noted that this is a property in Black Canyon City. Complainant is the homeowner who alleged that the appraisal had so many errors and discrepancies, that they were unable to get their loan. Specifically, the Complainant alleged that the Respondent did not have locational competence and failed to utilize the assistance of local Realtors. The Respondent acknowledged minor errors in the report that were corrected and did not affect the value conclusion. Mr. Nixon defended his

analysis and the comparable sales used as the best available data in the area. Upon further questioning, Mr. Nixon stated that a licensed appraiser inspected the property and this was disclosed in the Scope of Work Addendum in the report. The Board questioned the Respondent about his site value, using the Assessor's full cash site value. He responded that due to the market crash, he had discussed this with his peers and that they decided to use the Assessor's site value. Jeff Nolan, the property tax agent member of the board, discussed the assessor's method is a suppressed value of the full value of the site. Ms. Rudd asked if the Board would benefit from an interview with Keith Russell, the Maricopa County Assessor, to answer this question. The Board answered that they would like to see his answer, and that this could be included in a news blast to the appraisers. Mr. Petrus and Mr. Ugenti questioned the respondent about the lack of his inspection of this property when the client ordered the appraisal from the respondent and that it was completed on a 1004 (URAR) form report. Mr. Nixon responded that he inspected the property a couple of days after the date shown on the property. He did not inspect the property on the interior. Michael Petrus and Frank Ugenti pointed out that this rises to the level of Ethics. Michael Petrus voted to table the matter for further research. James Heaslet seconded the motion, and the Board voted unanimously in favor of the motion. This further resulted in the Board asking the staff to reach out to the AMC that ordered this appraisal to inquire if someone other than the approved appraiser can inspect with the approved appraiser signing the report.

Initial File Review for Case 3508 – Penny Lyman

The Respondent, Penny Lyman, was present. James Heaslet read the complaint summary into the records. Complainant is the borrower who received the respondent's appraisal prior to closing escrow on the subject property. The complaint alleged that the appraiser under calculated the size of the improvements and used improper comparable sales. The resulting market value conclusion of \$1,450,000 was below the \$1,650,000 contract price. The Respondent stated that the size of the subject improvements is based upon the original architect's plans and spot measurements. Ms. Lyman noted that her office appraised the property during the initial construction of the improvements. The Respondent defended the sales used as the most comparable based on size, views and location. This property is a single family home located in Tucson. She noted that the letter from the attorney in the complaint stated that the square footage was 1,000 square feet smaller. She further provided the board with a copy of the architectural drawing and pointed out that the design is complex. She then stated that another sketch sent to her from the lender was not close to what the architect drawing looked like. Upon questioning her about the comparables, Ms. Lyman provided the Board with the interior photos of the sales used. Frank Ugenti stated he did not see that this appraisal had any USPAP violations, and that the Board's contract investigator stated in her report that there were no violations. Frank Ugenti motioned to dismiss the complaint. Joe Stroud seconded the motion. The Board voted unanimously in favor of the motion.

Compliance File Review for Cases 2624 and 3326 – Shemika Hill

The Respondent, Ms. Hill, was present. After being on probation for quite some time with two mentors, she was now before the Board for them to consider terminating her probation after auditing her files. The Board reviewed the audit results from the investigator and questioned Ms. Hill about the lack of certification for the three year history from the appraiser whether they did any appraisal on the property. She replied that this was in the USPAP addendum toward the end of the reports. Michael Petrus pointed out that perhaps they did not get a complete copy of the reports. Upon questioning staff it was discovered that the investigator did not get the entire copy of the reports, nor did the full reports appear on the disk. Due to the questions, Frank Ugenti motioned to table the matter for the investigator and Board to view the entire file. Michael Petrus seconded the motion. The Board voted unanimously in favor of the motion.

Compliance File Review for Case 3446 – Sylvester Whitman

The Respondent was present for the Board to discuss, consider and possibly take action following the respondent’s failure to sign the proposed consent agreement and order of discipline. Mr. Whitman asked the board to give him the opportunity to survive, as the suspension noted in the consent agreement would not. The Board discussed the case where he had not inspected the home but sent an unlicensed person (his wife) to do the inspection. The consent agreement cited a breach of Ethics conduct, which rose to a Level 4, with discipline of a 30-day suspension, six months probation with mentor, and thirty hours of education that is not allowed to be used for continuing education requirements. The Respondent pointed out that he originally had no concept how severe this was, but that now he did. Frank Ugenti motioned to offer a counteroffer, lowering the level of discipline to six months probation with mentorship, 12 reports minimum, and the same education and level (4) as before. Jeff Nolan seconded the motion. On a voice vote the motion passed with 4 ayes and 2 no’s.

Initial File Review for Case A0081 and A0090 – RELS Valuation

Frank Ugenti recused himself from the Board, but as an employee of RELS Valuation he was available to testify on behalf of the Respondent. Matt Burlando, the Complainant was present and testified about his belief that RELS removed him from the approved list in violation of the AMC law. His wife had notified RELS that Mr. Burlando was undergoing medical treatment on July 11, 2012. On July 12th his wife had a conversation with Frank Ugenti, and that he had stated that Mr. Burlando was unethical, dishonest and his fees were unreasonable. He had received a phone call from Mr. Ugenti on July 10th about a fee increase from \$600 to an unknown amount. Mr. Burlando stated that this was a complex assignment due to the Forestry Service designating this area as a forest fire hazard zone. He reported that this was recently mentioned in the Ag Forum to inform the appraisers in the area about the possible impact of being included in this fire hazard zone. He agreed to do the job for \$600 but subsequently had some medical problems and the order was removed. He had inspected three of the four properties and requested a cancellation fee for these assignments. Mr. Ugenti defended his comments and action. He stated the case had been reviewed and while the review was being completed Mr. Burlando’s orders were suspended. He asked that the Board dismiss Case A0081, as at that time this was under internal investigation, thus orders were suspended. Mr. Ugenti reported that the respondent’s turn times had expanded to a couple of months, offering that one order was not completed for six weeks until the fee could be raised from \$500 to \$1,000. Another order was accepted by the respondent for \$525 with a ten day turn time, yet two months later he still had not turned it in and wanted \$1,000 to finish the report. After discussing the properties with other appraisers in the region RELS decided to suspend the orders to Mr. Burlando and subsequently removed him from the approved panel for service issues. RELS is willing to pay Mr. Burlando the original fees for the services rendered on the three files that he had already inspected. After additional discussion, James Heaslet motioned to dismiss both cases. Erik Clinite seconded the motion. The Board voted unanimously in favor of the motion.

Application Review Committee Report

Michael Petrus reported that the committee recommends approval of all items under number 2, 3 and 5 and 6 on the agenda. They request under item 4 on the agenda that Mr. Jeremy Carter come before the committee with his workfile to answer some questions about his reports. They further recommended that the board find items under 7 and 8 to be substantively incomplete, and that staff close the files under 9 on the agenda. James Heaslet made a motion to accept the recommendations of the Application Committee. Erik Clinite seconded the motion. The motion carried unanimously.

Education Committee

Mike Petrus recommended that all items on the agenda be approved by the full Board. James Heaslet made a motion to accept the recommendations of the Education Committee. Joe Stroud seconded the motion. The motion was unanimously approved.

Compliance File Review for Cases 3247 and 3293 – Michael C. Melanson

The respondent was not present at the meeting. Discussion by the Board involved the expiration of the Respondent's license at the end of this month and that the complaint had been filed prior to the legislation change in 2011. No further communication with Mr. Melanson was reported by staff. James Heaslet made the motion to close without prejudice these two cases upon the date of the respondent's expiration of his license and if the Respondent renewed his license before that date to bring this matter back before the Board. Joe Stroud seconded the motion and it was unanimously approved.

Compliance File Review for Case 3354 – Donna L. Hastings

The respondent, Donna L. Hastings was not present at the meeting. The case was on the agenda for discussion, consideration and possible action following respondent's failure to sign the proposed Consent Agreement and Order of Discipline. After discussion about the Respondent's failure to sign the Consent agreement and with no other response from the Respondent, Frank Ugenti motioned to send this case to a formal hearing. James Heaslet seconded the motion. The motion was approved unanimously.

Compliance File Review for Case 3177 – Theresa McReynolds

Joe Stroud recused himself from this matter. The Respondent was not present. The case was brought before the Board due to the Respondent's request to terminate probation and to audit her files. The Respondent was not present, but requested to be reached by telephone if there were any questions from the board members. Due to the time constraints that the Board was under, they discussed tabling the matter until next month. Frank Ugenti motioned to table the matter, with Michael Petrus seconding the motion. The motion passed unanimously.

Compliance File Review for Case 3397 – Jeremiah J. O'Brien

The respondent, Jeremiah O'Brien, was not present at the meeting. The case was before the board for discussion, consideration and possible action following Respondent's failure to sign the proposed Letter of Due Diligence and to consider the respondent's counteroffer. The Board offered a consent agreement that included 'in classroom' attendance to a solar class and a complex appraisal class. The Respondent was unable to find a class that would meet the criteria. He offered to take two online classes, one being in solar/green energy class in lieu of in classroom. Frank Ugenti motioned to accept the counteroffer. Erik Clinite seconded the motion. The Board voted unanimously in favor of the motion.

Initial File Review for Case 3514 – Shawkat Halabu

The Respondent was not present. Michael Petrus read the complaint into the records. The appraisal was completed in 2006. The Complainant is Chase Bank, who filed the complaint as a requirement of TILA and Dodd - Frank regulations to report material failures identified in the appraisal. The complainant allowed the respondent the opportunity to provide a rebuttal to the specific allegations of inconsistencies, errors and omissions. The Respondent stated that due to the date of the appraisal, which was seven years earlier, neither his workfile nor a copy of the report is available. Mr. Halabu acknowledged the errors made in this report and stated that they are not reflective of his current work. The Respondent has been working with a mentor for

several years and has completed 36 hours of continuing education required by the Board. Mr. Halabu has agreed to extend the mentorship for an additional period of time, if the Board deemed it necessary. Discussion by the Board members included an opportunity in the near future to audit the respondent's more recent appraisals prior to releasing him from the current probation discipline that he is under. Frank Ugenti motioned to dismiss the case. James Heaslet seconded the motion. The Board voted unanimously to approve the motion.

Initial File Review for Case A0089 – Valuation Partners

The complaint was filed for failure to pay the appraiser within 45 days. The appraiser has now been paid. Michael Petrus motioned to dismiss the case, with a reminder in the letter that they need to comply. Frank Ugenti made seconded the motion. The Board voted in favor of the motion.

Initial File Review for Case A0080 – TriMavin, LLC

The complaint was filed for failure to pay the appraiser within 45 days. The appraiser has now been paid. Michael Petrus motioned to dismiss the case, with a reminder in the letter similar to the previous case that they need to comply. Frank Ugenti made seconded the motion. The Board voted in favor of the motion.

Initial File Review for Case A0097 – Equity Solutions, USA, Inc.

James Heaslet recused himself from this case. Due to the time that the Board believed will be required to consider this matter; Michael Petrus made a motion to table this case until next month. Joe Stroud seconded the motion. The motion carried.

Compliance File Review for AMC Registration 40049 – National Real Estate Information Services

The AMC requested cancellation of their registration, however due to the complaints that were filed against this firm; Michael Petrus motioned to deny the request to cancel the registration. James Heaslet seconded the motion. The motion carried.

New Business

Discussion, consideration and possible action regarding the Board's process for handling trainees and those seeking a new classification of certification; impact of SB1316 and the AQB 2015 Criteria and possible revision to the Board's current process and development of a Substantive Policy Statement. Ms. Rudd requested that the Board consider removing the Substantive Policy Statement 5. After discussion, Michael Petrus motioned to table the matter, James Heaslet seconded the motion. The Board voted in favor the motion.

Due to time constraints, the Board was not able to hear Cases 3509 – Shannon Jonas; 3512 – Paul Johnson; all items under Old Business; Chairperson's report or Executive Director's report.

Adjournment

James Heaslet made the motion to adjourn. Mike Petrus seconded the motion. The Board voted in favor of the motion. **The meeting adjourned at 4:40 p.m.**

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*See Substantive Policy Statement No. 1 shown as the Board Resolution Chart under 10 Complaints on the website.