

FINAL MINUTES OF THE
BOARD OF APPRAISAL
REGULAR BOARD MEETING
August 16th, 2013

Call to order and roll call

The meeting was called to order by Kevin Yeanoplos, Chairman at 8:37 a.m.

Those Board members present at roll call:

Kevin Yeanoplos, Chairman

Mike Petrus, Vice-Chairman

Jeff Nolan

James Heaslet

Frank Ugenti

Mark Keller

Joe Stroud

Staff Attendance:

Debra Rudd, Executive Director

Jeanne Galvin, Assistant Attorney General

Nancy Inserra, Staff

Annette Ziemer, Staff

Pledge of Allegiance and Approval of the Minutes

After the pledge of allegiance, Kevin Yeanoplos asked for motion to approve the minutes of the July 19th Board meeting. Mike Petrus motioned to approve the minutes, and Frank Ugenti seconded the motion. The motion carried with five members voting to approve the minutes. Kevin Yeanoplos and Joe Stroud both abstained as they were absent from this meeting.

Initial File Review - Case 3560, Cheryl Zormeier

The Respondent was present. Joe Stroud read the board summary into the record at the request of Chairman. The Complainant is a lender (Flagstar Bank) who had the Respondent's appraisal reviewed retrospectively. The reviewer concluded to a value significantly lower than the original appraisal and noted that the appraiser failed to use comparable sales that were similar attached units and did not address the functional utility of the subject's only bathroom located off of a rear bedroom. The Complainant acknowledged that due to the date of report, USPAP did not require the Respondent to retain his workfile. Nonetheless, they respectfully requested that the Board process this complaint properly. Respondent Replied: Due to the effective date of appraisal, the Respondent no longer has possession of her workfile and does not recall specific details of the assignment. However, she stated that the subject is located in a historic district and is built of adobe construction. The Respondent defended her appraisal and the choice of comparable sales presented. James Heaslet made a motion to dismiss the complaint suggesting the Board members should look at addressing the policy in handling files over five years. He added that our state has no statute of limitation for handling complaints, which should be changed in the future. Mike Petrus seconded the motion stating for the record that he found

no violations with the report. The motion carried unanimously.

Initial File Review - Case 3564, Stuart Arthur

James Heaslet read the board summary into the record at the request of the Chairman. The Complainant is the homeowner/builder who alleged that the appraiser under-valued his custom property by applying large downward adjustments to the comparable sales for date of sale, location, and lot size that were not supported by market data. The Complainant reported that the subject was under contract at the time of appraisal for \$3.5M. The Respondent's opinion of market value of \$2.3M resulted in the hiring of another appraiser who concluded to \$3.3M. The Respondent replied that he stated that he was hired by the buyer, who was unfamiliar with the local market, to provide an estimate of market value prior to a cash purchase. Mr. Arthur reported that he used the best available sales data and that appropriate adjustments were applied based upon market research. The Respondent further reported that the sale was completed at \$2.4M.

Kevin Yeanoplos stated his concern over the large difference in values between the two appraisals that were completed on this property by the Respondent as well as the new appraiser. Respondent stated the property is located in the McDowell Mountain area and that most of these homes are semi-custom homes from \$1M to \$1.2 in this subdivision. He indicated that the highest sale is Comp 4 which sold at \$2.8M sold and included \$385,000 worth of furnishings confirmed by the sales affidavit. Respondent stated has statistical data to support his work file. The Complainant said he was concerned about large adjustments to sales that were so close in location. Frank Ugenti stated that there is an investigative report for this complaint, and that the Investigator did not find any violations. He did note that there appeared to be an error on Comp 6, but did not cite this error as a USPAP violation. James Heaslet mentioned that the Respondent did his analysis and statistical data support for observation and adjustments in his work file. James Heaslet made a motion to dismiss, Joe Stroud seconded, with all but one voting in favor of the motion. Mike Petrus voted against the motion.

Initial File Review - Case 3565, David Kiepe

Frank Ugenti recused himself from hearing this matter. The Respondent was present. Joe Stroud read the board summary into the record at the Chairman's request. The Complainant is an appraiser who had an appraisal reviewed by the Respondent. The Complainant alleged that the review appraiser misrepresented salient facts, concluded to a value based upon a preconceived value and failed to exercise proper due diligence necessary to complete the assignment. The Respondent stated that he did not, nor has he ever accepted an appraisal assignment based upon a preconceived value determination. Mr. Kiepe defended the market research, comparable sales and analysis presented in his review appraisal.

Mike Petrus mentioned this is a tough property, in a difficult market at the time to appraise leaving the appraiser and reviewer with very limited choices. Mr. Petrus did not find any USPAP problems. Mark Keller agreed after looking at all the Comps, stating these areas are very different and difficult to appraise. Mike Petrus made a motion to dismiss; James Heaslet seconded the motion. The motion carried unanimously.

Initial File Review - Case 3567, Theodore Brennan

Respondent was present. Kevin Yeanoplos read the board summary in the record. The Complainant is an underwriting director for HUD who removed the Respondent from the FHA Appraiser Roster based upon a review of three appraisal reports. Only one of the three reports was included with the complaint. The specific violations cited in the referenced appraisal include: failure to obtain timely and suitable comparable data and failure to report an appraisal clearly and accurately.

The Respondent stated that the comparables were the best available data and adjustments were discussed and supported within the report. Mr. Brennan denied any violations of USPAP.

Kevin Yeanoplos asked board members if adjustments made were adequate. James Heaslet commented that there is only one comp, Comp 1, which supported the value and that was only after an upward adjustment of nearly \$7,500. He asked Respondent if he typically made dollar for dollar adjustments. Respondent described it as a model home, and answered that he did sometimes make dollar for dollar adjustments but stated he didn't make adjustments just to support the subject's sales price. The original sales price was \$153,493. After his appraisal they revised the sales price to this lower amount shown in the contract area on page one of the report. Frank Ugenti expressed concern in regard to making changes to the front page of the appraisal regarding the sales price rather than making the revision in the addendum, and revising the signature date to reflect this change. Kevin Yeanoplos asked if this was a USPAP violation. Frank said he knows you should not change the front page of the appraisal as you then have two reports with different sales prices but same dates, which is misleading. However, he did not cite this as a USPAP violation. The board had a discussion about market analysis and lack of time adjustments. Frank Ugenti asked Respondent how long was he not able to do HUD assignments? Respondent answered 3 weeks and indicated that he was required to take 75 hours of education. Respondent stated that he completed the education and is now active on HUD's roster. Joe Stroud motioned for a letter of concern as there has not been justification for conclusions that led to value or that it was documented properly. After more discussion, Kevin asked Jeanne Gavin to summarize the motion. She stated the motion was for Level 1, Letter of Concern for lack of justification for value conclusion, 1-4(a); 2-2 (viii) and 1-3(a) market trends as an increasing market was noted but no time adjustments were made. Mark Keller seconded the motion. All voted in favor of the motion.

Initial File Review for Case 3568 – John Kosir

The Respondent was present. Jeff Nolan read the Board Summary at the request of the Chairman. The Complainant is the homeowner/investor who alleged that the appraiser undervalued his property by failing to recognize recent renovations and making large downward adjustments to active listings that were not supported by market conditions. The Respondent stated that he reported the recent renovations to the subject in the appraisal and that the adjustments applied to the active comparables were discussed in the Market Condition section of the report and supported by documentation in his workfile. Mr. Kosir defended the comparable sales used as the best available data at the time of appraisal. Mark Keller commented that cost is not equal to 100 percent of the value. The board discussed the CMA included in the work file, and how the Respondent adjusted the list price. Mike Petrus made a motion to dismiss, Joe Stroud seconded the motion. All voted in favor of the motion.

Initial File Review - Cases 3569/3578, Gene Cox and Cases 3570/3579, William Peterson

The Respondents and Complainant were present. Mark Keller read the board summary into the record at the request of the Chairman. The Complainant is an appraiser who alleged that the Respondent did not have the competency to review the appraisal assignment; valuing the fee simple interest of an improved parcel together with the leased fee interest of a billboard lease. The Complainant further alleged that the Respondent (Mr. Cox) reviewed and concurred with the flawed cash flow analysis in the appraisal (completed by Mr. Peterson) under review. Mr. Cox stated that he had been appraising for 40 years and has the experience and knowledge to complete the assignment competently. He believed this is a continuation of complaint #3550 which was made in retaliation for the Complainant not being awarded an ADOT contract for billboard appraisals. Kevin Yeanoplos asked Mr. Cox how long he had been appraising billboards. Respondent answered 40 years and has been appraising billboards off and on throughout that time; he also mentioned that he was never asked to appraise the billboard. They were only appraising the billboard land lease, not the income generated from the billboard and not the structure. After questioning Mr. Cox about the prepaid lease and reversion calculation, the Board called Mr. Peterson up to be heard.

In Mr. Peterson's written reply, he stated that he had the experience and knowledge to complete the assignments competently. He reported that his analysis was based upon lease information provided by the property owner and at no time did the owner, tenant, or client disclose that the lease agreements were renegotiated. At the time of the appraisal he relied upon credible information that he was provided. He did not commit a substantial error or series of errors that would impact the credibility of the appraisal report. With regard to complaint #3570 Mr. Peterson acknowledged a miscalculation of the remaining term of the prepaid rents and that the correction of this calculation resulted in a change of the opinion of market value of approximately 2%.

Frank Ugenti stated he was looking at Level 1, for the original appraisal mistake, which was corrected. James Heaslet made motion to dismiss but asked if they needed to take each case separately. Jeanne Galvin advised the board that they could dismiss all 4 at one time. Joe Stroud seconded the motion to dismiss all four cases. The Board voted unanimously to approve the motion.

Initial File Review - Case 3571, Sandra Carden

The Respondent was present. Frank Ugenti read the board summary into the record at the request of the Chairman. The Complainant is the homeowner who alleged that the appraiser under-valued his home by relying on comparables of smaller size and lesser quality. The Respondent defended the comparable sales used as the best available data at the time of appraisal. Ms. Carden stated that she addressed the request for reconsideration and did not find alternative comparable sales that were superior to the ones utilized in her report.

Frank Ugenti commented that the investigative report didn't find any problems with the comparables. James Heaslet stated that the appraisal lacked commentary as the subject home is 28 years old and the appraiser has an estimated effective age comparable to 5 year old homes. Mike Petrus disagreed, adding the appraiser did make mention of all recent updates. Mark Keller made a motion to dismiss the complaint. Joe Stroud seconded the motion. The motion carried unanimously.

Initial File Review - Case 3572, Henry Zyke

The Respondent was present. Jeff Nolan read the board summary into the record at the request of the Chairman. The Complainant is the property owner who alleged that the appraiser under-valued his property by calling it a patio home and refused to consider other comparable sales provided for analysis. The Respondent stated that all of the comparable sales are located in the subject subdivision or a similar development of 'cluster' style lots with shared access driveways. The alternative comparables provided for consideration were in developments with superior lot sizes and access. Mr. Zyke stated that his report was reviewed 3 times; as a technical review, a desk review, and by a lender's panel. James Heaslet made a motion to dismiss. Mark Keller seconded the motion. The motion carried unanimously.

Initial File Review - Case 3573, Linda Dutil

The Respondent was present. Kevin Yeanoplos read the board summary into the record. The Complainant is the homeowner who alleged that the appraiser under-valued their home by failing to identify recent updating and using comparable sales that were dated and not reflective of current market conditions. The Respondent defended the comparable sales used as the best available data at the time of appraisal and that the alternative comparable sales provided were remodeled and in superior condition. The Chairman expressed concerns that the 1004MC Form indicated that prices were increasing yet noted that the Respondent made no adjustments for time on the Sales Comparison approach. The Respondent indicated that in retrospect she probably could have supported a time adjustment. She also indicated that there were few listings available. Mark Keller expressed concerns about Comp 5 not being truly comparable as it was much higher in sales price. He also noted the huge difference in the Cost Approach and the Sales Comparison approach was not reconciled. Frank Ugenti questioned the work file and additional research that Respondent did and asked Respondent if she drove her comps. Frank Ugenti expressed concern of lack of due diligence, and lack of support in the work file. Kevin Yeanoplos asked about Respondents' experience. Respondent stated she has been appraising since 1986 and was certified in 1992. Frank Ugenti suggested looking at more reports to see if this is an isolated incident or to see if this is how Respondent conducts business. Mike Petrus made a motion to obtain the last 6 months of appraisers log, staff to select 4 reports for audit, and then to decide the case after the board has a chance to audit the files. Mark Keller seconded the motion. All voted in favor of the motion.

Initial File Review - Case 3574, Michael McDonald

The Respondent was present. James Heaslet read the board summary into the record at the request of Chairman. The Complainant is the homeowner who alleged that the appraiser inaccurately reported the square footage of his home, relied upon inferior comparables and failed to identify relevant features of his home. The Complainant also reported that the appraiser was convicted of theft in November 1995 based upon Maricopa County Court records. The Respondent stated that the difference in square footage is the result of an unfinished storage room. The appraiser defended the comparable sales as the best available data at the time of appraisal and that alternative comparable sales provided were superior to the subject in an attempt to inflate the subject's value. Mr. McDonald reported that he has never been convicted of a crime and that the complainant was looking at someone else's court records.

The board members discussed the unfinished storage room and how livable area was calculated. They

also discussed whether or not staff was able to research this alleged conviction, the Executive Director stated that it would be almost impossible to do so without fingerprinting for a DPS background check. Respondent claimed that his is a common name and that the crime reported is not his. Frank Ugenti made motion to dismiss the complaint. Mark Keller seconded the motion. All members voted in favor of the motion.

Initial File Review – Case 3575, Christine Kelsey-Gray

Joe Stroud recused himself from this matter. The Respondent was not present. Jeff Nolan read the board summary into the record at the request of the Chairman. The complainant is the homeowner who alleged the appraiser violated the Ethics Provision by her unprofessional conduct during an inspection of her property. The complainant alleged that the appraiser shared personal information about herself, and sent the complainant photos of other homes she had appraised. The Complainant further alleged that the appraiser did not measure the home and misidentified numerous features of the property. The Respondent stated that she typically has conversations with property owners during an inspection and did not just talk about herself. The appraiser reported that she spent almost an hour at the property, noted recent repairs and verified measurements based upon a floor plan provided by the County Assessor's office. Kevin Yeanoplos asked the board if it is unethical to share personal information with the client. Frank Ugenti commented that sending photos of property you appraised to someone who is not your client, is an ethics/professional issue. The board members discussed the Respondent sending photos of other peoples' homes to the Complainant, Respondents' reliance on the Assessors sketch for property measurements and the fact that she did not have any handwritten notes on her sketch in the workfile. The board also discussed discrepancies with regard to the roof, water source, carpeting, upgrades and features. James Heaslet made a motion to table this complaint and request the Respondent to come in for an Informal Hearing. Frank Ugenti seconded, and the board members voted unanimously in favor of the motion.

Initial File Review - Case 3581, Edwin Roach

The Respondent appeared telephonically – Kevin Yeanoplos read the board summary into the record. The Complainant is the Realtor who alleged the appraiser violated the Ethics Provision by unprofessional conduct in failing to schedule an inspection with the correct party and showing up unannounced at the subject property. The Complainant further alleged that the appraiser made threatening statements to the property owner and herself. The Respondent stated that he followed accepted procedures for scheduling an inspection and at no time did he violate the Ethics Provision. As a result of the conflict that transpired, the appraisal was reassigned to another appraiser and the Respondent never completed the assignment. The board held a discussion regarding who should appraiser's contact for inspections. Frank Ugenti commented that he did not see an ethics violation. Kevin Yeanoplos asked Respondent if he had suggested that he would be calling the FBI on the buyer for trying to coerce an appraiser. Respondent stated no, he did not. Frank Ugenti stated there is no appraisal assignment, that this is a "he said she said" situation, and made a motion to dismiss the complaint. Mark Keller seconded the motion. All voted in favor of the motion.

Compliance File Review - Case 3282, Thomas Sheehy

This case was before the board for discussion, consideration and possible action following Respondent's

request for approval of Jonathan Sanders as his mentor. Mike Petrus made a motion to approve the mentor. Joe Stroud seconded the motion. All voted in favor of the motion.

Compliance File Review for 3290 – H. Harrison Cox

This case was before the board for discussion, consideration and possible action relating to the status of the proposed Letter of Remedial Action and referral to Formal Hearing. Respondents' attorney Felicia Rotellini was present and asked that this complaint be dismissed because the investigative report stated no violations were found. Mike Petrus made a motion to go into Executive Session to receive legal advice. Frank Ugenti seconded the motion. The Board voted unanimously in favor of the motion. Upon return, Joe Stroud made a motion to dismiss the complaint and rescind the request for a Formal Hearing. Frank Ugenti seconded the motion. James Heaslet opposed, Mark Keller abstained. Motion carried with 5 ayes; 1 nay; 1 abstained.

Informal Hearing – Case 3553, Nicki Flores

Joe Stroud recused himself from the case. This case was before the board as an initial file review at the June 14th Board Meeting. At that meeting the board voted to invite the Respondent to an informal hearing. In particular the appraiser did not differentiate between comparables that included the cost of the site and the subject's contracted price for the construction of the improvements only. The Respondent made an opening statement. She stated that when she read complaint and the letter she received she responded with a letter of support for the items that she was wrongly accused of. She stated she has now done a thorough review of her own report and found a large error that was not one of the items on the original report. The error she noted was that the contract price was for new construction only and did not include the lot. The Respondent noted that if done properly, she should have extracted site value from the comparables or included the site value for the subject. Frank asked if the sales price of \$437,000 was for the cost of construction. The Respondent stated it was builders cost from the contract and did not include the lot. Respondent stated she only appraised the house, not improvements and land. The board discussion included value of the site; the proposed improvements and how the Respondent conducted her research for comparables. Frank Ugenti stated that the appraiser failed to identify the transaction properly and that she failed to understand and report the contract accurately. James Heaslet stated that it appeared as if the contract price was a targeted value. The Respondent stated that she never targets value and that she was new to the area at the time. Mike Petrus made a motion for appraiser to submit her appraisal logs for 12 months, highlight any new construction, and have staff pick 4 reports off the log for the board to review. James Heaslet seconded the motion, all voted in favor of the motion.

Compliance File Review – Cases 3366/3510, Frank Rose

These cases were before the board for discussion, consideration and possible action following Respondent's failure to sign the proposed Consent Agreement and Order for Voluntary Surrender.

Assistant Attorney General Jeanne Galvin sent out notice seeking voluntary surrender but has received no response. The Respondent had indicated in a prior email that he intended to voluntarily surrender his certificate. His certificate expires October 14th of this year. Debra Rudd reminded the members that one of these complaints came in almost 2 years ago. Mike Petrus made a motion to have Assistant Attorney General Jeanne Galvin provide him with a 10 day notice to sign the consent agreement and if there is no response then to move to a formal hearing. James Heaslet seconded the motion; all voted in favor, motion carried.

Compliance File Review – Case 3526, April Dannenberg

Kevin summarized the complaint into the record which followed the audit of additional files. The board found no problems with these additional files. Respondent was present. James Heaslet made a motion to dismiss. Mark Keller seconded the motion. The motion carried unanimously.

Compliance File Review 3534 Jarold Droegkamp

Both Respondent and the Complainants were present. Kevin Yeanoplos summarized the complaint which was before the Board following the investigators field review of the subject outbuildings and additional research on the site value. After explaining to the Complainants what the field investigation uncovered, Mike Petrus said he found no USPAP violations. Mark Keller made motion to dismiss, Mike Petrus seconded the motion. All voted in favor of the motion.

Compliance File Review 2920 & 2931 Ronald Zimmerman

Assistant Attorney General Jeanne Galvin summarized this complaint. The item was on the agenda for the Board to discuss the Respondent's offer to voluntary surrender his certificate and for the board to consider rescinding the matter to formal hearing. Frank Ugenti made a motion to accept the voluntary surrender and rescind the matter to formal hearing. Mark Keller seconded the motion. All voted in favor, thus the motion carried.

12-Month File Review

Jeanne Galvin reported that the board handled the Zimmerman case this morning. William Wisniewski is pending review of the audited files, a status conference for Stephen Steitz is scheduled on 8/23 with his attorney at the Office of Administrative Hearings, Rodolico and Measel the Board is hearing these cases in September. Donna Hastings formal hearing was Monday, we have to get transcripts to the Judge, and judge will have 20 days for the decision. Gwendalyn Baker is pending an informal hearing. Doug LaRocca attorney has requested a meeting with Debra Rudd and Jeanne Galvin. Ms. Galvin reported that she sent Kurt Goepfner the offer again to him and if he does not sign they will move to a formal hearing.

AMC Complaint #A0108 & A0111 Urban Valuation

This matter was before the board for alleged non-payment of appraisal orders. Respondents' registration is expired and has not been renewed. Debra Rudd commented that the bond is still in place right now, but may not be indefinitely. The AMC shut down in February. We can notify the bond company to let them know there are other outstanding monies owed. Frank Ugenti inquired about what the Board could do and if they could continue to pursue the complaints against the owner as he is an appraiser this could be considered as unprofessional, unethical conduct, thus affect his appraiser's credential. Ms. Galvin stated that the Board could open a complaint against Mr. Norris for his failure to

operate the AMC according to statute. Discussion ensued as to whether the Board would go after all appraisers that are owners of AMC's this way or how this should be handled. Kevin Yeanoplos made a suggestion to table the additional discussion regarding how to proceed against the owner of the AMC. Mike Petrus made a motion that if the complainants have not yet received payment, that staff is instructed to go after the bond and to notify the bond company that there are pending complaints in process and additional filings may follow once the response time has lapsed. Joe Stroud seconded the motion. All voted in favor, motion carried. Joe asked if staff could notify the public that AMC's are required to pay appraisers within 45 days. As a closing note to the complaints and ensuing discussion, Kevin Yeanoplos asked staff to place this topic on the September Agenda under New Business regarding how to handle a situation like this when appraisers are the owners of the AMC's.

Complaint A0110 - Impact Valuation Group

Kevin summarized the complaint for the record. The complaint was filed because the Complainant was reportedly contacted by a representative of Impact Valuation Group, LLC, a non-registered AMC, in an attempt to solicit appraisers to complete appraisal work. The Respondent indicated that they are a Nevada limited liability company performing appraisals in several states. In the Respondent's reply, it stated that Impact Valuation Group is a fulfillment company providing appraisals at the request of appraisal management companies and does not receive appraisal requests from clients who would otherwise enter into an agreement with an appraisal management company. Frank Ugenti made a motion to have the board send a cease and desist notice. Jeanne Galvin suggested that she did not feel comfortable sending a cease and desist until we learn more about their operations. Ms. Galvin suggested we send them a questionnaire to determine if they are operating as an AMC and have them respond in writing and then schedule them for a meeting. Frank Ugenti rescinded his first motion and made a motion to instruct staff to develop a series of questions and reach out to the AMC. Kevin wanted them to respond within 10 days. Joe Stroud seconded the motion; all voted in favor, motion carried.

Assistant Attorney General Report

Assistant General Attorney Jeanne Galvin reported her assignments were up to date, but has one letter to write. Rodney Martensen scheduled an order to show cause meeting to be held on Sept 23rd in Tucson, but they are having trouble noticing Mr. Martensen, as we do not know his present location. The board had moved to summarily suspend James Nelson and a formal hearing is scheduled for Sept 13th.

Executive Director Report

The Executive Director Debra Rudd reported on the computer project indicating it was on target. She commented on her trip to Kingman on August 29th to give a talk to the Realtors Association. She is also working on several different annual reports due Sept 1 – 30th.

Application Committee Referral of Request by Harry Feltman regarding trainee hours

Mr. Feltman's trainee, Michael Sarysz attended the meeting telephonically. Mike Petrus stated that the application committee met yesterday, August 15th and had recommended to deny the request, but now wanted to refer Item C on the Application Committee's agenda to the full board for their consideration. This item pertains to Harry Feltman's request to allow training hours to be counted for his trainee prior to Mr. Feltman's filing of a Notice of Supervisor/Trainee form with the board. In March of this year, Mr.

Feltman took the mandatory 4-hour Supervisory Appraiser class. Both he and his trainee attended this class together. After the class, Mr. Feltman neglected to file the proper Supervisor/Trainee notice of engagement with the board. The hours of experience from March through June would not be eligible per our rules for the trainee to have collected. Mr. Feltman and Mr. Sarysz (his trainee) are asking the board to overlook the rules and allow them to include the hours. Mr. Sarysz was present at this meeting. He explained to the Committee members yesterday that Mr. Feltman went through back surgery and had been really busy with work and simply forgot to submit the form. Mr. Sarysz stated that he had met the time requirements except he needs 60 more hours in education, plus the 15 hours USPAP class. Per Jeanne there is no "good cause exception" to ignore the rules in the statute. Kevin Yeanoplos made a motion to deny Harry Feltman's request to allow Mr. Sarysz hours prior to the filing of the form. The motion died for a lack of a second. The Board discussed previous hours acquired during Mr. Sarysz training with the prior supervisor Angus Hopkins and whether the hours were properly documented with the thought being that some of the training hours acquired with Angus Hopkins could be used instead of the training hours with Harry Feltman from March through June. Kevin Yeanoplos reiterated his motion to deny Harry Feltman's request to allow the trainee hours prior to the filing of the form. Frank Ugenti seconded the motion. Jeanne Galvin asked for roll call. Frank Ugenti – Aye; Mark Keller – Aye; Mike Petrus – No; Kevin Yeanoplos – Aye; Joe Stroud – No; Jeff Nolan – No; James Heaslet – No. The motion failed. Joe Stroud moved to go into Executive Session for legal advice. Mark Keller seconded the motion. All voted in favor of the motion. Upon return from Executive Session, Mike Petrus made a motion to accept the request. Jeff Nolan seconded the motion. Jeanne Galvin called roll call, Frank Ugenti – No; Mark Keller – Yes; Mike Petrus – Yes; Kevin Yeanoplos - No; Joe Stroud – No; Jeff Nolan – Yes; James Heaslet – Yes; 4-3 to accept the hours prior to the filing of the Notice of Supervisor/Trainee Engagement form. The motion carried.

Application Committee Report

Mike Petrus continued with the report on the committee's recommendation to the board. (The recommendations are attached at the end of these minutes.) Frank Ugenti moved to accept the committee's recommendations, Mark Keller seconded the motion. The Board voted unanimously in favor of the motion.

Appraisal Testing and Education

Mike Petrus reported the committee's recommendation to the board. (The recommendations are attached at the end of these minutes.) Frank Ugenti made a motion to accept the recommendations, Joe Stroud seconded the motion. The motion carried unanimously.

Rules Committee

Frank Ugenti met yesterday to discuss Article 5 of the rules which has to do with education, commenting that they received some input from members of the public. There was also a discussion about fees, (Article 1, R4-46-106) and that they had discussed expediting the process of rulemaking as it pertained to Article 2 to accommodate the new classification for trainees. He also reported possible legislation recommendations. Debra Rudd stated that she is to meet with governor's staff to discuss possible new legislation after taking notes of things that have been requested by the Board in the past. Debra Rudd stated legislation will be needed to conform to the federal requirements regarding reapplication after revocation. Currently those who had their credential revoked may reapply after 2 years under our

statute. However, according to the 2015 AQB Criteria, it is a minimum of 5 years for them to be able to reapply, and in some circumstances an appraiser may never be able to receive a credential again. Joe Stroud made motion to accept the rules committee recommendations. James Heaslet seconded the motion. The motion passed unanimously.

New Business

The Board discussed the adoption of a Substantive Policy Statement for existing appraisers who are going up in classification to comply with SB1316 when it becomes effective on September 13, 2013. Jeanne Galvin explained that the rules that are currently in process of being revised will not be completed until sometime in 2014. To accommodate those that are possibly affected by this, she said this will allow them to not be considered as trainees until the rules can be changed. Mike Petrus made a motion to adopt and make it effective on the same date as SB1316. James Heaslet seconded the motion.

The second item under New Business was then discussed. This included the possible repeal of the Board's Substantive Policy Statement No. 5 and revision to Policy Statement No. 2 to comply with the newly adopted Substantive Policy described in the paragraph above. After reviewing the existing Statements, Debra Rudd stated that she did not have time to recommend any revisions to these policy statements at this time. The Board tabled the matter until further review could be made.

The next item under New Business involved the AARO Conference to be held October 19th – 22nd in Washington, D.C. James Heaslet stated he wanted to go, and other members related reasons why they could not go. The consensus was to allow James Heaslet and Debra Rudd to attend this conference on behalf of the Board.

The Chairman then introduced the last item under New Business on handling complaints that are on appraisals over five years. After an explanation about the current policy and lack of statutory authority to limit the adjudication of these complaints, James Heaslet stated that other states have passed laws to limit this practice. Frank Ugenti stated for the record that he wanted Debra Rudd to include this with the possible legislation when she meets with the Governor's office on Tuesday. He admitted that this was possibly going to be difficult to get through the legislative process. After additional discussion about setting policy, no further action was taken.

Old Business

Kevin Yeanoplos suggested to the Board the need for a strategic planning committee with the Chairman and two appraiser members. After further discussion he requested staff to put this meeting on the calendar for an annual strategic planning meeting to include the full board. James Heaslet recommended that this might be a type of meeting to put on in another location of the state. Kevin Yeanoplos recommended that the next one possibly be scheduled in 2014. He requested that everyone come up with ideas before that next meeting.

Discussion about the various committees and possibly adding non-board members to the committees or ways to streamline the process for the committee members resulted in no action being taken at this

time. Kevin Yeanoplos asked that the Board members continue to think about this and perhaps discuss it at the next meeting. He then made the following appointments to the committees:

Application – Mark Keller, Mike Petrus and James Heaslet (Chair)

Education – Frank Ugenti, Joe Stroud (Chair) and Mark Keller

Rules – Joe Stroud, Frank Ugenti (Chair) and Jeff Nolan

Budget – Kevin Yeanoplos (Chair), and Erik Clinite

Meeting Dates

Debra Rudd updated the members on the meetings for September. She reported that on September 6th the Outreach meeting will take place; Rules Committee meeting on September 11th at 2:00 p.m.; September 19th @ 1:00 p.m. is the beginning of the Regular Board meeting with two formal hearings scheduled to be heard. This meeting will be continued on September 20th with an all-day meeting scheduled.

Application and Education Committees were scheduled for the morning of September 19th. After further discussion, the committee members stated that they could not have two all day meetings like this, therefore they requested these meetings be rescheduled. They discussed changing the Application Committee meeting to Wednesday, September 18th at 2:00 p.m. which may be telephonic.

Debra Rudd asked the Board to consider a date for the October limited meeting to consider the approval of the education and applications, as well as any cases that must to be reviewed. The Board decided to consider October 11th or October 15th to do a telephonic meeting with the Committees meeting prior to the full Board meeting. The members were asked to e-mail Debra Rudd about which date they would prefer to have this meeting.

Board meeting adjourned at 4:54 P.M.

RECOMMENDATIONS
COMMITTEE ON APPLICATION REVIEW

To: Board of Appraisal
From: Application Review Committee
Date: August 16, 2013
Re: August 15, 2013 Recommendations

I. As a result of its **August 15, 2013** meeting the Application Review Committee makes the following recommendations:

II. **Other Business**

A. Report on number of Arizona Appraisers, Property Tax Agents and AMC's:

	<u>8/2011</u>	<u>8/2012</u>	<u>8/2013</u>
Licensed Residential	404	312	272
Certified Residential	1195	1142	1120
Certified General	798	797	779
August Totals	2397	2251	2171
Nonresident Temporary	83	83	73
Property Tax Agents	358	379	343
Appraisal Management Co.			162

B. The members of the committee approved the July 13th minutes of the meeting.

C. To deny Harry Feltman's request to allow experience be given for hours prior to his submission of a Supervisor/Trainee Notice of Engagement form.

- D. To approve narrowing information that is currently requested in the Appraisal Management Company application. Revise applications to report final judgments or convictions in lieu of reporting alleged, pending litigation or complaints.
- E. To deny Greg Shield's request for special consideration regarding his license residential application.
- F. To request that applications must be administratively complete no less than 30 days prior to the following Application Review Committee.

III. Substantive Review

A. Certified Residential:

- 1) To find substantively complete:

AL12019 Robert Borbeck

B. Certified Residential by exam unless otherwise noted

- 1) To find substantively complete:

AR12003 Jeffrey M. Wright (by reciprocity)
AR12017 Jessica M. Hoogs

- 2) To find substantively incomplete:

AR12009 Dawn R. Tomlinson

C. Certified General by exam unless otherwise noted

- 1) To find substantively complete:

AG11616 Tracy Y. Johnson
AG12028 Stephen R. Elston
AG12048 Patrick A. Wilson

IV. To Approve Applications for License/Certificate Already Issued:

A. Reciprocity

22290 Kevin J. Pellon
22291 Melissa R. Wanner
31969 Charles L. Cather
31971 James R. Ball, Jr.

B. Nonresident Temporary

- TP41453 John W. Wright
- TP41454 Christopher T. Hansen
- TP41455 Richard M. Lawless
- TP41456 Marcel H. Vidovic

V. AMC Renewal Applications

A. To approve:

- 40048 Solutionstar Settlement Services, LLC
- 40010 Finiti, LLC Pending Litigation
- 40015 Prime Valuation Services
- 40016 Rels Valuation
- 40033 Landsafe Appraisal Services, Inc.

VI. AMC Applications

A. To approve:

- AM1 1793 Apex Appraisal Service
- AM1 1740 First Look Appraisals, LLC
- AM12023 Guideline AMC

VII. AMC Registration Already Issued

A. To approve:

- 40013 Appraisal Management, LLC

VIII. CONSENT AGENDA

To close without prejudice the following appraiser's license/certificate that fail to renew within their 90-day grace period.

10551	John L. Van Winkle
10732	Denise Freeman
10736	Harvey Richland
10899	Thomas L. Durbin
10903	Austin T. Baker
11294	Lance D. Billingsley
11819	Robert C. Henderson III
20813	Craig B. Farr
20814	David L. Koch
20906	John G. Heisser
21222	Thomas F. Macho
21229	Heidi M. Holloway

21553	Clinton E. Walls
21560	Richard A. De Luca
22056	Keith Stepter
22204	Sue Ann Miller
22205	Kelea M. Nevis
22207	D. Andrew Gulden
22208	Stephen R. Bash
30564	Jerry M. O'Dannel
31057	Tae-Sung Song
31058	Richard H. Olson
31843	Christopher Chen
31844	Adam K. Zimmerman
31845	Philip E. Moore, Jr.
31847	Walton T. Grote
31848	Dwain R. Stoops
31849	Ronald N. Geer

RECOMMENDATIONS
COMMITTEE ON APPRAISAL TESTING AND EDUCATION

TO: Board of Appraisal
FROM: Committee on Appraisal Testing and Education
DATE: August 15, 2013
RE: August 15, 2013 Recommendations

As a result of its August 15, 2013 meeting, the Committee on Appraisal Testing and Education made the following recommendations:

I. OTHER BUSINESS

- A. Approval of the July 18, 2013 minutes
- B. Took no action on the approval of instructor hours for David Lennhoff as this item should not have been on the agenda. Instructor hours are defined in statute and rules already.

II. SUBMITTED EDUCATION

A. Continuing Education – New

Arizona Board of Appraisal

Arizona Appraiser Laws and Regulations Course, ABA#xxx xxx issued on approval, 3 hours
Dennis Badger

Arizona Supervisory Appraiser/Trainee Appraiser Course, ABA#xxx xxx issued on approval, 4 hours
Dennis Badger

III. BYCONSENTAGENDA

A. Continuing Education – Renewals

Arizona Tax Conference

Principles of Property Tax Administration, ABA #0812-1123, 6 hours
Tony Hagenstein, Helen Costello, Christa Federico, Charles Popeck, Patrick Irvine, Dr. Dennis Hoffman, Armando Ruiz, Joseph L. Wehrle

B. Continuing Education – AQB approved – Renewals

Submitted by *McKissock, LP*

Understanding the Uniform Appraisal Dataset-Live Webinar, ABA #D0912-1126, Distance
Education 3 hours
Dan Bradley, Tracy Martin

C. Qualifying Education – AQB approved – New course

Submitted by *McKissock, LP*

General Report Writing & Case Studies, ABA#Dxxx xxx-15, issued on approval, Distance
Education 30 hours
Bruce Coin

D. Qualifying Education – AQB approved – Renewals

Submitted by *McKissock, LP*

Advanced Residential Applications and Case Studies, ABA#D0208-735-09, Distance
Education 30 hours
Dan Bradley

Commercial Appraisal Review – Subject Matter Elective, ABA#D1110-977-10, Distance
Education 15 hours
Paul Lorenzen

Expert Witness for Commercial Appraisers – Subject Electives, ABA#D1110-978-10, Distance
Education 15 hours
Paul Lorenzen

Residential Market Analysis and Highest & Best Use, ABA#D0208-736-04, Distance Education
30 hours
Dan Bradley

Residential Sales Comparison and Income Approaches, ABA#D0207-607-06, Distance
Education 30 hours
Alan Simmons