

**MINUTES OF THE ARIZONA BOARD OF APPRAISAL  
REGULAR BOARD MEETING  
February 13<sup>th</sup>, 2013 8:35 A.M.**

**Call to order and roll call**

The meeting was called to order by Kevin Yeanoplos, Chairman.

Those Board members present at roll call:

Mike Trueba  
Joe Stroud  
Kevin Yeanoplos  
Michael Petrus

Staff Attendance:

Debra Rudd, Executive Director  
Jeanne Galvin, Assistant Attorney General  
Amanda Benally, Staff  
Juanita Coghill, Staff

**Pledge of Allegiance and Approval of the Minutes**

After the pledge of allegiance, Kevin Yeanoplos announced that a couple of the Board members were running a little late to the meeting thus he was going to delay the approval of the minutes until later in the meeting. He further explained that the minutes could not be approved due to a lack of a quorum for those particular meetings. He reiterated that there was a quorum present for this meeting today.

**Case 3290 – Harrison Cox**

Kevin Yeanoplos asked Jeanne Galvin for a summary of the case. Ms. Galvin explained that the Board previously reviewed the case and found violations to USPAP in the report. They offered Mr. Cox a consent agreement that he did not accept and requested a formal hearing to try the case. As there was no Investigator's Report on this case and because Ms. Rudd was a sitting member at the time of the original review she was ineligible from giving testimony at a formal hearing. Ms. Galvin requested an investigation be completed by one of the Board's contract investigators. When the investigation was complete, Ms. Galvin reviewed the report and noted that the investigator found no violations. Joe Stroud motioned to dismiss the complaint and rescind the formal hearing. Mike Trueba seconded the motion. Upon further discussion, Mike Petrus pointed out issues that he believed were violations. Kevin Yeanoplos decided to table the matter until the other Board members arrived.

**Erik Clinite joined the meeting at 8:45 a.m.**

**12 Month File Review**

Ms. Galvin reported that Case 3191, Stephen Steitz requested a formal hearing, and the investigators report is back. Ms. Galvin is to request a time with the Office of Administrative Hearings next week to schedule the formal hearing. Michael Melanson Case 3247 was sent a consent agreement but it was returned by the postal service. She was able to track down the correct address and it was recently sent again. Ms. Rudd informed the Board that Kyle Voris and W. Wade Clark cases will be heard at next month's Board meeting when they will have their Informal Hearings and they are both represented by the same attorney who was unable to make this meeting. She explained that although Kyle Voris was scheduled to have an Informal Hearing at this meeting she granted the attorney's request and it was rescheduled for next month. Ms. Rudd also stated that next month the Informal Hearing for Joseph Blagg on Case 3331 is scheduled for the March meeting.

**A0076 – Directware Services, LLC**

The complainant discovered after sending the complaint against this AMC that she had been paid. The complaint should not have been sent and requested that the Board withdraw the complaint. After discussion Erik Clinite motioned to dismiss the complaint and Joe Stroud seconded the motion. The Board vote was unanimous to approve the dismissal of the complaint.

**A0087, A0091, A0094 and A0096 – ES Appraisal Services, LLC**

Ms. Rudd gave a summary that these four complaints either pertained to appraisals that were completed in other states or pertained to BPO's. The Board does not have jurisdiction over appraisals that are in other states, nor do they have jurisdiction over BPO's. Ms. Benally explained that the one complaint was from a real estate agent who was hoping to make a claim against the bond. Mike Petrus motioned to dismiss the four complaints. Joe Stroud seconded the motion. The Board unanimously approved the motion.

**ES Appraisal Services, LLC – Compliance File Review**

Ms. Rudd reported that the claim has been filed against the bond in the amount of \$20,000. The total amount of the complaints for non-payment was over \$49,000. The matter was before the Board for them to decide how they wanted the distribution of the bond, whether it should be a pro rata share or first in line would be paid first. She further explained that the company is still operating in the state without benefit of the bond. Ms. Galvin questioned if the company had filed bankruptcy. Ms. Benally confirmed that they had. Ms. Galvin explained that she would have to get permission from the bankruptcy court before they could due a summary suspension or proceed forward with revoking the registration. She explained that there is an automatic stay for those entities filing bankruptcy against discipline actions such as this. Further discussion resulted in options of seeking voluntary surrender, requesting permission from the bankruptcy court, or do both. After discussion, Mike Trueba motioned to seek voluntary surrender first and revocation second. Joe Stroud seconded the motion. They unanimously approved the motion.

The Board then discussed how the bond proceeds would be distributed. Mike Trueba motioned to distribute bond proceeds on a pro-rata basis. Erik Clinite seconded the motion. The vote was unanimous to approve the motion.

**Joaquin Rivera – Discussion regarding the denial of Certified Residential application, and possible rescission to formal hearing**

Mr. Rivera was present, along with his business partner John Giordano. Ms. Galvin gave a summary to the Board that the background check revealed matters that were not disclosed on the application thus the Board voted to deny the application for failure to disclose. Mr. Rivera explained he did not believe that he had to disclose the DUI's as they were not felonies or criminal, and requested that the Board give him some disciplinary action instead of denying his application. Mr. Giordano offered a character reference for Mr. Rivera.

**Frank Ugenti joined the meeting at 9:10 a.m.**

After discussion about what the application states, Ms. Rudd informed the Board that the applications have now been changed to include as an example that DUI's should be disclosed. Joe Stroud requested that a newsletter be sent to inform the applicants that it is important to consider DUI's as a reportable item under this question on the application. Erik Clinite motioned to rescind the referral to formal hearing, approve certification and issue a letter of concern. Mike Trueba seconded the motion. On a roll call vote, the motion was approved by six of the Board members. Frank Ugenti abstained from the vote.

**Investigative review and action regarding Case 3463 - Todd Havens**

The Respondent and his attorney, Scott Zwillingler was present at the meeting. Mike Petrus motioned to accept the investigators report. Mike Trueba seconded the motion. The motion was unanimously approved.

**James Heaslet joined the meeting at 9:45 a.m.**

Discussion resumed with questions regarding functional obsolescence versus physical obsolescence, site valuation and comparables that the owner had submitted in the complaint. After answering the Board's questions, Mike Petrus motioned to dismiss the complaint. Joe Stroud seconded the motion. The vote was unanimous in favor of the motion, with the exception of James Heaslet who abstained from the vote. Scott Zwillingler requested that a copy of the investigator's report be sent to him.

**Discussion and possible action regarding the counteroffer submitted by the Respondent in Case 3300 – Daniel O. Ragno**

The respondent and his attorney Kraig Marton were present. A summary of the counteroffer was given and discussion about the history of this complaint and a previous complaint (Case 3087) against this appraiser ensued. Frank Ugenti motioned to

not accept the counteroffer. The motion died due to a lack of a second. Mike Petrus motioned to audit files from the last 90 days, with three of the reports to be selected for review. He further motioned to table the question of the counteroffer until the audit of the files is completed. James Heaslet seconded the motion. Further discussion resulted in the request that the contract investigator review the reports prior to returning to the Board. Mr. Marton asked the Board to consider the time that an administrative problem resulted in the 6-month probation in the prior complaint (Case 3087) turning into a 16 month probation. Further discussion resulted in the vote on the motion going forward to audit the files and reconsider the counteroffer after that. The previous motion was restated and seconded again. A voice vote unanimously approved the motion.

#### **Discussion resumed on the matter dealing with a Formal Hearing regarding Harrison Cox – Case 3290**

After the other Board members joined the meeting, the matter of Harrison Cox that had been previously tabled was resumed. A summary was given to the Board members by Mr. Yeanoplos and Ms. Galvin. The case was first reviewed in 2011 and in 2012 a consent agreement was offered. Mr. Cox rejected the agreement and requested a formal hearing. In preparation of the formal hearing, Ms. Galvin asked that one of the contract investigators review the report for testimony at the formal hearing. Frank Ugenti motioned to rescind the formal hearing and dismiss the complaint. Joe Stroud seconded the motion to allow discussion to ensue. Discussion regarding the investigator's report and the appraisal ensued. Mr. Petrus did not agree with the investigator's report and had issues with the appraisal. He questioned the choice of the comparables, greater than normal appreciation, and response about the reliance on the assessor's records regarding the quality of the home. Frank Ugenti withdrew his motion and Joe Stroud withdrew the second. Mike Petrus motioned to rescind this matter from formal hearing and to make a counter offer in lieu of formal. He further motioned that the Board offer a Level 1 Remedial Action citing 1-1(a) regarding the credibility of the report for the differences shown between data on page 1 and page 2, and with the appraiser's reliance on the assessor's records regarding the quality rating not being credible. The motion included education; a 15-hour basic appraisal class with exam, allowing continuing education credit, in-classroom attendance required and six months to complete. James Heaslet seconded the motion. The motion was approved unanimously.

#### **Review and action regarding Jonathan P. George – Case 3502**

The Respondent and his attorney, Andrew Evans, were present. Mr. Yeanoplos read a summary of the complaint into the records. The Complainant is the homeowner who alleges that the Respondent failed to accurately identify the salient features of his home and used sales that were not comparable to the subject. Specifically, the appraiser states in one section of the report that there is no fireplace and in another section that there is a wood burning fireplace that is impacted by 'no burn' fire days. In fact, the subject has a gas fireplace. Additionally, the appraiser identifies the kitchen counters as Formica, when they are Corian. Additional errors and discrepancies were noted their

review. The Respondent stated that he has held an Arizona appraisal license since 2007 and became a Certified Residential appraiser in January, 2011. The Respondent defends the comparable sales used as the most recent sales in the area, noting the difficulty in finding good comparables due to the subject's newer age in an older neighborhood. Additionally, the homeowners had modified the home to transform the 3<sup>rd</sup> bedroom in a dining room. The Respondent notes that sales of 2-bedroom homes are very limited in the area thus he expanded the search parameters to 6 square miles in order to find a 2-bedroom sale. Discussion by the Board about the support for the bedroom adjustment, as well as other methodology and credibility issues resulted in a motion being made by James Heaslet to offer a consent agreement for probation with mentorship citing violations of USPAP Standards in Competency, 1-1(a), 1-4(a) and 2-2 (a) for errors in methodology, analyzing and reconciliation of the comparables accurately; 1-4b (i) and 2-2 b (iii) for land sales contributory value at 6.5% is inaccurate and not a proper method or technique, 1-1(c) for the series of errors noted in the report. He cited that this rose to a Level III. In addition to probation with mentorship the consent agreement is to include 7-hour USPAP update class with continuing education allowed, 15-hour complex appraisal class with exam, 15-hour basic appraisal class with exam, no continuing education allowed. All classes are to be taken in-classroom, with 6 months to complete the education and probation. Joe Stroud seconded and the Board unanimously approved the motion.

#### **Informal Hearing for Case 3485 - Michael D. Stapley**

The Respondent was present. Mr. Yeanoplos gave a summary about the reason the Board requested the informal hearing which involved the differences between manufactured and modular homes. The Board questioned the Respondent about what action he took to verify this difference, particularly on one of the Comparables that he used. Mr. Ugenti offered a way to verify whether it is a manufactured or modular home is by ordering an ITBS report. However, this report costs \$75.00 and Mr. Ugenti recognized that this may not be feasible to verify on Comparables but might be a good source when verification of a Subject property is important. Further discussion resulted in James Heaslet motioning to dismiss the complaint. Mike Trueba seconded the motion. The Board voted to approve the motion, with the exception of Joe Stroud who voted against the motion.

#### **Discussion, consideration and possible action concerning proposed legislation SB1316**

Ms. Rudd gave a summary of the current status of the bill and described the amendment that would be introduced at the Senate Finance Committee meeting later in the day. She stated that the amendment was to rectify two major issues that were seen after the bill was introduced and to clean up some of the language. After reading the clean up language, she explained that the major issues were the funding for the extra employee as called for in the bill and the time frame for the Trainee classification to be in place to allow the current trainees to complete their training before the 1/01/2015 AQB Criteria coming into place. The amendment would change the funding from the general state fund to the Appraisal Board fund. Discussion regarding the

Trainee classification resulted in the Board asking for more research to be completed from the ASC to allow the bill to include more time for trainees to be registered. Mr. Petrus discussed his displeasure that the bill calls for the Supervisor Appraiser to determine when the Trainee can inspect properties on their own. Mr. Ugenti and Mr. Heaslet concurred that they did not believe there should be a change from our current rules which requires the Supervisor Appraiser to inspect every property with the Trainee appraiser. Further discussions regarding the continuing education section for the Trainee Appraiser upon renewal of the registration resulted in asking that the section be amended to require the trainee to take the most current USPAP within six months of its release. Some discussion included all classifications and the renewal of the trainee registration being required to take the most current USPAP within 6-months of its release. However, there was concern that this should not be placed into this bill this year. There was a consensus by the Board to change the amendment to have the Trainee Appraiser follow the current USPAP seven hour update class requirement as prescribed by the Board rules for all other categories of licensure.

#### **Executive Director's Report**

Ms. Rudd updated the Board on the number of applicants that have applied for the Regulatory Compliance position and that ADOA will do the initial screening for these applicants. She described the upcoming move across the street of the Board office on February 28<sup>th</sup> and that access to the new office at 15 S 15<sup>th</sup> Avenue will be from the east, and that parking will be on the street or the open parking lot that is north of the current office lot. There is security at the new office, thus visitors will have to sign in and be escorted back to the new office. She further updated the Board on the past three month's activities including speaking at three different organizations in both Tucson and Phoenix, finding and negotiating a move to the new location, drafting the bill, assisting with the negotiations to terminate the contract with PDS Tech, and dealing with some staffing issues. She told the Board about the hard work that the staff has been doing to pack up the materials that have been in the office in preparation of the move and that the Board office had not been exempt from the flu.

**Ms. Rudd left the meeting to attend the Senate Finance Committee meeting.**

#### **Initial File Review for Case 3494 – Sharyn R. Sheffer**

The Respondent was present along with her counsel, Michael Orcutt. Mr. Heaslet read the summary to the Board. Complainant is the homeowner who purchased the subject property on May 15, 2012. The complainant was represented by a Realtor and purchased the home "AS IS" from HUD for cash. After the purchase, the owner began having problems with flooding. During subsequent research, the owner became aware of an appraisal completed by the respondent in January 2012 for HUD/BLB Resources for marketing purposes. The appraisal was not completed for the complainant or for the purchase transaction. The complainant alleged that the Respondent was negligent for failing to accurately identify the subject's location in a flood zone, which subsequently caused financial hardship to the homeowner. The Respondent's reply, via attorney,

states that the appraisal was completed for HUD and BLB Resources, which markets HUD properties. Ms. Sheffer's attorney acknowledges that an error was made, despite her due diligence. The flood zone determination is auto filled by the residential software program she uses and indicated the property was in Zone X. The flood information was verified against FEMA flood maps, however, the letter of map revision (LOMR) that reflected the flood hazard zone change was not reported. Ms. Sheffer's attorney states that she has been appraising since 2006 and last attended a USPAP course on 11/18/2011.

Discussion regarding the auto filling of the report by the software company, and the site valuation resulted in James Heaslet making a motion to dismiss and Joe Stroud seconding the motion. The Board approved the motion unanimously.

#### **Initial File Review for Case 3496 – Robert A. Schneiter**

The Respondent was present. Mr. Ugenti read the Board summary for the case. Complainant is the listing agent for the subject property at 18224 N. 42nd Avenue, in Glendale, AZ. Complainant 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, inaccurate effective age, not summarizing the Highest and Best Use analysis, insufficient analysis/support for comparable adjustments, inaccurate sales history and inadequate reconciliation. The Complainant provided a marked copy of the appraisal highlighting what she believed to be specific errors in the report. The market value estimate (\$177,000) came in below the contract purchase price (\$188,000) The Respondent admitted that there are minor typographical errors and inconsistencies, which do not materially affect the opinion of value. He stated that he has been appraising for approximately 16 years. The response included answers to specific items the complainant identified as errors and noted that the Complainant is married to the seller of the subject property. Discussion resulted in Mike Petrus making a motion to dismiss the complaint. Mike Trueba seconded the motion. The Board unanimously approved the motion.

#### **Initial File Review for Case 3497 – Daniel Hagen**

The Respondent was present. The Complainant, Steven Slaton, is an appraiser who had an appraisal reviewed by the Respondent. The Complainant alleges that the reviewer was biased against the appraiser and that the review attacked the appraiser instead of critiquing the appraisal. Mr. Slaton further alleged that the reviewer injected his personal bias in an effort to gain future work from either VIP Mortgage or the AMC, Broad Street Nationwide Valuations (client). The Respondent, Daniel Hagen, stated that he has been appraising for 28 years. Mr. Hagen notes that he has spent the past 18 years appraising/reviewing in the Payson area, including the community of Happy Jack. The reply indicated that the Respondent does not know the complainant personally and has no reason for being biased against Mr. Slaton, least of all to garner new clients. The Respondent defended his work and pointed out that the complainant changed the original appraisal report, correcting errors, before he submitted it to the Board. The

Respondent has filed a counter complaint against Mr. Slaton, citing numerous errors and inconsistencies. Mr. Hagen stated that he last attended a USPAP course on 01/17/2012.

After discussing the report, Mike Petrus motioned to dismiss the complaint. James Heaslet seconded the motion. The motion was approved unanimously.

#### **Initial File Review for Case 3505 – Anthony Colica**

The Respondent was present. Mike Trueba read the Board's summary into the record. Complainant is the homeowner's son. The main concern of the Complainant is that the conclusion of value (\$67,500) is significantly less than the property tax value reported by the Pima County Assessor (\$128,237). The complaint alleged that the appraiser should have relied upon the assessor's value estimate. The complaint also alleged that several real estate companies told him he received a "bad" appraisal. The Complainant charges that appraisers are taking kick backs under the table from banks and investors. Question number 7c on the complaint form regarding whether the appraiser accepted the assignment based upon a contingent fee is answered yes. However, it is clear that the Complainant does not understand what a contingent fee is. The Respondent defends the comparable sales and analysis presented in the report, and explains that full cash assessed values have no correlation to the market value of the subject. Mr. Colica stated that he has been appraising since 1987 and last attended a USPAP course on 7/13/2012. Discussion resulted in Frank Ugenti motioning to dismiss this complaint. Joe Stroud seconded the motion. The Board voted unanimously in favor of the motion.

#### **Initial File Review for Case 3504 – Don W. Woon**

The Respondent was present. James Heaslet read the Board summary into the record. The owner/seller is the complainant on this appraisal that was completed November 26, 2012. Among other items, the Complainant alleged that the contract was analyzed as being "non-arms length" which is wrong, comparables were not in the subject's location but were from another zip code, when there were other sales available closer, that the house has 4 bedrooms, with 3 bathrooms not 3 bedrooms, and 2 bathrooms. Also the appraiser did not describe the neighborhood value range properly; flooring, exterior or interior walls correctly, and misstated the windows as being standard, when they are oversized dual pane. The Respondent admitted that he made an error on the contract and exterior wall descriptions, but that it did not affect the overall value of the property. He never saw the comparables that the owner supplied to the lender. He was asked by the AMC to provide another comparable from the subject's zip code, which he did as Comp 7 in the report. The bedroom count was accurately described as the room in question does not have a closet. Questions of the Respondent regarding the location of the subject and comparables that were used resulted in Mike Petrus making the motion to dismiss the complaint. Joe Stroud seconded the motion. The Board voted unanimously in favor of the motion.

#### **Initial File Review for Case 3478 – Alan W. Schorr**

The Respondent was present. Joe Stroud read the Board summary into the record. The owner of the property alleged that the appraiser arrived 15 minutes late to the appointment, was unprofessional in appearance, made an inappropriate comment about being tempted to take her designer sunglasses and commented about the art work in the home. Five days after the inspection, the owner's home was robbed and has accused the appraiser of being responsible for the break-in. The owner filed a complaint with the Phoenix Police Department. The owner requested that the Board audit the appraiser's files and then to check with the Detective assigned to this case, if there have been any other reported robberies at the homes that he has appraised recently. The Respondent denied the allegations, stated that he contacted the Detective and that the Detective said he has no interest in him. After discussion about the complaint and about the comparables selected for use in the report, James Heaslet made a motion to dismiss the complaint. Frank Ugenti seconded the motion. The Board voted unanimously in favor of the motion.

**Initial File Review for Case 3486 – Tom B. Croom**

The Respondent was not present. Jeff Nolan read the summary into the records. The Board opened this complaint after hearing the matter at the August 10, 2012 meeting for non-compliance with the Consent Agreement and Order of Discipline dated August 31, 2010 concerning Complaint 2911. In particular, the appraiser failed to complete the education and monthly logs required. Sandy Croom signed the Certified Mail receipt on 10/23/2012. There has been no reply to this complaint from the Respondent. Prior to this complaint being opened, the Respondent had communicated with staff that he is working in New Mexico in an unrelated field and desired to surrender his license. However, he has not signed the voluntary surrender Consent Agreement that was sent to him in March, 2012. There has been no other communication. Discussion about his license expiration being in March resulted in Mike Petrus making the motion to close the complaint without prejudice and then to reopen the complaint should the Respondent re-apply for a license in AZ. The motion was seconded by James Heaslet, and the Board voted unanimously to approve the motion.

**Initial File Review for Case 3498 – Christina Plemons**

The Respondent was not present. Kevin Yeanoplos read the Board summary into the record. The subject property is a single family residence located in Maricopa, AZ. The Complainant, Flagstar Bank, had this appraisal reviewed retrospectively. The reviewer indicated that the comparables in the original appraisal were not similar in location, nor were they physically and functionally similar to the subject. Specifically, the appraiser used comparables that had superior upgrades, in-ground swimming pools and golf course frontage when more similar sales were available. The Respondent's market value conclusion is \$475,000. The review appraiser included 3 additional sales from the subject's development and concludes to a value of \$410,000. The Respondent replied that the appraisal was completed for EMC Mortgage as the client and that she had no idea how Flagstar Bank acquired the appraisal for review. She requested that the Board dismiss the complaint as Flagstar Bank was not her client. She further defended her

choice of comparables in the report stating that they were the most recent and that appropriate adjustments for pools and/or golf course views were made. Two of the comparables supplied by the reviewer were over six months old and thus would not have been acceptable to her client. Discussion regarding the age of the report being over five years resulted in Frank Ugenti motioning to dismiss the complaint. Mike Petrus seconded the motion. James Heaslet and Kevin Yeanoplos discussed the comparables and methodology of the appraisal and the interpretation regarding USPAP and appraising in general. The Board then voted unanimously to dismiss the complaint.

#### **Initial File Review for Case 3499 – Michael W. Ritzenthaler**

The Respondent was not present. Mike Trueba read the complaint summary into the record. The property is located in Happy Jack, AZ. The Complainant, Steven Slaton, is an appraiser who had an appraisal reviewed by the Respondent. The Complainant alleged that the reviewer was biased against the appraiser and that the review attacked the appraiser instead of critiquing the appraisal. Mr. Slaton further alleged that the reviewer injected his personal bias in an effort to gain future work from either VIP Mortgage or the AMC, Broad Street Nationwide Valuations (client). Additional alleged USPAP violations were noted by the Complainant. The Respondent replied that he has been appraising for 21 years and has approximately 10 years of experience appraising in the Happy Jack area. The reply indicated that the Respondent does not know the Complainant and has no reason for being biased against Mr. Slaton, nor is any factual support provided for the bias complaint. The Respondent defends his work and points out that the bias charges of the Complainant appear to be objections to the reviewer's legitimate findings. Mr. Ritzenthaler stated that he last attended a USPAP course on 11/16/2012. Discussion by Board members resulted in Mike Petrus making the motion to dismiss the complaint, but he wanted a letter reminding the Respondent that USPAP Standard 3-6 carries to reviews also. The certification must be included in all appraisals and reviews that you have or have not completed any work on that property in the prior three years. Joe Stroud seconded the motion. The Board voted unanimously to approve the motion.

#### **Approval of the Minutes**

The minutes from the December 14, 2012 were discussed and James Heaslet made a motion to approve the minutes. Joe Stroud seconded the motion. Mike Petrus and Frank Ugenti abstained from the vote as they were not at this meeting. The rest of the Board members voted to approve the motion.

The minutes from the January 17-18 meeting was discussed and Joe Stroud pointed out an administrative error with Case 3446. James Heaslet made a motion to approve the January minutes upon a correction of file 3446 to state Respondent was not present at the inspection. Mike Trueba seconded the motion. Frank Ugenti and Jeff Nolan abstained from the vote. The remainder of the Board voted to approve the motion.

**Ms. Rudd returned to the meeting.**

She reported that the Finance Committee passed the bill and adopted the amendment. She then informed the Board that the bill will be heard next Tuesday in the Senate Appropriations Committee. Further discussion about submitting another amendment prior to the Appropriations Committee on Tuesday was discussed and decided that there was insufficient time to have an amendment drafted by this date.

**Review and action regarding Cases 1782/1784 – Felicia Coplan**

Respondent was not present at the meeting. Ms. Benally gave an update to the Board that the missing logs as required in her consent agreement have now all been submitted. However, she has not completed the education as required. There was discussion by the Board regarding the Board's frustrations with her lack of compliance with the 2010 consent agreement. Ms. Tina Ezzell was present at this meeting and invited to participate in this discussion. She stated that the Board needed to understand that Ms. Coplan had trouble finding a mentor and that the USPAP course is not held regularly. She is completing appraisals in California and Nevada but is not completing appraisals in Arizona. She is registered to take the class in February, and that she intends to comply. Ms. Ezzell pointed out that the order did not give a deadline when the education needed to be completed by. She was surprised that at last month's meeting she was found to be in non-compliance of the order. Ms. Galvin reported that the intent was to comply within the time frame for the rest of the order. Mr. Heaslet pointed out that she was supposed to comply with this order by December, 2011. Extensive discussion ensued about her lack of compliance and the frustrations felt by the Board, as well as discussion from Ms. Ezzell outlining the problems that her client has endured through this process. She defended the response time of Ms. Coplan to this Board and her desire to comply. After additional discussion expressing the concerns of the Board order and what the Respondent understood as well as discussion about the new complaint that has been opened by the Board at last month's meeting, the Board decided to take no action.

**Informal Hearing regarding the matter of 3284 – Mark J. Smith that was tabled from the January, 2013 meeting**

Respondent and Respondent's attorney, Tina M. Ezzell appeared at this meeting. The meeting was tabled last month to allow the Respondent and her client to respond to the investigators report. Ms. Ezzell explained that she is disturbed by the lack of the investigator's report not complying with Standard 3 reviews per USPAP. Discussion ensued about the wording in the investigator's report which stated that it may not be compliant with Standard 3 USPAP. Frank Ugenti made a motion to go into Executive Session for legal advice. James Heaslet seconded the motion. All voted in favor of the motion. After reconvening into regular session, Mike Petrus made the motion to have a new investigation by a different investigator conforming to a USPAP Standard 3 review. Mike Trueba seconded the motion. The Board voted unanimously in favor of the motion.

**Compliance File Review Case 3276 – Larry Hamby**

**Discussion, consideration and possible action following the expiration of Respondent's 90-day grace period**

Ms. Rudd gave a summary as to the confusion at last month's meeting about whether he did or did not complete his education and about when this complaint was filed, whether the complaint was filed before or after the legislative change in 2011. The license has expired and the 90-day grace period for renewal has lapsed. It was researched in this past month and discovered that the complaint was originally filed prior to the legislative change thus the Board has no jurisdiction. There is no alternative but to close the case. James Heaslet made a motion to close the case without prejudice. Mike Trueba seconded the motion. The Board voted unanimously to approve the motion.

**Compliance File Review for Case 3357 - James D. Osgood**

**Discussion, consideration and possible action regarding possible action following Respondent's request for termination of probation and receipt of reports for audit**

The respondent was not present. The Board discussed the merits of the reports with particular attention paid to the exterior drive-by appraisal that was submitted. Mike Petrus made a motion to invite the Respondent to come in to discuss the reports that he sent in for audit and to bring his work file with him to the Board. Mike Trueba seconded the motion. All approved the motion with James Heaslet abstaining from the vote.

**Compliance File Review for Case 3357 – Randall S. Lineberger**

**Discussion, consideration and possible action following receipt of the subpoenaed information from the Lender**

The Respondent was not present. Kevin Yeanoplos gave a summary that this case involves the Respondent's claim that this is identity theft. Discussion about what has transpired and who has the burden of proof to prove that it was not this Respondent that did the appraisal. Frank Ugenti recused himself from this matter. Joe Stroud made a motion to go into Executive Session for legal advice. James Heaslet seconded the motion. The motion was unanimously approved. Upon return from Executive Session, Mike Petrus stated that he believed the Board had lost focus on who did the appraisal. He pointed out that the Board's time should be focused on whether USPAP standards were violated. He then noted that the comparables 1 through 3 are all Trustee Deed sales and are not even legitimate sales. Mike Petrus made a motion to send this to investigation and proceed as they normally would. James Heaslet seconded the motion. The Board voted unanimously in favor of the motion. Frank Ugenti returned to the meeting.

**Reports regarding Assistant Attorney General's Assignments, Complaints with answer dates extended by staff, and the Complaint Statistics report**

Assistant Attorney General's Assignments are all up to date, per Ms. Galvin. Ms. Rudd stated that one complaint was extended by staff this month. The Complaint Statistics were reported by Ms. Rudd.

**Application Review Committee Report**

James Heaslet reported that the committee recommends approval all items on the agenda. Mike Trueba made a motion to accept the recommendations of the Application Committee. Joe Stroud seconded the motion. The motion carried unanimously.

### **Education Committee**

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

### **Discussion, consideration and possible action following request from Attorneys Scott Zwillinger and Felicia Rotellini to amend and approve the August 10, 2012 minutes**

Ms. Galvin informed the Board that Mr. Zwillinger no longer works for this firm, thus no longer represents Ms. Friess in this matter. She outlined the changes that they are requesting. Mr. Yeanoplos directed staff to take the requested suggestions and redline the minutes to bring it back next month to the Board for discussion and possible approval.

### **Discussion, consideration and possible action concerning which Board members and Board staff will attend the Spring AARO conference**

The AARO conference in Austin, Texas starts April 27<sup>th</sup> and ends April 29<sup>th</sup>. Ms. Rudd informed the Board that there are also two meetings on April 26<sup>th</sup>, for the Appraisal Practice Board and SRAG. She stated that she would like to go and would like the contract investigator to attend. Kevin Yeanoplos and Mike Petrus both expressed their desire to go.

### **Confirmation of meeting dates, time, locations and purposes**

Next month's committee meetings will be on March 14<sup>th</sup> at the new Board office with Application Review to start at 1:30 p.m. and Education Committee to start at 2:00 p.m. The regular Board meeting is set for March 15<sup>th</sup> at 8:30 a.m. April meetings are tentatively scheduled for the 18<sup>th</sup> and 19<sup>th</sup>. **James Heaslet made a motion to adjourn. It was seconded by Jeff Nolan. The Board unanimously approved the motion and the meeting adjourned at 4:40 p.m.**

### **Adjournment**

The meeting was adjourned.

---

Kevin Yeanoplos, Chairperson