ARIZONA BOARD OF APPRAISAL

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FINAL MINUTES OF THE REGULAR BOARD MEETING June 14th, 2013 8:30 A.M.

Call to order and roll call

The meeting was called to order by Kevin Yeanoplos, Chairman at 8:40 a.m.

Those board members present at roll call:
Jeff Nolan
Erik Clinite
Joe Stroud
James Heaslet
Frank Ugenti
Kevin Yeanoplos, Chairman

Absent at roll call:
Michael Petrus

Staff Attendance:
Debra Rudd, Executive Director
Jeanne Galvin, Assistant Attorney General
Nancy Inserra, Staff

Pledge of Allegiance, Approval of the Minutes and Recognition of Former Board Members

After the pledge of allegiance, Kevin Yeanoplos asked if there were any changes to the minutes. Debra Rudd announced that there was one typographical error regarding the misspelling of board member Clinite's last name. No other revisions were cited. James Heaslet motioned to approve the minutes of the May 16th meeting with the name correction. Erik Clinite seconded the motion. The motion passed unanimously.

Kevin Yeanoplos presented plaques and thanked former board members, Michael Trueba and Debra Rudd for their service on the board.

The Chairman discussed how he would be calling the items on the agenda in order as they appear. He then called the first case for review.

Case 3509, Shannon Jonas

Kevin Yeanoplos explained that this case had been tabled from last month to allow the board members to review another appraisal by a different appraiser that was submitted by the complainant that had been completed a couple of months after this complaint. Frank Ugenti read the summary into the records again. Complainant is the homeowner who alleged that the appraiser undervalued their property by using comparables that were not similar to their site-built

Santa Fe style home. The owners provided the appraiser with additional comparables for reconsideration, but the report was not amended and their refinance could not proceed. The respondent defended the comparable sales used as the most recent sales in the area. Ms. Jonas provided analysis to defend why the alternative comparables were not utilized. Both the complainant and the respondent attended the meeting telephonically. The board contract investigator completed an investigation on both the original appraisal by Ms. Jonas, and the second report that had been submitted by another appraiser. She found no issues with the second appraisal by the other appraiser, but did find violations of USPAP 1-1(a); 1-4(a); 1-4(b)(i)(ii)(iii) & 2-2(viii) with Ms. Jonas' report. James Heaslet pointed out that the second appraisal was completed after the original report and that the comparables were not available at the time of the original appraisal. He believed this was an unfair comparison. After she was questioned, Ms. Jonas explained the search parameters she used for comparables. Primarily, the issues discussed involved the applicability of the cost approach, with the minimal amount of depreciation noted for this 19 year old home; the site value which she reported to be from land sales, but none of these sales were in her workfile. He also disputed her citation of Marshall and Swift Cost figures as he was unable to duplicate what she cited in her report. Frank Ugenti stated that he was concerned about the lack of support in her work file. Frank Ugenti, Kevin Yeanoplos and James Heaslet answered questions by the complainant about the design differences, cost versus value and appraisal methodology. James Heaslet made a motion to adopt the findings in the investigator's report and to add record keeping for the lack of site value support in the work file as was stated in the appraisal. He moved to offer a Letter of Due Diligence for this Level II, with a 7-hour Cost Approach class to be completed within six months, no continuing education allowed. The motion was seconded by Frank Ugenti. The motion was unanimously approved.

Case 3526, April Dannenberg

The respondent was present. Kevin Yeanoplos read the summary into the record. Complainant is the lender who alleged that the appraiser failed to accurately identify the subject neighborhood and market conditions. The complainant further alleged that the respondent utilized MLS photos for the comparable sales, even though she stated that she personally inspected the comparables. The respondent stated that her description of the neighborhood is accurate and that her reliance on MLS photos has no bearing on the subject's opinion of market value. The respondent noted that the subject is an investment property that has not been updated since the most recent purchase in 2011. Ms. Dannenberg believes that this complaint is being used as punishment by the complainant for her concluding to a value below the purchase price. James Heaslet questioned the respondent on why she edited the photos to remove the watermark on the comparables and stated that this is an issue of ethics. He stated she appeared to be misleading the reader into believing these are her photos instead of MLS photos. Discussion about the reasons to use MLS photos and why she should have stated this in her report resulted in Frank Ugenti making the motion to request a log of the appraisals she has completed in the past 6 months and then to audit 3 of the reports to see if this is a standard practice of the respondent. James Heaslet seconded the motion. Kevin Yeanoplos was concerned that this is probably difficult to prove, as the respondent stated that she did inspect the comparables and that MLS photos are allowed. Frank Ugenti stated we have to protect the public as well. His motion was to make sure there was not a pattern to this behavior. Joe Stroud discussed the perception of the public and problems that could result from homeowners about the report with the cropped photos. He stated that she should have her photos along with MLS photos in her file. The

motion carried for the board to audit three of her recent appraisals. The vote was 5 in favor - 1 against, with Kevin Yeanoplos casting the dissenting vote.

Mike Petrus joined the meeting at 9:45 a.m.

Case 3535, David M. James
Frank Ugenti recused himself from hearing this case. The respondent was present and Mike Petrus read the board summary into the record. Complainants are the homeowners who alleged that the appraiser did not use accurate square footage for their home, relied upon comparables of lesser quality and failed to recognize the subject's upgrades. The respondent stated that the difference in size from his measurements to what is reported in the public records is 43 square feet and is considered minimal. The respondent defends the comparable sales used as the best available data at the time of appraisal and acknowledges that the subject is one of the largest floor plans in the development. Mr. James states that the alternative comparable sales provided by the owners were golf course properties and not utilized due to the significant location adjustments required. Kevin Yeanoplos stated that there was an investigator's report and that no USPAP violations were noted. Discussion by the board regarding the comparable sales selection, pool and view adjustments in the Sun City West location resulted in a general consensus that they agreed with the investigator's report. James Heaslet made a motion to dismiss the case. Joe Stroud seconded the motion. The motion passed unanimously.

Case 3543, Kelly Bell
Respondent and the complainant were both present. Joe Stroud read the board summary into the record. Complainant is the homeowner who alleges that the appraiser failed to identify safety and structural integrity defects within the subject property and did not appraise the property to FHA standards. The respondent states that the homeowner's are not aware of the responsibilities of the appraiser as opposed to a home inspector. Mr. Bell stated that he reported on any conditions that were "readily observable" as required by FHA. James Heaslet noted that the complaints noted by the homeowner were more for a home inspector not an appraiser. He made a motion to dismiss the case and Joe Stroud seconded the motion. The complainant asked the board questions about why the appraiser would not consider the home inspector's report. She noted that there were no GFI outlets in the home, a broken window and that there may be structural problems with the home. With the updates to this 1970 built home she questioned why the appraiser had not called for the FHA standards to be met. Mike Petrus explained that if this were a new house it would be subject to installation of GFI outlets but not if it was an older home which had been remodeled. The respondent explained that he never got a copy of the home inspection, but he did call for inspections by professionals to cover the items that he was concerned about in the addendum of the report. Further discussion regarding the structure integrity would need a structural engineer, not an appraiser. Other items noted by the complainant did not convince the board that any violations to USPAP had occurred. All members of the board voted in favor of dismissing the case.
Case 3545, Ardeth Fair
The respondent was not present. Erik Clinite read the board summary into the record. Complainant is the homeowner who alleged that the appraiser failed to consider comparable sales that were adjacent to his property and would not provide him information for filing a grievance on the appraiser. The respondent defended the comparable sales as the most similar

and recent in the area without swimming pools. Ms. Fair stated that the owner's request to consider alternative comparable sales was directed to the lender and that she was not given the information. Kevin Yeanoplos reported that the investigator noted she failed to report a couple of sales on the same street. Mike Petrus noted that there was a lack of recognition on the economic obsolescence in the cost approach. He believed that this is not the first time that the respondent was before the board for this same item. He requested the information on the previous case but was advised to decide whether there was a violation first before he could receive the answer. Discussion about the procedures that the board should follow when deciding a case resulted in Mike Petrus making a motion citing a violation of USPAP 1-4(b) for the cost approach lacking recognition of economic obsolescence. James Heaslet seconded the motion. All were in favor of the motion. The answer to the question about whether she has been before the board before for the cost approach was answered by Nancy Inserra. The respondent had been before the board four times and that Case 3434 closed in March, 2013 was for the cost approach for which she took a 7-hour class. This report was completed a month after she took the class. Discussion by the board members about whether the education was effective or if she would need a mentor. James Heaslet noted a significant difference between the Sales Comparison and Cost Approaches to value, that it should have been reconciled. Frank Ugenti noted that her search parameters appear to be limited to homes without a pool. Mike Petrus motioned to invite the respondent to an informal hearing specifically addressing comparable selection and cost approach. James Heaslet seconded the motion. All voted in favor of the motion.

Case 3550, Gene Cox

The respondent was not present. The complainant was present. Kevin Yeanoplos and Mike Petrus summarized the complaint was against an appraiser who sat on a panel for procurement at ADOT for consideration in a Request for Proposal (RFP) to value a specific type of property. The complainant was not selected for inclusion by the panel. The complainant alleged ethics violations by the respondent. The respondent is one of four individuals on an evaluation committee that assess the offers and determine the party to be awarded the contract. The complainant stated that they were acting as appraisers on this panel. Kevin Yeanoplos noted that the panel members were not hired to do appraisals, but were hired to select appraisers to be on this approved list. He failed to see how this violates USPAP. Mike Petrus failed to see why this case was before the board. Frank Ugenti noted that there was no appraisal assignment. James Heaslet and Kevin Yeanoplos also believe that the board does not have jurisdiction to hear this case. Mike Petrus made a motion to dismiss the case. James Heaslet seconded the motion. All voted in favor of the motion.

Case 3552, Bridget Lundahl

The respondent was not present. Jeff Nolan read the board summary into the record. The complainant is a Realtor who alleged that the appraiser failed to produce a credible appraisal due to USPAP violations, incompetent analysis, and reporting incorrect information. Specific allegations include: failure to detail the scope of work, insufficient explanation of effective age, not summarizing the Highest and Best Use analysis, insufficient reasoning, analysis and support for comparable adjustments, inaccurate sales history and inadequate reconciliation. The respondent acknowledged that the prior sales history of Comparable No. 3 was an oversight. Ms. Lundahl states that she reported the scope of work, effective age, and Highest and Best Use appropriately. An investigator noted minor errors in the report. Mike Petrus stated that this

appraisal was completed in March, 2013 and that the first page of the URAR states that the market is stable, yet he noted the 1004MC clearly depicts increasing market trends. The stable market designation may have under stated the market value of the subject, as there was no time adjustment applied to the sales that may have been warranted. James Heaslet noted that her 1004MC denotes a 20% increase, yet she did not do a time adjustment which if made, could have supported the sales price. Mike Petrus made a motion to find USPAP violations of 1-3(a); and 1-1(a) for lack of properly addressing the market trends which went to the credibility of the report. He suggested this is a Level II, and to offer a Letter of Due Diligence to have the respondent take a 7-hour class on Basic Appraisal to include market trends no continuing education to be completed within six months. The board prefers that this be taken in class instead of distance education. James Heaslet seconded the motion. The board voted unanimously in favor of the motion.

Case 3553, Nicki Flores
The respondent was not present. Joe Stroud read the board summary into the record which involved a property that is located in Sierra Vista. Mr. Stroud stated that he is familiar with this appraiser but found no reason to recuse himself from this matter as he is not biased for or against this appraiser. Complainant is a Realtor who alleged that the appraiser lacked geographic competency to complete the appraisal assignment in Sierra Vista and failed to consider additional comparables that were provided for her analysis. The respondent stated that she had appraised hundreds of properties in Sierra Vista since 2006. The respondent defended the comparable sales used as the best available data at the time of appraisal and that the alternative comparable sales provided for analysis were in superior locations. Mike Petrus reported that the appraisal did not include a copy of the sales contract which when reviewed showed that the sales price did not include the site. The appraiser had the cost to build the house, but did not address in the appraisal why she estimated the cost differently. He discussed the differences noted between the cost of the subject and comparables versus what was reported by the appraiser. In particular the appraiser did not differentiate between the comparables that included the cost of the site and the subject's contract which did not. He stated this was a competency issue, not one of geographic competency, but of general competency. Mike Petrus made the motion to invite the respondent to an informal hearing and for her to bring her work file. James Heaslet seconded the motion. All but one voted in favor of the motion. Joe Stroud abstained from the vote.

Case 3554, Aram Autry
The respondent was present. The subject is a residence in Scottsdale,, and the complainant is a lender (Flagstar Bank) who had the respondent's appraisal reviewed retrospectively. The reviewer concluded that the original comparables were superior quality and that there were sales within the subject development that were overlooked. The complainant acknowledges that due to the date of report, USPAP does not require the respondent to retain his workfile. Nonetheless, they respectfully request that the Board process this complaint properly. Due to the effective date of appraisal (March, 2007), the respondent no longer has possession of his workfile. The respondent states that his choice of comparable sales was driven by the subject's recent complete remodel and superior condition. Mr. Autry also notes that the alternate sales presented in the review were not fully remodeled and inferior in condition.
Frank Ugenti made a motion to stay consistent with what has been done in the past and dismiss due to age of the report. Jeff Nolan seconded the motion. James Heaslet noted that there is no

statute of limitations on fraud, yet the board's policy is to typically dismiss cases that are over five years old if they do not believe it contains fraud. The board voted with six ayes and one nay by Erik Clinite. Frank Ugenti then asked Debra Rudd to not have the cases that are over five years investigated by the board's contract investigator, to save resources of the board. Joe Stroud questioned what should be done if there was fraud suspected? Frank Ugenti answered that there are other agencies that could better document if it was fraud or not. Mike Petrus noted that they are still looking these cases over, but agreed with Frank Ugenti that it was not necessary to have an investigation completed on these by the investigator. Debra Rudd asked if this is how the full board would like to proceed. Additional discussion resulted in a general consensus that this is fine to not have cases over five years automatically reviewed unless the board specifically suggests it.

Case 3555, Scott Post

The respondent was present. James Heaslet read the summary into the records. The property is a single family residence in Tucson,, and the complainant is a representative of the homeowner who alleged that the appraiser misclassified the guest house as non-livable space, missed 2 bedrooms and 3 bathrooms, resulting in a low value. The complainant stated that the appraiser did a "shoddy job" because "he was in a big rush because (he) had plans that evening". The respondent documented the events that took place on the effective day of appraisal. The inspection was delayed 20 minutes due to the homeowner's late arrival. During the inspection, a wine room and upper floor of the guest house were locked and not accessible. The respondent contacted the lender and was told to proceed and note in the appraisal the lack of access. The homeowner told the respondent that her husband would be home with the keys shortly. After over 2 hours at the property, Mr. Post informed the homeowner that he needed to leave as he had a son at home waiting for him for dinner. Frank Ugenti asked the respondent about the wine room's location not being accessible. The respondent stated that there was another appraisal completed on this property a year prior that the appraiser had included the guest house in the gross living area, thus overstating the main living area over 1,000 square feet. He had separated the guest house as a separate line item. Mike Petrus noted that Comps 1 & 2 had guest houses but that their sizes were included in the gross living areas and also valued separately, thus appeared to be double counting this area. The investigator contacted the agents to verify this information. The respondent noted that there was nothing in the MLS that noted this information. When further questioned, he did not print out the tax information, and stated that he usually does not print and keep this information in his work file unless it is different from MLS. He typically calls the agents, but he may not have received a call back. Discussion regarding the views and reporting of views was not included in the report. The size of the guest houses was not verified; thus he did not do his due diligence, which should have been an upward adjustment on three of the four comparables by approximately 10%. This was a significant error that goes to the credibility of the report. Joe Stroud motioned to adopt the findings of the investigator which showed violations of USPAP 1-1(a)(b); 1-2(f)(g); 1-4(a)(b)(iii); 1-6(a)(b); 2-1(a)(b)(c) & 2-2(b)(viii). James Heaslet seconded the motion and all voted in favor of the motion. They then discussed the discipline to be offered. Mike Petrus motioned to find a Level III due to the substantial errors to offer a Letter of Due Diligence, education of 7-hours Sales Comparison, 7-hours report writing, 15 hours USPAP with exam, 6 months to complete, no continuing education. James Heaslet seconded the motion. All voted in favor of the motion.

James Heaslet left the meeting temporarily.

Case 3561, Joseph Delaney
The respondent was not present. Kevin Yeanoplos summarized the complaint relates to some comments on a website that are allegedly incorrect. He said in the past when he discovered items such as this, he called Debra Rudd and asked her to contact the persons about there website. He asked the board to decide if this rises to the level of an ethics violation, or what direction they would like to take on matters such as this. Frank Ugenti stated that he thought the board summary should be read into the record for the public's benefit. He then read: Complainant is an appraiser who alleges that the respondent is advertising designations and associations on his website that are not correct. The complainant further alleges that this misrepresentation undermines the public trust and is a violation of the Ethics Rule of USPAP. The respondent stated that he is an affiliate member of the organizations he referenced on his website. Mr. Delaney further notes that the complaint is baseless and the result of personal malice toward him since his resignation from the organization he cofounded with the complainant. He stated this is not a valuation situation, but an appraiser against another appraiser. He said it was not something that he wants the board to handle as he is not convinced that this is an ethics violation. Mike Petrus stated as silly as some of the complaints might be, he thought that it was important to have it come before the board. He further explained that the CRA initials after his name indicate that he is a Certified Residential Appraiser, which is true. The other letters after his name have to do with classes that he has taken and appear to have earned. The membership reference that he cited is not an issue with ethics. If the appraiser stated they had a designation from one of these organizations and they did not, then that would be an ethics violation. He then made a motion to dismiss the complaint. Frank Ugenti seconded the motion. The motion carried unanimously by the six board members that were present.

Erik Clinite left the meeting for the rest of the day.
James Heaslet returned to the meeting.

Cases 3521/3536/3537/3546/3547, Steven Slaton
The respondent was present for this informal hearing. Kevin Yeanoplos read the introduction to the informal hearing and noted that there was an investigation which had been provided to the respondent for his review. He noted that this is dealing with a property in the White Mountains. Mike Petrus summarized Case 3521 Complainant is an appraiser who reviewed the appraisal for the lender. The complainant alleges that the appraiser was not geographically competent in the subject market and that the appraisal had numerous errors and a poor selection of comparables. The respondent stated that the complaint was in retaliation for a complaint he filed against the complainant. Mr. Slaton states that he has been appraising in the Happy Jack area for more than 5 years and lived in the area for some time. The respondent is not aware of the errors that the complainant references. The board questioned the respondent about the investigator's report and his overview of this complaint. The respondent uses a data streaming software program and had some problems with receiving this data. He had contacted his software company (ACI) to try to resolve the problems. He explained that the complaint was filed by the homeowner who was upset with the lower value. He submitted two different reports, the latter to correct the original appraisal which had several errors due to the technical glitches and the second appraisal was done in HTML format. Frank Ugenti pointed out that when he was contacted a week after the

first submission he did not change the date of the signature on the report. Frank Ugenti asked him about his geographic competency. He stated that he did several appraisals in the Happy Jack area and that he had lived in this area for several years. Mike Petrus questioned him about the adjustments he made for location. Further questions by board members about his quality rating on Comparable 2 resulted in the respondent answering that he had made a typographical error and that it should have been Q2, not Q4. Other questions about his paired sales analysis regarding design, size, and location were answered by the respondent. The questions included a lack of supported methodology. Questions were asked about the depreciation in the Cost Approach. The actual age and the effective age of this 22-year old home were noted to be the same yet the depreciation was considerably less at 6-years old. He picked the age in the Cost Approach arbitrarily. Frank Ugenti made a motion to adopt the findings in the investigator's report, noting all of the violations. James Heaslet seconded the motion. All voted in favor of the motion.

Cases 3536 and 3546 - Joe Stroud read the summary into the records on this single family residence in Happy Jack. Complainant is a local Realtor who alleged that the appraiser was unprofessional and did not prepare the appraisal in a competent manner. The complaint includes a copy of an email the respondent sent to both Realtors involved in the transaction that she considered to be disarming, unprofessional and threatening.
The respondent stated that the complainant is not the intended user and is unaware of the appraisal process. Mr. Slaton stated that he utilized recognized appraisal methodology and that the complainant wanted him to use properties that were superior to the subject in order to inflate the value estimate. The respondent stated that the other appraiser that was able to "hit" the sales price must have used these dissimilar comparables and that he intended to report the appraiser and Realtors to the FBI Mortgage Fraud Division and the lender. The investigator's report noted USPAP violations. Both complaints are on the same property completed by the same respondent at the same time, thus are combined for discussion purposes. Mike Petrus questioned the time adjustments on some of the comparables but not others. He then questioned the respondent about the upward concession adjustment he made on Comp 1. The answers that he gave were not accepted by the board as being credible. In particular lowering the asking price to sell the property that has been on the market 200 days is not proof of a concession, but is a result of a negotiated price. The Cost Approach and Sales Comparison Approach lacked reconciliation. Frank Ugenti made a motion to accept the findings of the investigator's report. Joe Stroud seconded the motion. All voted in favor of the motion.

Cases 3537 & 3547 – James Heaslet read the summary into the record. This is on another residence in Happy Jack that was appraised in November, 2012. Complainant is a local Realtor who alleges that the appraiser was unprofessional and did not prepare the appraisal in a competent manner. The complaint includes a copy of an email the respondent sent to both Realtors involved in the transaction that she considered to be disarming, unprofessional and threatening. The respondent states that the complainant is not the intended user and is unaware of the appraisal process. Mr. Slaton states that he utilized recognized appraisal methodology and that the complainant wanted him to use properties that were superior to the subject in order to inflate the value estimate. The respondent states that the other appraiser that was able to "hit" the sales price must have used these dissimilar comparables and that he intended to report the appraiser and Realtors to the FBI Mortgage Fraud Division and the lender. Frank Ugenti

summarized the findings in the investigator's report is similar to the others. Primarily the zoning was not correctly reported; failure to address the effective age and depreciation appropriately; standards were not followed. He noted that there was a disconnection in support of his adjustments and methodology. Discussion by the board members and the respondent resulted in Frank Ugenti making a similar motion to accept the findings of the investigator in her report. James Heaslet seconded the motion. All voted in favor of the motion. The board summarized the findings of the complaints all dealing with depreciation versus actual age, carport versus wood storage, adjustments on sales, recognized methods and techniques, failure to report the market instead of making the market. Frank Ugenti then made a motion to find a Level III addressing the significant competency issues, noting and citing the violations in the investigator's reports. Consent agreement to include probation without a mentor for 6 months, basic appraisal class 15-hours with exam, 7-hour Cost Approach class, and 15-hour USPAP class with an exam to be completed in 6 months, a minimum of 12 reports, no continuing education. Mike Petrus seconded the motion. All but Joe Stroud voted in favor of the motion. Mr. Stroud voted nay.

Cases 2926 – 2930, Scott Gary
The respondent was present for this matter that was before the board at his request to terminate probation after the audit of files. The board and contract investigator audited three of his recent files and found a few minor errors, but did not rise to the level of a USPAP violation. The respondent explained what he has learned and where he is working now. Mike Petrus made a motion to terminate probation. Jeff Nolan seconded the motion. All voted in favor of the motion.
Case 3232, Martin Riley
Kevin Yeanoplos stated that this was before the board for discussion, consideration and possible action concerning potential noncompliance with Consent Agreement for a Letter of Due Diligence which was to take all education necessary to obtain the SRA designation from the Appraisal Institute. He completed some of the classes, but did not pass the exam on a couple of classes. He had a voluntary mentor who found no violations in the reports that were submitted to him. He took all of the classes but he is two classes short of the requirements for the designation. He took an additional 28 hours of classes instead of the two classes that he was short. Mike Petrus noted that he had actually completed more than we would have required originally. Frank Ugenti made the motion to accept the 28 hours additional education and that he is in compliance with the consent agreement and for staff to verify that this was completed. Joe Stroud seconded the motion. All voted in favor of the motion.

AMC Complaint Case A0107, Interthinx
David Raskin and Burton Baers were at the meeting to represent Interthinx. This matter was before the board due to their failure to register as an AMC. Frank Ugenti explained the state statute covering AMC's include acceptance of an assignment and then outsourcing that assignment to a non-employee is acting as an AMC. The board questioned the attendees of Interthinx about their website, and their practices. Frank Ugenti made a motion to have Interthinx council get in touch with Ms. Galvin, register within 30 days or have this case back on the agenda for further action. James Heaslet seconded the motion. All voted in favor of the motion.

Case 3495 – Jay Clark
Discussion consideration and possible action regarding the Investigator's Report
Mike Petrus made a motion to accept the investigator's report. However before inviting him in, he would like to audit more current files to see if there is a pattern. Mike Petrus motioned to request a log of appraisals completed in the past six months to audit four reports and invite the respondent back for an informal hearing, after auditing four of the recent reports. The purpose of this audit is to determine if there is a pattern with this respondent. James Heaslet noted that the more recent reports may not reflect the same conditions that the subject report was experiencing. Frank Ugenti noted that the comparables were all in superior locations, but no adjustments were made. It appeared that the appraiser was targeting value. Mike Petrus stated that he was keeping his motion. James Heaslet seconded the motion. All voted in favor of the motion.

James Heaslet left the meeting

Compliance File Review 2920 – 2931, Ron Zimmerman
Kevin Yeanoplos summarized that Mr. Zimmerman has difficulty in finding a mentor. Nancy Inserra reported that she sent an e-mail in April, and received an e-mail back that the attorney of record is no longer representing him in this case. Debra Rudd reported that she had been contacted by two mentors that are shown on the board's list, and that she had recommended to both of these mentors that they should be requesting a copy of the consent agreement. One of the mentors called her back and stated that they were happy that she had recommended this as he had represented that something less than the agreement had shown. The board discussed their options and without his compliance to obtain a mentor and to complete any education, Mike Petrus made a motion to move this case to a formal hearing for revocation. Frank Ugenti seconded the motion. All voted in favor of the motion.

Compliance File Review 3071/3185/3195/3199/3226, James Nelson
Kevin Yeanoplos summarized the compliance issues, regarding the consent agreement. Jeanne Galvin stated he had been placed on probation, had set up the e-mail account, and was to pay restitution. She informed the board that one or more of the complainants took him to court for restitution, and they lost in court. Discussion about what is in the consent agreement ensued. There is another case that will be heard next month by the board. Frank Ugenti made a motion to table the matter until the board can get more information. Mike Petrus seconded the motion. Four members voted to approve the motion. Kevin Yeanoplos voted nay.

Compliance File Review Case 3209, Kevin J. Rodolico
Kevin Yeanoplos summarized that this matter is for discussion and possible action for alleged non-compliance with Consent Agreement. Nancy Inserra stated that he signed the agreement in 2012 and that he still needs one of the two classes that he agreed to and that he and his mentor have not supplied a log. After discussion about the lack of response, Frank Ugenti made a motion to move to a formal hearing for revocation. Joe Stroud seconded the motion. All voted in favor of the motion. The board directed staff to hold the formal hearings through the board not OAH for both Cases 3209 and 2920-2931.

Compliance File Review 3262, Edward Measel
Kevin Yeanoplos summarized that this matter was for discussion and possible action for alleged non-compliance with Consent Agreement. He is in non-compliance for a 15 hour basic appraisal class from November, 2012 that he has failed to take. Mike Petrus moved to send this matter to a formal hearing for revocation as he is still in non-compliance. Jeff Nolan seconded the motion. All voted in favor.

Compliance File Review 3366, Frank Rose
Kevin Yeanoplos introduced this matter for discussion, and possible action for alleged non-compliance with Consent Agreement. He had communicated an e-mail that he offered to voluntarily surrender his license. Due to the current action, he would need to have a formal action to surrender his license. Frank Ugenti made a motion to seek voluntary surrender. Mike Petrus seconded the motion. All voted in favor of the motion.

Case 3441, Kurt Goeppner
The board had offered a consent agreement for suspension for failure to truthfully report on his application. Jeanne Galvin gave the background of the case. Mr. Goeppner made a counteroffer that diminished the action to a Letter of Concern. Discussion about the respondent's request to appear telephonically caused the board to table the matter for a few minutes to allow staff to try to reach him to appear.

Case 3446, Sylvester Whitman
This matter was before the board to permanently approve the mentor. Mike Petrus motioned to approve the mentor, and Frank Ugenti seconded the motion. All voted in favor of the motion.

Application Review Committee
Frank Ugenti reported to the board the recommendations that are shown attached to the minutes. (See attached). Mike Petrus motioned to accept the recommendations of the committee. Joe Stroud seconded the motion. All approved the motion.

12-Month File Review
Jeanne Galvin reported on the 12-month file review that Stephen Steitz formal hearing has been delayed and that she has been in contact with his attorney and a settlement will probably be forthcoming. The others as shown on the agenda are fairly self-explanatory.

AMC Complaints
A0105 Urban Valuations - Nancy Inserra has received a notice from the complainant that they have now been paid; thus they would like to drop the complaint. She informed them that this was not possible. Mike Petrus stated he would like to handle this the way they have handled similar complaints; thus he motioned to send them a letter to remind them to pay on time in the future and to have the letter in their file, then close the case. Jeff Nolan seconded the motion. All voted in favor of the motion.

A0106 Frisco Lender Services, LLC
The appraiser is alleging that they have been improperly removed from the panel. Mike Petrus reviewed the case and stated that he believed they handled it properly. Discussion ensued about what the AMC statute includes and the jurisdiction that this board has about this matter. Jeanne Galvin suggested that the next time a newsletter is sent, an article about this matter could be included. Kevin Yeanoplos directed staff to write an article to define what the board can and cannot do regarding this matter.

Education Committee
Mike Petrus reported the recommendations to the full board from the committee meeting that was held the day before. (See attached recommendations). Frank Ugenti motioned to accept the recommendations from the committee. Joe Stroud seconded the motion. All voted in favor of the motion.

Attorney General's Report
Jeanne Galvin gave an update on Case 3542, Rodney Martensen that she has been working on the file and that hopefully it will be filed in Superior Court next week. He was revoked in 2009 and now we have evidence of an appraisal that he completed in 2011.

New Business
Kevin Yeanoplos asked that the Item E on the agenda for the revision of the forms for complaints and trainee appraisers be moved to August. He stated Item F will not be heard at this time due to still working on some items. The items A & B will be tabled until next month. Kevin asked staff to send the board members an email to see if the dates will work after confirming with the instructors if they are available on September 6th to teach this class at the outreach.

Discussion and possible action regarding UPF Services, Inc
Mike Petrus discussed whether this is a pass through computer program that there is no human interaction. A letter was sent to them in March 1, and no reply was received. Jeanne Galvin suggested that a stronger letter be sent to have them respond. Staff was ordered to do some more research and contact them and find out who their legal council is, and Ms. Galvin will write them a letter to requesting that they explain themselves.

Discussion and possible action regarding the Application Committee's recommendation to open a complaint against Streetlinks Lender Solutions for alleged failure to make certain disclosures previously in their application
Mike Petrus made a motion to open a complaint. Frank Ugenti seconded the motion. All voted in value of the motion.

Case 3441, Kurt Goeppner
The board discussed tabling the respondent's counteroffer to July due to the failure to call him earlier in the day. They wanted to give him an opportunity to attend telephonically when there was more time to discuss the case.

Old Business

Discussion about Item A should be moved under July or August for the website. No action was taken. Item B, the Executive Director was told to use her judgment about what information should be forwarded to the board, and to error on the side of sending more rather than less. Item C regarding Standard 3 of USPAP for board members when acting as a board member was next discussed. Jeanne Galvin reported that she was comfortable with the board acting in the manner that they are currently acting. Kevin Yeanoplos asked that this matter be tabled until August so that he can be part of this discussion. Additional discussion included a possible statute change to address this matter for jurisdictional exception. It was tabled until August.

Items D & E on the agenda - Kevin then asked the board to be thinking about expanding the education committee to non-board members and to create a strategic issues committee. He wants to have a strategic planning committee meeting once a quarter.

Jeanne Galvin pointed out a screening committee might work very well for this board. A statute change would be needed. They wanted to add this to a strategic planning committee meeting.

The board meeting then adjourned at 4:50 p.m.

RECOMMENDATIONS
COMMITTEE ON APPLICATION REVIEW

To: **Board of Appraisal**

From: **Application Review Committee**

Date: **June 14, 2013**

Re: **June 13, 2013 Recommendations**

I. As a result of its **June 13, 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:

	6/2011	6/2012	6/2013
Licensed Residential	417	328	273
Certified Residential	1192	1154	1117
Certified General	808	809	775
June Totals	**2417**	**2291**	**2165**
Nonresident Temporary	87	78	75
Property Tax Agents	359	374	342
Appraisal Management Co.			159

B. To approve the review of additional information regarding pending litigation from Andrew J. Moye Certified General #31428.

III. **Renewal Applications**

1) To find substantively complete:

20502 Stuart L. Arthur
21085 Michael Woodhead

IV. **Substantive Review**

A. Licensed Residential:

1) To approve -pending additional information:

AL11984 Joseph N. Walker (by reciprocity)

B. Certified Residential:

1) To find substantively complete:

AR11963 Paul D. Sogon

C. Certified General by exam unless otherwise noted

1) To find substantively complete:

AG11970 Douglas J. Cross

2) To approve -pending additional information:

AG11983 Michael C. Baker (by reciprocity)
AG11990 Karen L. Johnson (by reciprocity)
AG11991 Edward Castillo (by reciprocity)
AG11992 James B. Paul (by reciprocity)

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

A. Reciprocity

12052 William J. Moore
22282 David R. Jacober
22283 Mark P. Ragno

B. Nonresident Temporary

TP41434 Martin H. Aaron
TP41446 Brett M. Weinstein
TP41447 Michael C. Baker
TP41448 Anne R. Lloyd-Jones

VI. Applications to Be Reconsidered

NONE

VII. AMC Applications

A. To approve:

224 Market Valuation Services, LLC

VIII. AMC Registration Already Issued

B. To take no action:

40179 Urban Valuation, LLC

RECOMMENDATIONS
COMMITTEE ON APPRAISAL TESTING AND EDUCATION

TO: **Board of Appraisal**

FROM: **Committee on Appraisal Testing and Education**

DATE: **June 13, 2013**

RE: **June 13, 2013 Recommendations**

As a result of its June 13, 2013 meeting, the Committee on Appraisal Testing and Education made the following recommendations:

I. OTHER BUSINESS

To recommend administrative corrections of the following:

A. Amend two courses to include distance education in their description:
   1. Submitted by **Hogan School of Real Estate**
      a. Methodology and Application of Sales Comparison ABA #xxxx issued on approval, 7 hours
         James Hogan

   2. Submitted by **McKissock, LP**
      a. Modern Green Building Concepts, ABA #xxxx issued on approval, 6 hours, Agenda.
         Dan Bradley

B. Amend a double entry of a course. Remove this course from the New Course category. It is listed correctly under New Course(s) with Instructor change only.
   1. Submitted by **Appraisal Institute**
      a. Marketability Studies: The Six-Step Process and Basic Applications, ABA #0512-1080, 7 hours
         Richard Parli

II. DISCUSSION AND POSSIBLE ACTION

A. Recommend staff to select courses for audit with attention to priority and geographic location. Provide list to volunteers of which course(s) they would like to audit.

B. Recommend eliminating the distinction between new and existing instructors in the application process.

C. Recommend staff the authority to edit and change application forms to improve processing time; final document to be approved by the committee/board

D. Recommend the option of course providers to submit electronic or hard copy of course material.

To recommend approval for the following education courses:

III. CONTINUING EDUCATION – NEW COURSE(S) - not previously approved by the Board

A. Submitted by ***Arizona School of Real Estate and Business,***

1. **Hewlett Packard 12-C Keystrokes and Concepts**, ABA #Dxxxx issued on approval, 6 hours
Gretchen Koralewski, Neil Dauler-Phinney

B. Submitted by ***dba Calypso Continuing Education***

1. **A Brief Historic Stroll through America's Architecture for Appraisers,** Distance Education, ABA #Dxxxx issued on approval, 7 hours
Francis X. Finigan

C. Submitted by ***McKissock LP***

1. **The Green Guide to Appraising,** ABA #xxxx,- 7 hours
Dan Bradley, Wally Czekalski, Ken Guilfoyle, Chuck Huntoon, Tracy Martin, Richard McKissock, Larry McMillen, Steve Vehmeier, Susanne Barkalow, Paul Lorenzen, Robert McClelland, Rob Abelson, Alex Gilbert, Amelia Brown, Dan Tosh, James Greg Harding, Diana Jacob

IV. QUALIFYING EDUCATION – NEW COURSE(S) - not previously approved by the Board

A. Submitted by ***Hogan School of Real Estate***

1. **Basic Residential Appraisal Principles,** Distance Education, ABA #Dxxxx-xxx-01, 30 hours
James Hogan

2. **Basic Residential Appraisal Procedures,** Distance Education, ABA #Dxxxx-xxx-02, 30 hours
James Hogan

V. CONTINUING EDUCATION – RENEWALS (* - Instructor(s) added and/or changes**)**

A. Submitted by ***Arizona School of Real Estate & Business***

1. **Appraising Manufactured Housing**; ABA #0806-561, 4 hours
John Dingeman, Chuck "Howard" Johnson, Gretchen Koralewski, Don Miner, Roy Morris, Ron Schilling, Ann Susko, Aaron Warren
*Jeremy Johnson

2. **Business Valuation Approaches & Methods**, ABA #0806-556, 3 hours
Earl Cass, Don Miner, Janice Staropoli,
*Howard "Chuck" Johnson

3. **FHA Appraisal Requirements (C4672),** #ABA 0701-249, 3 hours
Earl Cass, John Dingeman, Howard "Chuck" Johnson, Gretchen Koralewski, Don Miner, Roy E. Morris, Ron Schilling, Ann Susko, Aaron Warren
*Jeremy Johnson

B. Submitted by ***McKissock LP***

1. **Introduction to Complex Appraisal Assignments,** ABA #0712-1121; 7 hours
Dan Bradley, Wally Czekalski, Ken Guilfoyle, Chuck Huntoon, Tracy Martin, Richard McKissock, Larry McMillen, Steve Vehmeier, John Willey, Susanne Barkalow, Paul Lorenzen, Robert McClelland, Rob Abelson, Alex Gilbert, Dan Tosh, James Greg Harding, Diana Jacob
*Amelia Brown

2. **Introduction to Expert Witness Testimony,** ABA #1207-723; 7 hours
Wally Czekalski, Ken Guilfoyle, Tracy Martin, Larry McMillen, Robert McClelland, Rob Abelson, Dan Tosh, James Greg Harding, Diana Jacob
*Amelia L. Brown, Alex Gilbert

3. **Introduction to Regression Analysis for Appraisers,** ABA #0711-1029; 4 hours
Dan Bradley, Wally Czekalski, Ken Guilfoyle, Chuck Huntoon, Tracy Martin, Richard McKissock, Larry McMillen, Steve Vehmeier, Susanne Barkalow, Paul Lorenzen, Robert McClelland, Dan Tosh, Diana Jacob, John Willey
*Amelia L. Brown, Alex Gilbert, Rob Abelson, James Greg Harding

VI. CONTINUING EDUCATION – ONLY Instructor(s) Added

A. Submitted by ***McKissock LP***

1. **Deriving and Supporting Adjustments**, ABA #0411-1015; 7 hours
Amelia Lovorn Brown

2. **FHA FOR Today's Appraisers**, ABA #1012-1133; 7 hours
Amelia Lovorn Brown, Alex Gilbert

3. **Introduction to Residential Green Building for Appraisers**, ABA #1110-974; 4 hours
James G. Harding, Amelia Lovorn Brown, Alex Gilbert, Robert Abelson

4. **Relocation Appraising: New ERC Summary Appraisal Report**, ABA #0211-997; 7 hours
*James G. Harding, Amelia Lovorn Brown, Alex Gilbert, Robert Abelson, Robert McClelland

5. **Residential Appraisal Review**, ABA #1110-975; 7 hours
*Robert Abelson, Robert McClelland, James G. Harding, Amelia L. Brown, Alex Gilbert

VII. QUALIFYING EDUCATION – RENEWAL(S) –Instructor Changes

A. Submitted by ***Arizona School of Real Estate and Business***

1. **Basic Appraisal Principles** (AP-01), ABA # 0906-569-01, 30 hours
Earl Cass, John Dingeman, Gretchen Koralewski, Roy Morris, Ron V. Schilling, Aaron Warren
*Howard "Chuck" Johnson, Jeremy Johnson, Don Miner

2. **Appraisal Basic Procedures** (AP-02), ABA #0906-570-02, 30 hours
Earl Cass, John Dingeman, Gretchen Koralewski, Roy Morris, Ron V. Schilling, Aaron Warren
*Howard "Chuck" Johnson, Jeremy Johnson, Don Miner

3. **Residential Report Writing AP-07**), ABA #0906-571-07,15 hours
John Dingeman, Gretchen Koralewski, Roy Morris, Ron V. Schilling, Aaron Warren
*Howard "Chuck" Johnson, Jeremy Johnson, Don Miner

VIII. BY CONSENT AGENDA – CONTINUING EDUCATION

A. Submitted by **American Society of Farm Managers and Rural Appraisers**

1. **All Topo Maps**, #ABA 1105-486, 8 hours
*Mike Johnson

2. **Computer Plotting Legal Descriptions for the Layman**, #ABA 0707-693, 8 hours
*Mike Johnson

B. Submitted by ***Appraisal Institute***

1. **Online Case Studies in Appraising Green Residential Buildings,** Distance Education, ABA #Dxxxx issued on approval, 8 hours
Sandy Adomatis

2. **Online Introduction to Green Buildings: Principles & Concepts,** Distance Education, ABA #Dxxxx issued on approval, 8 hours
Taylor Watkins

3. **Online REO Appraisal: Appraisal of Residential Property for Foreclosure & Preforeclosure,** Distance Education, ABA #Dxxxx issued on approval, 7 hours
Mark Rattermann

C. Submitted by ***Arizona School of Real Estate & Business***

1. **Commercial Leasing Issues**; ABA #0806-561, 4 hours
Joseph Chandler, Shelly Cramer, Lee Farris, , Andrew Jaffe, Dan Kloberdanz, William Kozub, Don Miner, Roy Morris, Jeff Pitcher, Karlene Politi, Tom Stoops, James, Weiss, Jonathan D. Willis
* Kathleen Holmes, Gretchen Koralewski

2. **Real Estate Market Update (C7392)**; ABA #0806-555, 3 hours
Earl Cass, William Gray, Randy Helfman, William Iannelli, Don Miner, Paul Parouse, Dave Rider, Richard Turkian, Fletcher Wilcox

D. Submitted by ***Hogan School of Real Estate***

1. **Covering All the Bases in Residential Reporting**; ABA #D0512-1081, Distance Education, 7 hours
James Hogan

E. Submitted by **McKissock LP**

1. **2012-2013 National USPAP Update Equivalent**, ABA #0210-913; 7 hours
Amelia Lovorn Brown

2. **Disciplinary Cases: What Not to Do**, ABA #0812-1135, 7 hours
Dan Bradley, Wally Czekalski, Ken Guilfoyle, Chuck Huntoon, Tracy Martin, Richard McKissock, Larry McMillen, Steve Vehmeier, John Willey, Susanne Barkalow, Paul Lorenzen, Robert McClelland, Rob Abelson, Alex Gilbert, Dan Tosh, James Greg Harding, Diana Jacob

3. **Disciplinary Cases: What Not to Do, Live Webinar**, Distance Education, ABA #D1112-1148, 7 hrs
*Robert McClelland

4. **Land and Site Valuation, Live Webinar**, Distance Education, ABA #D1112-1149, 5 hrs

*Robert McClelland

IX. BY CONSENT AGENDA - QUALIFYING EDUCATION

A. Submitted by **American Society of Farm Managers and Rural Appraisers**

1. **Eminent Domain (A250**), #ABA 0702-246-10, 22 hours
*Lee Smith, Brent Stanger

B. Submitted by ***Appraisal Institute***

1. **Online General Appraiser Income Approach, Part 1,** Distance Education, ABA #Dxxx-XXX-14 issued on approval, 30 hours
David Lenhoff

C. Submitted by ***Dynasty School***

1. **Residential Report Writing and Case Studies,** Distance Education, ABA #Dxxx-XXX-07 issued on approval, 15 hours
Robert Abelson

D. Submitted by **McKissock LP**

1. **General Appraiser Market Analysis Highest & Best Use**, Distance Education, ABA #D0910-964-11, 30 hours
Dan Bradley

2. **General Appraiser Site Valuation & Cost Approach**, Distance Education, ABA #D0910-965-12, 30 hours
Dan Bradley

E. Submitted by **Mesa Community College**

1. **Basic Appraisal Principles (REA 270)**, Distance Education #ABA D0508-779-01, 30 hours
John Beshk

2. **Basic Appraisal Procedures (REA 271**), Distance Education #ABA D0508-780-02, 30 hours
John Beshk

3. **Residential Appraisal Site Valuation and Cost Approach**, Distance Education, ABA #D0508-782-05, 15 hours
John Beshk

4. **Residential Market Analyses and Highest & Best Use (REA 273),** Distance Education, #ABA D0508-781-04,
15 hours
John Beshk

5. **Residential Sales Comparison & Income Approach (REA 275)**, Distance Education, #ABA D0508-783-06,
15 hours
John Beshk

6. **Residential Report Writing and Case Studies, (REA 276 AA)** Distance Education, #ABA D0508-754-07
John Beshk

	# COMPLAINTS RECEIVED	REFER TO INFORMAL HEARING	REFER TO FORMAL HEARING	DISMISSED	%DISMISSED	TOTAL CLOSED BY BOARD ACTION**	Disciplinary LEVELS
JAN. 2013	11	7	0	10	66%	15	LEVEL I / 1
							LEVEL II / 3
							LEVEL III / 0
							LEVEL IV / 1
							LEVEL V / 0
FEB.2013	15	0	0	10	83%	12	LEVEL I / 1
							LEVEL II / 0
							LEVEL III / 1
							LEVEL IV / 0
							LEVEL V / 0
MAR.2013	11	0	1	7	46%	15	LEVEL I / 4
							LEVEL II / 2
							LEVEL III / 0
							LEVEL IV / 2
							LEVEL V / 0
APR. 2013	6	0	0	9	56%	16	LEVEL I / 5
							LEVEL II / 0
							LEVEL III / 1
							LEVEL IV / 1
							LEVEL V / 0
MAY.2013	15	5	0	8	50%	16	LEVEL I / 2
							LEVEL II / 1
							LEVEL III / 3
							LEVEL IV / 1
							C&D / 1
TOTALS	**47**	**12**	**1**	**52**	**63%**	**82**	

*Since 12/20/12, approximately 95% of all complaints go to investigator prior to Initial File Review by the Board. Complaints opened by the Board for non-compliance and complaints that do not involve an appraisal are not sent for investigation.

**Total Closed by Board Action means complaints closed by virtue of a Board ruling ie. Offered or issued discipline which has been agreed upon by the respondent, or includes those cases that the Board dismissed.

Complaint Statistics since January 1, 2013 to May 31, 2013

See next page for information on Board recommended action for these complaints

	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13
COMPLAINTS FILED	11	15	11	6	15	
DISMISSED	10	10	7	9	8	
LETTER OF CONCERN	1	0	4	5	2	
LETTER OF REMEDIAL ACTION	2	1	2	0	0	
LETTER OF DUE DILIGENCE	1	0	0	0	1	
PROBATION	1	1	2	2	4	
REFER TO INFORMAL HEARING	7	0	0	0	5	
REFER TO FORMAL HEARING	0	0	1	0	0	
SUSPENSION	0	0	0	0	0	
SURRENDER	0	0	0	0	0	
REVOCATION	0	0	0	0	0	
CEASE & DESIST	0	0	0	0	1	