

MINUTES
ALABAMA REAL ESTATE APPRAISERS BOARD
RSA UNION STREET
SUITE 370
MONTGOMERY, ALABAMA
May 15, 2014

MEMBERS PRESENT:

Mr. Edmond G. Eslava, III (Vice-Chairman)
Mr. Lew Watson
Mr. Billy Cotter
Mr. Richard D. Pettey
Ms. Angie Frost (arriving at 9:05)
Mr. Robert Butler
Mr. Chester Mallory

MEMBERS ABSENT:

Mr. Christopher Baker (Chairman)
Mr. Dennis Key

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. Brett Blissitte, Certified Residential Real Property Appraiser, Hope Hull, AL
Mr. Kenneth Wallis, III, outgoing Board member

- 1.0 With quorum present Mr. Edmond Eslava, Vice-Chairman, called the meeting to order at 9:02 a.m. Mrs. Carolyn Greene, Executive Secretary, recorded the minutes. The meeting was held in the 3rd Floor Conference Room, 100 North Union Street, Montgomery, Alabama. Prior notice of the meeting was posted on the Secretary of State's website on January 3, 2014 in accordance with the Alabama Open Meetings Act. The time of the meeting was updated on the Secretary of State's website on April 1, 2014 in accordance with the Alabama Open Meetings Act.
- 2.0 The meeting was opened with prayer, led by Mr. Wallis, followed by the Pledge of Allegiance, led by Mr. Eslava.
- 3.0 Members present were Mr. Billy Cotter, Mr. Lew Watson, Mr. Edmond G. Eslava, III, Mr. Robert Butler, Ms. Angie Frost, Mr. Richard D. Pettey, and Mr. Chester Mallory. Members absent were Mr. Dennis Key and Mr.

Chris Baker.

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

Ms. Conway conducted the swearing in of new Board members Mr. Lew Watson, replacing Mrs. Dot Wood and Mr. Billy Cotter, replacing Mr. Kenneth D. Wallis, III. Mrs. Brooks welcomed the new Board members and told them that she looked forward to working with them.

At this time Mr. Eslava presented outgoing Board member, Mr. Kenneth D. Wallis, III, with a Proclamation of Appreciation from Governor Bentley. Mrs. Brooks expressed her gratitude to Mr. Wallis for his service to the Board and Mrs. Brooks' pleasure in working with him during his tenure.

- 4.0 On motion by Mr. Mallory and second by Mr. Watson, the regular minutes for March 20, 2014 were approved as written. Motion carried by unanimous vote.

Mr. Blissitte addressed the Board regarding his concerns about appraisal management companies. Mr. Eslava suggested that a committee be formed to look further into the matter.

- 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 on May 9, 2014 the Court of Civil Appeals affirmed the Circuit Court of Randolph County's order which affirmed the Board's order suspending Mr. Smith's license for one month and levied an administrative fine of \$5000. Ms. Conway stated that Mr. Smith can appeal this decision to the Supreme Court.

- 6.0 Ms. Conway informed the Board that SB73/HB202 had been signed by Governor Bentley. This Bill adds language to the law to require background checks on all applicants for licensure.

Ms. Conway also stated that the Appraisal Qualifications Board is reconsidering the January 1, 2015 deadline due to the difficulty some states are having getting laws passed.

Ms. Conway will draft a letter to AMC's regarding background checks.

- 7.0 On motion by Ms. Frost 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:** Thomas Carter Boydston, Christopher Joseph Green, Denson Allen Helms, Jory Ray Jackson, Benjamin Adam Levin (Recip.)(GA), Thomas William Little and Matthew Pelham Rowan. **Applications deferred:** None. **Applications denied:** None.

Trainee Real Property Appraiser Experience Logs for Review: Log

approved: John Kenneth Lewis. **Logs deferred:** Evan Burdette, Markus Dunn, David Farmer and Sandner Hennessey. **Logs denied:** None.

7.2 **State Registered Real Property Appraiser application approved:** Leah Pryor. **Applications 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 application approved:** Kristen Medlin. **Application deferred:** Kevin Haefner. **Applications denied:** None.

7.5 **Certified General Real Property Appraiser applications approved:** Christopher N. Calhoun (Recip.)(GA), Arthur Tyson Howard, Patrick Michael McCrae (Recip.)(FL), and James Marshall O'Neil. **Applications deferred:** Gregory Paul Thompson and Andrew Dunn Watson. **Applications denied:** None.

7.6 **Mentor applications approved:** William Kyle Goodson, Carly Hinson, Richard A. Maloy, Chris B. Moore, Pat Neely and Michael Paradise. **Applications deferred:** None. **Applications denied:** None.

8.0 Mrs. Brooks presented the Finance report and stated that the Board was 58% into Fiscal Year 2014 and 56% into budget expenditures. Mrs. Brooks stated that there were no negative trends that could not be reconciled at this time.

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

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

CAREER WEBSCHOOL

(CE) 2014-2015 7 Hour Equivalent USPAP Update Course – 7 Hours – Online
(Instructor: AM Bud Black)
Both Course and Instructor Approved

ALABAMA DEPARTMENT OF TRANSPORTATION

(CE) Real Estate Appraisal Workshop for ALDOT Personnel – 11 Hours – Classroom
(Instructors: Marshall Wainwright and Michael Jones)
Both Course and Instructors Approved

MCKISSOCK, LP

(CE) Secondary Market Appraisal Guidelines – 7 Hours – Classroom
(Instructors: Dan Bradley, Wally Czekalski, Chuck Huntoon, Tracy Martin, Larry McMillen, Steve Vehmeier, Susanne Barkalow and John Smithmyer)

Both Course and Instructors Approved

(CE) The Green Guide to Appraising– 7 Hours – Classroom
(Instructor: John Smithmyer)

Instructor Approved

(CE) Reviewer’s Checklist – 7 Hours – Classroom
(Instructor: John Smithmyer)

Instructor Approved

(CE) UAD – Up Close and Personal – 3 Hours – Classroom
(Instructor: John Smithmyer)

Instructor Approved

REQUEST FOR CONTINUING EDUCATION CREDIT

Mrs. Brooks discussed a request from Mr. Shane Lovelady for credit for attending the Course 101 – Financial Analysis for Commercial Investment Real Estate. On motion by Mr. Mallory and second by Mr. Watson, the Board voted to grant 7 hours continuing education credit to Mr. Lovelady. Motion carried by unanimous vote.

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

Mr. Dixon – 2014-2015 USPAP Update, taught by the National Association of Independent Fee Appraisers on May 6, 2014.

Mrs. Brooks discussed the Trainee/Mentor Orientation. This discussion is tabled until the July Board meeting.

10.0 The Board reviewed the following disciplinary reports.

AB-09-06 – On March 20, 2014, the Board approved a Consent Settlement Order with a Certified Residential appraiser where Licensee received a private reprimand and agreed to pay an administrative fine of \$750 to the Board. The violations in the reports are as follow: Licensee analyzed dwelling costs (Porch, Stoop, and Fireplace) in the “as is” value of site improvements under the Cost Approach to Value section of the report. In describing the “Neighborhood Boundaries” (page 1 of the report), Licensee stated a neighborhood boundary that was not accurate. The Subject property was not located within the neighborhood boundary described, but was rather to the south of the southern boundary described in the report. No finding of violation is made as to the “Neighborhood Description” stated in the report. Licensee stated or

commented in a manner that was not clear and accurate when: The Subject is not located within the neighborhood boundaries stated within the appraisal report; and by representing a photo of a room with a fireplace in the photo addendum as the Subject, when the photo was of a different piece of property. Licensee failed to include the statutory certification as required by the Alabama Real Estate Appraisers Act. **Violations: Standard 1-1(a), 1-1(b), 1-4(b)(ii), 2-1(a), USPAP, 2006 Ed.**

AB 13-17 On March 20, 2014, the Board approved a Consent Settlement Order from John T. Woodall, R00285, where Licensee agreed to assessment of an administrative fine of \$1500. The violations are: Licensee signed a certification that included in item 2 “I performed a complete visual inspection of the interior and exterior areas of the subject property.” Licensee also certified in item 19 “If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual and disclosed the specific tasks performed in the appraisal report. Licensee did not inspect the interior of the subject and did not acknowledge the assistance of the trainee. Assignment was an FHA appraisal and was appraiser specific and could not be performed by another appraiser. The assignment had to meet FHA guidelines as required by the client and these guidelines required at a minimum an interior and exterior inspection of the subject by the licensee. Licensee did not inspect the interior of the subject property. Licensee did not inspect the subject interior yet signed the report as the appraiser and failed to acknowledge the assistance of the trainee. **Violations: ETHICS RULE, SCOPE OF WORK RULE-Acceptability, Standard Rule 2-1(a), USPAP, 2012-2013 Ed.**

Ms. Conway discussed with the Board the investigative status charts. Ms. Conway informed the Board 4 new complaints were received since the March 2014 Board meeting, 5 complaints were dismissed, and 2 complaints were settled, leaving a total of 37 open complaints.

11.0 The Board reviewed Probable Cause Report **AB-13-20 companion case to AB-13-21**: On motion by Mr. Butler and second by Mr. Watson, the Board voted that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-13-21 companion case to AB-13-20**: On motion by Mr. Butler and second by Mr. Watson, the Board voted that probable cause does not exist and to dismiss this case. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-13-34 companion case to AB-13-35**: On motion by Mr. Watson and second by Mr. Mallory, the Board voted 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-13-35 companion case to AB-13-34**: On motion by Mr. Watson and second by Mr. Mallory, the Board voted 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-13-43**: On motion by Mr. Watson and second by Mr. Butler, the Board voted to carry this case over to the July Board meeting. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-13-50**: On motion by Mr. Watson and second by Mr. Butler, the Board voted to carry this case over to the July Board meeting. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-13-51**: On motion by Mr. Watson and second by Mr. Butler, the Board voted to carry this case over to the July Board meeting. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-13-52**: On motion by Mr. Watson and second by Mr. Butler, the Board voted to carry this case over to the July Board meeting. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-13-53**: On motion by Mr. Watson and second by Mr. Butler, the Board voted to carry this case over to the July Board meeting. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-14-02**: On motion by Mr. Watson and second by Mr. Butler, the Board voted to carry this case over to the July Board meeting. Motion carried by unanimous vote.

12.0 The Board reviewed the Consent Settlement Order on **AB-13-33**. On motion by Mr. Watson and second by Mr. Mallory, 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: Christopher N. Calhoun ('G' GA), Benjamin Adam Levin ('T' GA), and Patrick Michael McCrae ('G' FL).

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 Ms. Conway discussed the following Administrative Items:

- Inter-Agency agreement between the State Personnel Department and the Real Estate Appraisers Board.
- Professional Services Contracts between the Real Estate Appraisers Board and H. E. Nix, Jr., Algert S. Agricola, Jr., and Tori

L. Adams.

On motion by Mr. Watson and second by Mr. Mallory, the Board voted to approve the Inter-Agency agreement and the Professional Services Contracts. Motion carried by unanimous vote.

Mrs. Brooks discussed the following Administrative Rule changes:

- 780-X-3-.06 Qualifying Education Curricula
- 780-X-8-.01 Eligibility for Examination
- 780-X-9-.01 Classification of Real Estate Appraisers
- 780-X-16-.04 Application for Reciprocal Appraiser
- 780-X-17-.03 Registration

On motion by Mr. Watson and second by Mr. Butler, the Board voted to authorize Ms. Conway to submit these changes to the Alabama Legislative Reference Service and to take all necessary steps to comply with the Administrative Procedures Act to final adoption. Motion carried by unanimous vote.

Mr. Eslava discussed a letter from the Board to State Personnel requesting a pay increase for Mrs. Lisa Brooks. On motion by Mr. Watson and second by Mr. Pettey, the Board voted to approve this pay increase. Motion carried by unanimous vote. Mr. Pettey asked for a review of other similarly-sized agencies director's salaries. Ms. Conway will look into upgrading Mrs. Brooks' job title.

Mrs. Brooks discussed the Appraisal Subcommittee Compliance review final report. Mrs. Brooks told the Board that Alabama has been awarded an ASC finding of "Good".

Mrs. Brooks included an email from Ms. Leigh Anne Way, regarding experience points, for Board information.

Mrs. Brooks included an email from Mr. Lew Watson, regarding background checks, for Board information.

Mrs. Brooks discussed Committee Assignments with the Board. Vice-Chairman Eslava made new Committee assignments at this time.

17.0 Ms. Conway discussed the possibility of the Board hiring a Legislative Consultant. Suggestions from the Board included upgrading Ms. Conway's job title to Deputy Attorney General and/or looking into services provided that review Bills to see if they affect the Board or the appraisal industry. On motion by Ms. Frost and second by Mr. Pettey, the Board voted to table this topic until the July meeting.

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

19.0 At 11:40 a.m., on motion by Ms. Frost and second by Mr. Mallory, the

Board voted to adjourn the regular Board meeting. Motion carried by unanimous vote. The Board's meeting schedule for the remainder of 2014 is July 17, 2014, September 18, 2014 and November 20, 2014 in the 3rd Floor Conference Room, 100 North Union Street, Montgomery, Alabama.

Sincerely,

Carolyn Greene
Executive Secretary
/cg

APPROVED: _____
Edmond G. Eslava, III, Vice-Chairman