

MINUTES
ALABAMA REAL ESTATE APPRAISERS BOARD
RSA UNION STREET
SUITE 370
MONTGOMERY, ALABAMA
March 21, 2013

MEMBERS PRESENT:

Mrs. Dot Wood (Vice-Chairman)
Mr. Christopher Baker
Mr. Joseph Lundy
Mr. Fred Crochen
Mrs. Cornelia Tisher (left at 8:33 a.m.)
Mr. Chester Mallory
Mr. Mark Moody
Mr. Edmond G. Eslava, III

MEMBERS ABSENT:

Mr. Kenneth D. Wallis, III (Chairman)
Mr. Dennis Key

OTHERS PRESENT:

Mrs. Lisa Brooks, Executive Director
Ms. Neva Conway, Legal Counsel
Mrs. Karen Harlow, Legal Assistant
Mr. Sam Davis, Investigator

GUESTS PRESENT:

Ms. Penny Nichols, Certified Residential Real Property Appraiser, Deatsville, AL
Mr. John Monroe, guest of Mr. Lundy.

1.0 With quorum present Mrs. Dot Wood, Vice-Chairman, called the meeting to order at 8:20 a.m. Mrs. Karen Harlow, Legal Assistant, recorded the minutes. The meeting was held in the Real Estate Appraisers Board Conference Room, 100 North Union Street, Montgomery, Alabama. Prior notice of the meeting was posted on the Secretary of State's website on December 21, 2012 in accordance with the Alabama Open Meetings Act.

2.0 The meeting was opened with prayer by Mr. Lundy and followed by the Pledge of Allegiance, led by Mr. Crochen.

3.0 Members present were Mrs. Dot Wood, Mr. Joseph Lundy, Mr. Fred Crochen, Mrs. Cornelia Tisher, Mr. Chris Baker, Mr. Mark Moody and Mr. Chester Mallory. Members absent were Mr. Kenneth Wallis, III and Mr. Dennis Key.

Mrs. Wood welcomed the guests and asked the Board members to introduce themselves.

- 4.0 On motion by Mrs. Tisher and second by Mr. Crochen, the regular minutes for January 24, 2013 were approved as written. Motion carried by unanimous vote.

At this time Mrs. Wood presented Mrs. Tisher with a Proclamation of Appreciation from Governor Bentley for her service to the Board. Mrs. Brooks expressed her gratitude to Mrs. Tisher for her service and her pleasure in working with Mrs. Tisher during her tenure.

Ms. Conway conducted the swearing in ceremonies of new Board member Mr. Edmond Eslava, III, replacing Mrs. Cornelia Tisher in District 1. Mrs. Brooks welcomed Mr. Eslava and told him that she looked forward to working with him.

- 5.0 Ms. Conway included, for Board information, Judge Ray Martin's Order in Joshua M. Smith v. Alabama Real Estate Appraisers Board. Ms. Conway stated that she will file a Motion to reconsider.

- 6.0 Mr. Mallory discussed SB363, proposed changes to 34-27A-7, to add language providing for background checks for applicants. This amendment is necessary due to changes to the Appraisal Qualifications Board criteria. Mr. Mallory stated that Senator Dick Brewbaker is sponsoring the Bill.

- 7.0 On motion by Mr. Lundy and second by Mr. Crochen the following applications were voted on as listed. Motion carried by unanimous vote.

- 7.1 **Trainee Real Property Appraiser applications approved:** Frank M. L. Blalock, Tammie David Haddock, John Rion Price and Thomas Joseph Russell. **Applications deferred:** None. **Applications denied:** None.

Trainee Real Property Appraiser Experience Logs for Review: Logs approved: Patricia Crowley, David Cummings, Jason Easter, Rachel Greene, Gregory S. Haggard, and Cynthia Kelley. **Logs deferred:** Tony Baggett, Floyd Bischoff, Matthew Cole, David D. Ikard, David Neal and Chris Wilkinson. **Log denied:** None.

- 7.2 **State Registered Real Property Appraiser applications approved:** None. **Application deferred:** None. **Application denied:** None.

- 7.3 **Licensed Real Property Appraiser applications approved:** S. Darlene Daugherty and Kevin Douglas Day (Recip.)(MO). **Application deferred:** None. **Applications denied:** None.

- 7.4 **Certified Residential Real Property Appraiser applications approved:** None. **Application deferred:** None. **Applications denied:** None.

- 7.5 **Certified General Real Property Appraiser applications approved:** Stephen Cheng (Recip.)(GA), Russell Jay Collins (Recip.)(GA), Karen M. Fabregat (Recip.)(GA), Hiew Kuang Kang (Recip.)(GA), Daniel Thomas

Knox (Recip.)(GA), Edwin William Litloff, Jr. (Recip.)(TX), Aleksandra Muldowney (Recip.)(FL), Trevor Emerson Phillips (Recip.)(TX), Sean Michael Reilly (Recip.)(FL), and Ellen Doyle Smith (Recip.)(MA).
Application deferred: None. **Applications denied:** None.

7.6 **Mentor applications approved:** Timothy W. Davis, Robert Enslen, Jr., Christopher Pettey, Sr., Richard Pettey and Keith Webb. **Applications deferred:** Jerry W. McCullough. **Applications denied:** None.

8.0 Mr. Lundy presented the Finance report and stated that the Board was 41% into Fiscal Year 2013 and 40% into budget expenditures. Mr. Lundy stated that there were no negative trends that could not be reconciled at this time.

On motion by Mr. Crochen and second by Mr. Lundy, the Board voted to approve the Financial Report. Motion carried by unanimous vote.

The Investment report was included for Board information.

9.0 On motion by Mr. Lundy and second by Mr. Crochen, the following education courses and instructor recommendations were approved, deferred, or denied as indicated. Motion carried by unanimous vote.

APPRAISAL INSTITUTE – NATIONAL CHAPTER

New Applications:

(CE) Appraising Condos, Co-Ops & PUDs – 7 hours – Classroom
(Instructor: Maureen Sweeney)

Both Course and Instructor Approved

(CE) Case Studies in Appraising Green Commercial Buildings – 14 hours – Classroom
(Instructor: Theddi Chappell)

Both Course and Instructor Approved

CALYPSO CONTINUING EDUCATION

New Application:

(CE) FHA Site Inspection - 7 Hours – Online
(Instructor: Frances Finigan)

Both Course and Instructor Approved

DYNASTY SCHOOL

New Application:

- (CE) 2012-2013 USPAP Update Equivalent Course - 7 Hours – Online
(Instructor: Robert Abelson)
Both Course and Instructor Approved

MCKISSOCK, LP

New Application:

- (CE) Relocation Appraisal and the New ERC Form – 6 Hours – Online
(Instructors: Daniel Bradley)
Both Course and Instructor Approved

NAIFA

New Applications:

- (CE) 19.1 An Appraisers Guide to Environmental Issues – 7 Hours – Classroom
(Instructors: Michael Orman)
Both Course and Instructor Approved
- (CE) Residential Reporting: Hitting All the Bases – 7 Hours – Classroom
(Instructors: Michael Orman)
Both Course and Instructor Approved

Mrs. Brooks stated that there will not be a Trainee/Mentor Orientation on March 16, 2013; however, Orientations are planned for May16, 2013, July 18, 2013 and September 19, 2013.

10.0 The Board reviewed the following disciplinary reports.

AB 12-34 On January 24, 2013, the Board approved a Consent Settlement Order with a Certified Residential appraiser where the Licensee received a private reprimand and was assessed an administrative fine of \$875. The violations are as follows: Licensee failed to disclose a manufactured home on the property that could have been considered real property since the tongue, wheels and axels had been removed, tied-owns installed and the manufactured home assessed and taxed as part of the real property by the County Tax Office. These met the guidelines that the Board established to be minimum criteria to be considered real property and that the licensee was appraising the property as vacant land which was contrary to what was known by the licensee, therefore needed a hypothetical condition and made the report

misleading without the hypothetical condition. Licensee had large unsupported adjustments to comparable sales in the sales comparison approach to value that were not explained and had no market backed support in the workfile. Licensee failed to verify the comparable sales utilized in the sales comparison approach with a party to the transaction. Licensee made adjustments to sales in the sales comparison approach based on the licensee's opinion and unsupported estimates and failed to use market data to quantify the adjustments. The licensee states in the report that the intended use "is to evaluate the property that is the subject of this appraisal for the client's personal use." but delivered the report by e-mail to the client's attorney the day following the effective date of value to be used in the client's divorce case. Licensee made adjustments to comparable sales in the sales comparison approach based on the licensee's opinion and unsupported estimates and failed to utilize market data as the basis of quantifying adjustments. Licensee reported a value to an attorney by e-mail wherein the value estimate of real property was added to the NADA value of a manufactured home to arrive at a value. An electronic signature followed by "Certified Appraiser" followed the value and there is no written report or work file for this value estimate. **Violation: Record Keeping, Standard Rules: 1-1(a), 1-2(b), 1-2(e)(i), 1-2(g), 1-4(a), 2-1, USPAP, 2012-2013 Edition.**

Ms. Conway discussed with the Board the investigative status charts. Ms. Conway informed the Board 10 new complaints were received since the January 2013 Board meeting, 11 complaints were dismissed, and 1 complaint was settled, leaving a total of 59 open complaints.

11.0

The Board reviewed Probable Cause Report **AB-12-20**: With Mrs. Wood recusing, on motion by Mr. Crochen and second by Mr. Mallory, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-22**: With Mrs. Wood recusing, on motion by Mr. Crochen and second by Mr. Lundy, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-23**: With Mr. Baker recusing, on motion by Mr. Lundy and second by Mr. Moody, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-25**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mr. Mallory, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-26**: With Mrs. Wood recusing, on motion by Mr. Crochen and second by Mr. Moody, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-27 companion case to AB-12-28 and AB-12-29**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mr. Mallory, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-28 companion case to AB-12-27 and AB-12-29**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mr. Moody, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-29 companion case to AB-12-27 and AB-12-28**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mr. Moody, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-30 companion case to AB-12-31 and AB-12-32**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mr. Moody, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-31 companion case to AB-12-30 and AB-12-32**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mr. Moody, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-32 companion case to AB-12-30 and AB-12-31**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mr. Moody, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-33**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mr. Lundy, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-37**: With Mrs. Wood recusing, on motion by Mr. Mallory and second by Mr. Crochen, the

Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-39**: With Mrs. Wood recusing, on motion by Mr. Baker and second by Mr. Crochen, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-56**: With Mr. Baker recusing, on motion by Mr. Lundy and second by Mr. Mallory, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-58**: With Mrs. Wood recusing, on motion by Mr. Crochen and second by Mr. Mallory, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-65**: On motion by Mr. Crochen and second by Mr. Baker, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-67**: On motion by Mr. Crochen and second by Mr. Mallory, the Board voted to accept the Disciplinary Committee's recommendation, with amendments noted, that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-70**: On motion by Mr. Lundy and second by Mr. Crochen, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to issue a Letter of Counsel. Motion carried by unanimous vote.

12.0 The Board reviewed Consent Settlement Order on **AB-12-16, AB-12-17, and AB-12-18**. With Mrs. Wood and Mr. Lundy recusing, on motion by Mr. Crochen and second by Mr. Baker, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

13.0 The following reciprocal licenses were issued since last meeting: Stephen Cheng (Recip.)(GA), Russell Jay Collins (Recip.)(GA), Kevin Douglas Day (Recip.)(MO), Karen M. Fabregat (Recip.)(GA), Hiew Kuang Kang (Recip.)(GA), Daniel Thomas Knox (Recip.)(GA), Edwin William Litloff, Jr. (Recip.)(TX), Aleksandra Muldowney (Recip.)(FL), Trevor Emerson Phillips (Recip.)(TX), Sean Michael Reilly (Recip.)(FL), and Ellen Doyle Sullivan (Recip.)(MA).

- 14.0 The Temporary Permit report was provided to the Board for their information.
- 15.0 The Appraisal Management report was provided to the Board for their information.
- 16.0 Mrs. Brooks discussed the following:
- Mr. Edmond Eslava, III has been appointed and confirmed to fill the District 1 Board position.
 - Mr. Richard D. Pettey has been appointed to fill the District 5 Board position upon confirmation.
 - Mrs. Brooks discussed the Statements of Economic Interest forms, included along with the instructions in the Board books, which are due by April 30, 2013.
 - Ms. Conway discussed Home Energy Rating Certificate.
 - The Retirement Systems of Alabama Lease Renewal.
- 17.0 There was no unfinished business to discuss at this time.
- 18.0 Mrs. Brooks discussed the possibility of requesting that Ms. Conway's position be upgraded to Attorney III. On motion by Mr. Crochen and second by Mr. Baker, the Board voted to give Mrs. Brooks the authority to ask State Personnel to review Ms. Conway's desk in an effort to upgrade the position.
- 19.0 At 10:39 a.m., on motion by Mr. Lundy and second by Mr. Baker, the Board voted to adjourn. Motion carried by unanimous vote. The Board's tentative meeting schedule for the remainder of 2013 is May 16, 2013, July 18, 2013, and September 19, 2013 in the 1st Floor Purchasing Auditorium and November 21, 2013 in the 3rd Floor Conference Room, both in the RSA Union Building, 100 North Union Street, Montgomery, Alabama.

Sincerely,

Karen Harlow
Legal Assistant

KH/cg

APPROVED: _____
Dot Wood, Vice-Chairman

