

**MINUTES**  
**ALABAMA REAL ESTATE APPRAISERS BOARD**  
**RSA UNION STREET**  
**SUITE 370**  
**MONTGOMERY, ALABAMA**  
**September 15, 2011**

**MEMBERS PRESENT:**

Mr. Joseph Lundy (Chairman)  
Mr. Kenneth D. Wallis, III (Vice-Chairman)  
Mr. Fred Crochen  
Mr. Joseph Lambert  
Mrs. Dot Wood  
Mr. Chris Pettey  
Mrs. Cornelia Tisher

**MEMBERS ABSENT:**

Mr. Mark Moody  
Mr. Chester Mallory

**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:**

Orientation attendees list attached.

1.0 With quorum present Mr. Joseph Lundy, Chairman, called the meeting to order at 8:36 a.m. Mrs. Carolyn Greene, Executive Secretary, recorded the minutes. The meeting was held at the State Capitol Auditorium, North Union Street, Montgomery, Alabama. Prior notice of the meeting was posted on the Secretary of State's website on January 24, 2011 in accordance with the Alabama Open Meetings Act.

1.1 The meeting was opened with prayer by Mr. Crochen and followed by the Pledge of Allegiance, led by Mrs. Wood.

2.0 Mr. Lundy welcomed the guests present and went over housekeeping details.

At this time, Mr. Lundy asked Board Members to introduce themselves. Members present were Mr. Joseph Lundy, Mr. Chris Pettey, Mr. Fred Crochen, Mrs. Dot Wood, Mr. Kenneth Wallis III, Mrs. Cornelia Tisher and Mr. Joseph Lambert. Members absent were Mr. Mark Moody and Mr. Chester Mallory.

3.0 On motion by Mr. Lambert and second by Mr. Wallis, the regular minutes for July 21, 2011 were approved as written. Motion carried by unanimous vote.

3.3 Ms. Conway included the following for Board consideration:

- Notice of Appeal on Complaint No. AB-08-131 (Donald W. Manuel, R00460).
- Motion for Stay on Complaint No. AB-08-131 (Donald W. Manuel, R00460) until the appeal is heard and/or acted upon by the Circuit Court of Jefferson County. On motion by Mrs. Wood and second by Mr. Pettey, the Board voted to deny the motion to stay the order. Motion carried by unanimous vote.

Ms. Conway discussed an Order entered by Judge Ray D. Martin, Circuit Judge Randolph County, on the Petition for Judicial Review and/or Appeal filed by Joshua M. Smith, R00770 (AB-08-100). Judge Martin modified the findings, conclusions and punishments set forth by the Board. Ms. Conway stated that according to case law, the judge does not have the authority to substitute his judgment for that of the Board and that she has filed a motion in Randolph County Circuit Court to Alter, Vacate or Amend the judge's order.

Mr. Don Manuel addressed the Board regarding the denial of the Motion for Stay. On motion by Mr. Wallis and second by Mr. Lambert, the Board voted to reconsider the denial of the Motion for Stay. Mr. Pettey, Mr. Wallis and Mr. Lambert were in favor of the motion to reconsider the denial. Mrs. Tisher, Mrs. Wood, Mr. Crochen and Mr. Lundy were against the motion. Motion failed.

4.0 Mr. Wallis reported on the AMC legislation, and informed the guests that ACT 2011-701 can be found on the Secretary of State's website.

Ms. Conway reported that the AMC administrative rules have been adopted by emergency adoption and that the rules have been filed with Legislative Reference for permanent adoption.

Mr. Lundy asked if it would be possible for the Board to send letters to Appraisal Management Companies to find out how they determine their fees. Ms. Conway will research this matter and report back to the Board.

The Board will discuss, at the November Board meeting, the possibility of amending the Administrative Code to include how the fees are determined.

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

- 5.1 **Trainee Real Property Appraiser application approved:** None.  
**Applications deferred:** None. **Applications denied:** None.
- 5.2 **State Registered Real Property Appraiser applications approved:**  
Seth Fillingham and Susanna Fillingham. **Applications deferred:** None.  
**Applications denied:** None.
- 5.3 **Licensed Real Property Appraiser application approved:** Clayton H.  
Brooks. **Applications deferred:** None. **Applications denied:** None.
- 5.4 **Certified Residential Real Property Appraiser applications approved:**  
Amber Amis, Michael V. Johnson, Michael Shelley, and Chester Sowell.  
**Applications deferred:** Jason R. King. **Applications denied:** Sellers  
Payne.
- 5.5 **Certified General Real Property Appraiser applications approved:**  
Gerilyn L. Bosse (Recip.)(ME), Cynthia S. Jacobs (Recip.)(NV), Jerry  
Andrew Keelon, Christina M. Keith (Recip.)(GA), Christopher McGuire,  
Richard J. Roddewig (Recip.)(OH), Heidi E. Schaff (Recip.)(FL),  
Christopher D. Starkey (Recip.)(GA) and William B. Wilson (Recip.)(GA).  
**Applications deferred:** David C. Singleton. **Applications denied:**  
None.
- 5.6 **Mentor applications approved:** James Roger Ball and William  
Hopewell. **Application deferred:** William Kyle Goodson. **Applications  
denied:** None.
- 6.0 Mr. Wallis presented the Finance report. Mr. Wallis stated that the Board  
was 91% into FY 11 and 72% into budget expenditures and that there  
were no negative trends that could not be reconciled at this time. Mr.  
Wallis explained the following to the Board and attendees:
- The Board Finance report.
  - The decrease in Board expenditures.
  - The decrease in licensees by 154 from the same point in Fiscal  
Year 2010.
  - License fees have not been raised since 2003 and that the Board  
is researching other options to increase the 606 Fund. License  
fees will be increased only as a last resort.
  - National Registry fees will increase from \$25 to \$40 annually in  
November.
  - The 5-year strategic plan to combat the disparity between revenue  
and expenditures.

Mr. Wallis congratulated the Board and Staff for their efforts to cut costs

thus far.

On motion by Mr. Lambert and second by Mrs. Wood, the Board voted to approve the Financial Report. Motion carried by unanimous vote.

Mr. Wallis took the opportunity to explain to the guests that although self-funded, the Board was still subject to the budget cuts mandated by Governors Riley (15%) and Bentley.

- 6.1 On motion by Mr. Pettey and second by Mr. Lambert, the following education courses and instructor recommendations were approved, deferred, or denied as indicated. Motion carried by unanimous vote.

#### **APPRAISAL INSTITUTE – ALABAMA CHAPTER**

- (CE) Thinking Outside the Form: Tools, Techniques & Opportunities for Residential Appraising - 7 Hours – Classroom  
(Instructor: James Atwood)  
**Both Course and Instructor Approved**
- (CE) Using Spreadsheet Programs in Real Estate Appraisals – The Basics - 7 Hours – Classroom  
(Instructor: Mark Smeltzer)  
**Both Course and Instructor Approved**
- (CE) Evaluating Commercial Construction – 15 Hours – Classroom  
(Instructor: James Canestaro)  
**Both Course and Instructor Approved**

#### **APPRAISAL UNIVERSITY**

- (CE) Site Analysis and Valuation – 7 Hours – Online  
(Instructor: Steven Spangle)  
**Both Course and Instructor Approved**

#### **CAREER WEBSCHOOL**

- (CE) Appraisal Math and Statistics – 7 Hours – Online  
(Instructor: AM Bud Black)  
**Both Course and Instructor Approved**
- (CE) Income Capitalization Overview – 7 Hours – Online  
(Instructor: AM Bud Black)  
**Both Course and Instructor Approved**
- (CE) Sales Comparison Approach – 7 Hours – Online  
(Instructor: AM Bud Black)  
**Both Course and Instructor Approved**
- (CE) Cost Approach Overview – 7 Hours – Online  
(Instructor: AM Bud Black)

**Both Course and Instructor Approved**

**MCKISSOCK**

(CE) REO & Foreclosures – 5 Hours – Online  
(Instructor: Dan Bradley)  
**Instructor Approved**

(CE) Even Odder – More Oddball Appraisals – 7 Hours – Online  
(Instructor: Dan Bradley)  
**Instructor Approved**

**EARTH ADVANTAGE INSTITUTE**

(CE) Appraising Green Homes – 14 Hours – Classroom  
(Instructor: Taylor Watkins)  
**Both Course and Instructor Approved**

**REALTY LAND INSTITUTE**

(CE) Use of Conservation Easements in Conjunction with Real Estate  
Development – 3 Hours – Classroom  
(Instructors: Ronald Levitt and David Wooldridge)  
**Both Course and Instructors Approved**

**REQUESTS FOR CONTINUING EDUCATION CREDIT**

Marcus E. Bailey – IAAO Fundamentals of Assessment Ratio Studies –  
International Association of Assessing Officers – 7 Hours  
**Credit Approved**

Eric Wolfe – Appraisal Manual – Auburn University – 7 Hours  
**Credit Approved**

The following appraisal course monitor report was included for Board  
information:

- Mr. Dixon – USPAP 7 Hour Update 2010-2011, taught by  
McKissock

The motion carried by unanimous vote.

6.2 The Board reviewed the following disciplinary reports.

**AB 10-02** On July 21, 2011, the Board approved a Consent Settlement  
Order and issued a public reprimand to Mumford, Alabama Certified  
Residential appraiser James W. Smith, R00897. Licensee also agreed  
that his license will be suspended for 90 days, however, the suspension is  
stayed and Licensee is on probation for one year. Licensee also agreed  
to pay an administrative fine of \$2,250. The violations were: The  
licensee miss-measured the residence and understated the gross living

area by 520 square feet. Licensee failed to properly identify the physical characteristics of the subject improvements, which directly affected the type of value and the intended use of the appraisal. Licensee moved his place of business and changed telephone numbers, but failed to notify the Board of these changes. **Violations: Standard 1-1(b), 1-1(c), 1-2(c)(i) and 2-1(a), USPAP, 2008-2009 Ed., §34-27A-16(b), Appraisers Act.**

**AB 11-22** On July 21, 2011, the Board approved a Consent Settlement Order and assessed an administrative fine against Birmingham, Alabama Trainee Appraiser Jonathan M. Ray (T01702). Licensee agreed to pay a \$250 fine for failure to timely notify the Board of his change of address. **Violation: §34-27A-16, Appraisers Act.**

Ms. Conway discussed with the Board the investigative status charts. Ms. Conway informed the Board 4 new complaints were received since the July 2011 Board meeting, 13 complaints were dismissed, and 3 complaints were settled, leaving a total of 73 open complaints.

6.2.1 The Board reviewed Probable Cause Report **AB-10-61, AB-10-62 and AB-10-63**: With Mr. Lambert, Mr. Wallis and Mr. Pettey recusing, on motion by Mr. Crochen and second by Mrs. Wood, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does exist and to set this case for a hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-10-76, AB-10-78, AB-10-90, AB-10-92, AB-10-94 and AB-10-114**: With Mr. Pettey, Mrs. Tisher and Mrs. Wood recusing, on motion by Mr. Wallis and second by Mr. Lambert, the Board voted to accept the Disciplinary Committee's recommendation that probable cause does not exist and to dismiss these cases. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-11-09**: With Mr. Wallis, Mr. Lundy and Mr. Pettey recusing, on motion by Mrs. Tisher and second by Mrs. Wood, 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-11-24 companion to AB-11-25**: With Mr. Lambert recusing, on motion by Mr. Wallis and second by Mrs. Wood, 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-11-25 companion to AB-11-24**: With Mr. Lambert recusing, on motion by Mr. Wallis and second by Mrs. Wood, 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-11-26**: With Mrs. Wood

recusing, on motion by Mr. Wallis and second by Mr. Lambert, 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-11-27**: With Mrs. Wood recusing, on motion by Mr. Wallis and second by Mr. Lambert, 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-11-17**: On motion by Mr. Pettey and second by Mr. Wallis, 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-11-10**: On motion by Mr. Wallis and second by Mrs. Wood, 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-09-96**: With Mr. Lundy and Mrs. Wood recusing, on motion by Mrs. Tisher and second by Mr. Pettey, 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.

6.2.2 The Board reviewed Consent Settlement Order on **AB-08-19 (Gilbert P. Johnson)**. With Mr. Lambert and Mrs. Wood recusing, on motion by Mr. Wallis and second by Mrs. Tisher, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed Consent Settlement Order on **AB-10-35 and AB-10-36 (Stacey Gaba Wade)**. With Mr. Lambert recusing, on motion by Mr. Wallis and second by Mrs. Tisher, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

6.3 The following reciprocal licenses were issued since last meeting: Gerilyn L. Bosse (Recip.)(ME), Cynthia S. Jacobs (Recip.)(NV), Christina M. Keith (Recip.)(GA), Richard J. Roddewig (Recip.)(OH), Heidi E. Schaff (Recip.)(FL), Christopher D. Starkey (Recip.)(GA) and William B. Wilson (Recip.)(GA).

7.0 The Temporary Permit report was provided to the Board for their information.

8.0 Mr. Pettey discussed unregistered Appraisal Management companies. He explained to the Board and attendees that licensees are obligated to report unregistered Appraisal Management Companies to the Board and they should not accept assignments from them.

Mrs. Brooks will add a Frequently Asked Questions to the website for questions regarding AMC's.

The Board discussed the 17.5 hours approved for the Investigator Training previously attended by the Board's investigators and some Board members. The Board determined that, in the future, training such as this would fall under the new policy pertaining to the granting of no more than 7 hours for continuing education courses or seminars that have not already been approved by the Board.

Mrs. Brooks presented an email from Mrs. Deena Pennington requesting that her Mentor Status be made inactive. After much discussion, on motion by Mr. Wallis and second by Mrs. Wood, the Board voted to deny the request. Those in favor were Mr. Wallis, Mr. Lundy, Mrs. Wood, Mr. Pettey, Mr. Crochen, and Mrs. Tisher. Mr. Lambert opposed. Motion carried.

Mrs. Brooks included, for Board information, an email from Mr. Ron Morgan regarding the Uniform Appraisal Dataset.

9.0 There was no unfinished business to discuss at this time.

10.0 Mr. Lundy discussed the Board's presence before the Sunset Committee at their meeting held on July 28, 2011. Board and staff members in attendance were Mr. Lundy, Mr. Lambert, Mr. Mallory, Mr. Moody, Ms. Conway and Mrs. Brooks. Mr. Lundy discussed items of concern to the Committee, specifically:

- The use of private reprimands in disciplinary cases
- Board finances
- The review of experience credit by a Board member in the same district as the applicant. Mr. Lundy explained an applicant's right to appeal upon a denial of his/her application.

The Board discussed customary and reasonable fees.

Ms. Conway discussed experience credit for federally related transactions. There is a group of appraisers who mistakenly believe that if the transaction is not federally related, the De minimis does not apply. If a non-residential appraisal is performed outside the limitations of a classification, the De minimis applies whether the transaction is federally related or not. The Board declined to approve experience credit for appraisals outside a licensee's classification when the appraiser was not licensed to perform that appraisal.

Ms. Conway informed the Board that a Motion to Stay has been filed in the Circuit Court of Jefferson County within the last hour in the case of Mr. Don Manuel.

Mrs. Brooks will review the 5 Categories and Requirements, send a mass email explaining them and put this information on the website.

Mr. Lundy discussed holding make-up Trainee/Mentor Orientations. The Board will discuss the matter further at the November Board meeting.

At this time, the Board held a Question and Answer session.

- 11.0 At 11:20 a.m., on motion by Mrs. Tisher and second by Mrs. Wood, the Board voted to adjourn. Motion carried by unanimous vote. The Trainee/Mentor Orientation will begin at 1:00 p.m. The Board's meeting schedule for the remainder of 2011 is November 17, 2011 in the 3<sup>rd</sup> Floor Conference Room of the RSA Union Building, 100 North Union Street, Montgomery, Alabama.

Sincerely,

Carolyn Greene  
Executive Secretary

**APPROVED:** \_\_\_\_\_  
**Joseph Lundy, Chairman**