

MINUTES
ALABAMA REAL ESTATE APPRAISERS BOARD
RSA UNION STREET
SUITE 370
MONTGOMERY, ALABAMA
May 16, 2013

MEMBERS PRESENT:

Mr. Kenneth D. Wallis, III (Chairman)
Mrs. Dot Wood (Vice-Chairman)
Mr. Christopher Baker, arriving at 8:50 a.m.
Mr. Dennis Key
Mr. Joseph Lundy
Mr. Fred Crochen
Mr. Chester Mallory
Mr. Edmond G. Eslava, III

MEMBERS ABSENT:

Mr. Mark Moody

OTHERS PRESENT:

Mrs. Lisa Brooks, Executive Director
Ms. Neva Conway, Legal Counsel
Mrs. Carolyn Greene, Executive Secretary
Mr. Sam Davis, Investigator
Mr. Joe Dixon, Investigator

GUESTS PRESENT:

Mr. Randy Smyth, Trainee Real Property Appraiser, Luverne, AL
Ms. Barbara Harrison, Certified Residential Real Property Appraiser, Luverne, AL

TRAINEE/MENTOR ORIENTATION ATTENDEES:

Mr. Chad Anderson
Mr. Frank Blalock
Mr. Adam Cowart
Mr. Timothy Davis
Ms. Crystal Daw
Ms. Shawn Green
Ms. Tammie Haddock
Mr. Chris Jones
Mr. John Lewis
Ms. Leah Partridge
Mr. John Ritger
Mr. Andrew Robbins
Mr. William Robbins
Mr. Thomas Russell
Mr. Steve York

1.0 With quorum present Mr. Kenneth Wallis, III, Chairman, called the meeting to order at 8:16 a.m. Mrs. Carolyn Greene, Executive Secretary, recorded the minutes. The meeting was held in the Purchasing Auditorium, 1st Floor, 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. The location of the meeting was updated on the Secretary of State's website on April 17, 2013 in accordance with the Alabama Open Meetings Act.

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

3.0 Members present were Mr. Kenneth Wallis, III, Mrs. Dot Wood, Mr. Joseph Lundy, Mr. Fred Crochen, Mr. Edmond G. Eslava, III, Mr. Chris Baker, Mr. Dennis Key and Mr. Chester Mallory. Member absent was Mr. Mark Moody.

Mr. Wallis welcomed the guests present and asked Board Members to introduce themselves.

4.0 On motion by Mr. Mallory and second by Mr. Baker, the regular minutes for March 21, 2013 were approved as written. Motion carried by unanimous vote.

Mrs. Brooks discussed Committee assignments with the Board. Chairman Wallis made the new Committee assignments.

5.0 Ms. Conway discussed 56-CV-2011-900009.00 (Joshua M. Smith V. Alabama Real Estate Appraisers Board) with the Board. Ms. Conway stated that she is preparing a Motion to Dismiss because Mr. Smith's appeal was not filed timely. She anticipates the case getting back to the Court of Civil Appeals at some point.

6.0 Mr. Mallory discussed SB363 with the Board. He explained that the Bill came out of committee, but that it has now been indefinitely postponed. The Bill will have to be re-filed in the next Legislative Session.

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

7.1 **Trainee Real Property Appraiser applications approved:** Max Carlton Burkhalter, Debra Patrice Daniel, Scott Gartman, Christopher Alan Pettey, Jr., Mark Andrew Robbins and William Street. **Applications deferred:** None. **Applications denied:** None.

Trainee Real Property Appraiser Experience Logs for Review: **Logs approved:** Sean Almeida, Tony Baggett, Will Cabaniss, David D. Ikard,

David Neal and Chris Wilkinson. **Logs deferred:** Floyd Bischoff, Matthew Cole, Jonathan Ray and Paul Shiver. **Logs 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:** None. **Application deferred:** None. **Applications denied:** None.

7.4 **Certified Residential Real Property Appraiser applications approved:** Patricia Crowley, David Cummings, Gregory S. Haggard and Charles David Neal. **Application deferred:** None. **Applications denied:** None.

7.5 **Certified General Real Property Appraiser applications approved:** Philip D. Bailey (Recip.)(VA), Mariano S. Borges (Recip.)(AZ), Mark C. Cartin (Recip.)(GA), Christopher A. English (Recip.)(GA), David W. Irish (Recip.)(FL), Christopher J. Stallings (Recip.)(TX), Scott Rawson Tew (Recip.)(FL) Marvin List Underwood and Chung Hoon Yoo (Recip.)(GA). **Application deferred:** None. **Applications denied:** None.

7.6 **Mentor applications approved:** Eley Dantzler Frazer, Natalie Jay, Jerry W. McCullough, Randy Nelson and Samuel B. Williams. **Applications deferred:** None. **Applications denied:** None.

8.0 Mr. Lundy presented the Finance report and stated that the Board was 50% into Fiscal Year 2013 and 46% into budget expenditures. Mr. Lundy stated that there were no negative trends that could not be reconciled at this time.

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

AMERICAN SOCIETY OF FARM MANAGERS & RURAL APPRAISERS

New Application:

(CE) Sales Comparison Approach – 8 hours – Classroom
(Instructor: Randal Kyles)

Both Course and Instructor Approved

APPRAISAL INSTITUTE

New Applications:

(CE) Online REO Appraisal: Appraisal of Residential Property for

Foreclosure & Pre-foreclosure – 7 hours – Online
(Instructor: Mark Rattermann)

Both Course and Instructor Approved

(CE) Online Introduction to Green Buildings: Principles & Concepts – 7 hours – Online

(Instructor: Taylor Watkins)

Both Course and Instructor Approved

(LIC) Online General Appraiser Income Approach, Part 1 – 30 hours – Online

(Instructor: David Lennhoff)

Both Course and Instructor Approved

(CE) Online Case Studies in Appraising Green Residential Buildings – 7 hours – Online

(Instructor: Sandy Adomatis)

Both Course and Instructor Approved

Renewal Application:

(CE) Online Comparative Analysis – 7 hours – Online
(Instructor: Arlen Mills)

Both Course and Instructor Approved

IAAO

New Application:

(CE) IAAO 151: Uniform Standards of Professional Appraisal Practice (USPAP) – 14 Hours – Classroom

(Instructors: Stephen Snyder)

Both Course and Instructor Approved

MCKISSOCK, LP

New Applications:

(CE) Instructor approval only for previously approved course Disciplinary Cases: What Not to Do – Live Webinar – 7 Hours – Online

(Instructors: Robert McClelland)

Instructor Approved

(CE) Instructor approval only for previously approved course Land and Site Valuation-Live Webinar – 5 Hours – Online

(Instructors: Robert McClelland)

Instructor Approved

- (CE) Residential Appraisal Review – 7 Hours – Classroom
(Instructors: Dan Bradley, Wally Czakalski, Ken Guilfoyle, Chuck Huntoon, Tracy Martin, Richard McKissock, Larry McMillen, Steve Vehmeier, John Willey, Susanne Barkalow and Paul Lorenzen)
Both Course and Instructors Approved
- (CE) Disciplinary Cases: What NOT to Do – 7 Hours – Classroom
(Instructors: Dan Bradley, Wally Czakalski, Ken Guilfoyle, Chuck Huntoon, Tracy Martin, Richard McKissock, Larry McMillen, Steve Vehmeier, John Willey, Susanne Barkalow and Paul Lorenzen)
Both Course and Instructors Approved
- (CE) Modern Green Building Concepts – 6 Hours – Online
(Instructors: Dan Bradley)
Both Course and Instructors Approved

REQUESTS FOR CONTINUING EDUCATION CREDIT

Charles Robert Jones, III – 101-Fundamentals of Real Property Appraisal – International Association of Assessing Officers – 7 Hours
Credit Approved

Jane Mardis – IAAO 312: Commercial and Industrial Modeling – Auburn University Center for Governmental Services – 7 Hours
Credit Approved

Mrs. Brooks stated that Trainee/Mentor Orientations are scheduled for July 18, 2013 and September 19, 2013.

10.0 The Board reviewed the following disciplinary reports.

AB 12-16, AB 12-17, AB 12-18 On March 21, 2013, the Board approved a Consent Settlement Order with Certified General appraiser, Nona R. Andrews, G00334, where the Licensee agreed to pay an administrative fine of \$1875 and surrender her Mentor status on March 31, 2013. The violations in the three reports are as follows: **AB 12-16:** The Licensee did not develop or consider the Cost Approach to value and for a reason stated “The VA does not require the Cost Approach”. An appraiser must consider all approaches to value and the exclusion of an approach must have justification. The Licensee stated that “The income approach was not applicable to this assignment therefore it was neither considered nor developed”. Licensee did not have market based data or other support for the adjustments utilized in the Sales Comparison Approach for Gross Living Area, unfinished basement area and finished basement area, and the Licensee did not demonstrate that there was sufficient understanding to correctly employ the approach. Because the Licensee did not consider or develop the Cost and Income Approaches or explain why the approaches were not applicable to the assignment, the Licensee did not demonstrate that there was significant understanding to

correctly employ the approaches. An appraiser must avoid making an unsupported assumption or premise about market area trends, effective age, and remaining life. Licensee made an unsupported assumption that the subject 34 year old home had an effective age of 15 years. Licensee failed to verify the comparable sales utilized in the Sales Comparison Approach. Licensee failed to provide sufficient information on the Market Conditions in the neighborhood section, justification for the effective age, and adjustments utilized in the Sales Comparison Approach to enable the intended user to understand the report properly. **Violation: Scope of Work Rule, Standard Rules: 1-1(a), 1-3(a), 1-4(a), 2-1(b), USPAP, 2010-2011 Edition.**

AB 12-17: The Licensee did not develop or consider the Cost Approach to value and for a reason stated "The VA does not require the Cost Approach". An appraiser must consider all approaches to value and the exclusion of an approach must have justification. The Licensee stated that "The income approach was not applicable to this assignment therefore it was neither considered nor developed". Licensee did not have market based data or other support for the adjustments utilized in the Sales Comparison Approach for Gross Living Area, unfinished basement area and finished basement area, and the Licensee did not demonstrate that there was sufficient understanding to correctly employ the approach. Because the Licensee did not consider or develop the Cost and Income Approaches or explain why the approaches were not applicable to the assignment, the Licensee did not demonstrate that there was significant understanding to correctly employ the approaches. An appraiser must avoid making an unsupported assumption or premise about market area trends, effective age, and remaining life. Licensee made an unsupported assumption that the subject 34 year old home had an effective age of 15 years. Licensee failed to verify the comparable sales utilized in the Sales Comparison Approach. Licensee failed to provide sufficient information on the Market Conditions in the neighborhood section, justification for the effective age, and adjustments utilized in the Sales Comparison Approach to enable the intended user to understand the report properly. **Violation: Scope of Work Rule, Standard Rules: 1-1(a), 1-3(a), 1-4(a), 2-1(b), USPAP, 2010-2011 Edition.**

AB 12-18: The Licensee did not develop or consider the Cost Approach to value and for a reason stated "The VA does not require the Cost Approach". An appraiser must consider all approaches to value and the exclusion of an approach must have justification. The Licensee stated that "The income approach was not applicable to this assignment therefore it was neither considered nor developed". Licensee did not have market based data or other support for the adjustments utilized in the Sales Comparison Approach for Gross Living Area, unfinished basement area and finished basement area, and the Licensee did not demonstrate that there was sufficient understanding to correctly employ the approach. Because the Licensee did not consider or develop the Cost and Income Approaches or explain why the approaches were not applicable to the assignment, the Licensee did not demonstrate that there was significant understanding to correctly employ the approaches. An appraiser must avoid making an unsupported assumption or premise about market area trends, effective age, and remaining life. Licensee made an unsupported

assumption that the subject 34 year old home had an effective age of 15 years. Licensee failed to verify the comparable sales utilized in the Sales Comparison Approach. Licensee failed to provide sufficient information on the Market Conditions in the neighborhood section, justification for the effective age, and adjustments utilized in the Sales Comparison Approach to enable the intended user to understand the report properly. **Violation: Scope of Work Rule, Standard Rules: 1-1(a), 1-3(a), 1-4(a), 2-1(b), USPAP, 2010-2011 Edition.**

Ms. Conway discussed with the Board the investigative status charts. Ms. Conway informed the Board 13 new complaints were received since the March 2013 Board meeting, 7 complaints were dismissed, and 3 complaints were settled, leaving a total of 62 open complaints.

11.0 The Board reviewed Probable Cause Report **AB-12-35**: With Mrs. Wood and Mr. Key recusing, 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 issue a Letter of Counsel. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-36**: With Mrs. Wood and Mr. Key recusing, on motion by Mr. Baker and second by Mr. Mallory, 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.

The Board reviewed Probable Cause Report **AB-12-40**: With Mr. Baker and 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 not exist and to issue a Letter of Counsel. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-44**: With Mr. Key and Mrs. Wood recusing, on motion by Mr. Baker 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-12-53**: With Mrs. Wood and Mr. Baker recusing, on motion by Mr. Lundy and second by Mr. Key, 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-12-54**: With Mrs. Wood and 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 issue a Letter of Counsel. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-12-55**: With Mrs. Wood

and Mr. Key recusing, on motion by Mr. Baker 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-12-57**: With Mr. Key and Mrs. Wood recusing, on motion by Mr. Baker and second by Mr. Mallory, 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.

The Board reviewed Probable Cause Report **AB-12-59**: With Mr. Key and Mrs. Wood recusing, on motion by Mr. Baker and second by Mr. Lundy, 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.

The Board reviewed Probable Cause Report **AB-12-60**: With Mr. Key and Mrs. Wood recusing, on motion by Mr. Baker and second by Mr. Mallory, 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.

The Board reviewed Probable Cause Report **AB-12-61**: With Mr. Baker recusing, on motion by Mr. Lundy and second by Mr. Key, 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.

The Board reviewed Probable Cause Report **AB-12-62**: With Mr. Key and Mrs. Wood recusing, on motion by Mr. Baker and second by Mr. Mallory, 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.

The Board reviewed Probable Cause Report **AB-13-02**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mr. Key, 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-13-03**: With Mrs. Wood recusing, on motion by Mr. Crochen and second by Mr. Key, 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-13-04**: With Mr. Baker recusing, on motion by Mr. Crochen and second by Mr. Key, 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-13-05**: 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-13-08**: With Mrs. Wood recusing, on motion by Mr. Baker and second by Mr. Key, 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-13-10**: With Mr. Baker recusing, on motion by Mr. Key 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.

12.0 The Board reviewed Consent Settlement Order on **AB-12-20 (James W. Folkes, G00621)**. With Mrs. Wood recusing, on motion by Mr. Baker and second by Mr. Key, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed Consent Settlement Order on **AB-12-28 and AB-12-31 (Jeffrey H. Walker, G01072)**. With Mr. Baker recusing, on motion by Mr. Lundy and second by Mr. Key, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed Consent Settlement Order on **AB-12-29 and AB-12-32 (Karen L. Blosser, G01071)**. With Mr. Baker recusing, on motion by Mr. Lundy and second by Mr. Key, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed Consent Settlement Order on **AB-12-58 (Ronald Hill, Jr. L00377)**. With Mrs. Wood recusing, on motion by Mr. Key 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: Philip D. Bailey (Recip.)(VA), Mariano S. Borges (Recip.)(AZ), Mark C. Cartin (Recip.)(GA), Christopher A. English (Recip.)(GA), David W. Irish (Recip.)(FL), Christopher J. Stallings (Recip.)(TX), Scott Rawson Tew (Recip.)(FL) and Chung Hoon Yoo (Recip.)(GA).

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 Mr. Randy Smyth addressed the Board regarding how experience points are allocated. Mr. Smyth asked the Board for a waiver of the experience point requirement due to the difficulty he is having obtaining his experience points in the rural area he lives and works in. Mr. Wallis asked Ms. Conway to research the matter and how other states handle experience points and to report back to the Board at the July Board meeting.

Mrs. Brooks discussed the status of Governor Bentley's appointments to the Board. Mrs. Brooks explained to the Board that the appointments of Mr. Richard D. Petty (5th Congressional District) and Mr. Robert Butler (7th Congressional District) had both gone through the Appointments Committee, and that the appointment of Ms. Angela Frost (AMC appointee) had not gone through the Committee, but that since May 20th is the last day of the Legislative Session, none of these will be confirmed in this Session.

Mr. Eslava discussed below grade living area guidelines.

Mr. Key discussed an Appraisal Fee Survey conducted by Southeastern Louisiana University – Business Research Center (Herb Holloway – Research Economist). Mr. Eslava will contact Dr. Epley at the University of South Alabama, to ask him if he would be interested in conducting this survey free of charge.

Mrs. Brooks discussed a donation that the Board made to the Hadley Hartman Benefit Fund.

17.0 The Review Appraisal Credit discussion was deferred until a later date.

18.0 There was no new business to discuss at this time.

19.0 At 11:28 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 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,

Carolyn Greene
Executive Secretary
/cg

APPROVED: _____
Kenneth D. Wallis, III, Chairman