

**MINUTES**  
**ALABAMA REAL ESTATE APPRAISERS BOARD**  
**RSA UNION STREET**  
**SUITE 370**  
**MONTGOMERY, ALABAMA**  
**September 19, 2013**

**MEMBERS PRESENT:**

Mrs. Dot Wood (Chairman)  
Mr. Kenneth D. Wallis, III  
Mr. Joseph Lundy  
Mr. Fred Crochen  
Mr. Chester Mallory  
Mr. Edmond G. Eslava, III (arriving at 8:24)

**MEMBERS ABSENT:**

Mr. Christopher Baker (Vice-Chairman)  
Mr. Dennis Key  
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. Terry Gray, Certified General Real Property Appraiser, Montgomery  
Mr. Greg Edison, Certified General Real Property Appraiser, Auburn

**TRAINEE/MENTOR ORIENTATION ATTENDEES:**

Mr. Ronald Brantley  
Mr. Max Burkhalter  
Ms. Whitney Clark  
Mr. Christopher Copeland  
Mr. Adam Cowart  
Mr. James Cumbest  
Ms. Debra Daniel  
Mr. Robert Enslin, Jr.  
Mr. Jonathan Entrekin  
Mr. Scott Gartman  
Mr. Robert McDavid  
Mr. James O'Neil  
Mr. John Price  
Mr. Timothy Rau  
Mrs. Lyle' Reed

Mr. James Scott  
Mr. Brad Stamps  
Mr. Keith Webb

1.0 With quorum present Mrs. Dot Wood, Chairman, called the meeting to order at 8:21 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 prayer, led by Mr. Crochen, followed by the Pledge of Allegiance, led by Mr. Wallis.

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

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

4.0 On motion by Mr. Mallory and second by Mr. Wallis, the regular minutes for July 18, 2013 were approved as written. Motion carried by unanimous vote.

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 this case is on appeal for the second time.

6.0 Mr. Mallory discussed pre-filing a Bill in both the House and Senate in the next Legislative Session to add language to the law requiring background checks on all applicants for licensure. This will be the same Bill that was introduced, but did not pass, in the last Legislative Session. Mr. Wallis has contacted Senator Dick Brewbaker for sponsorship of the Bill in the Senate. Mr. Mallory and Mr. Wallis will work together to find sponsors for the Bill in the House.

Ms. Conway discussed the Administrative Code change to 780-X-6 to no longer prorate experience points among co-signers of appraisal reports. The Board discussed making this change retroactive.

On motion by Mr. Lundy and second by Mr. Wallis, the Board voted to hold a public hearing at the November 21, 2013 on the amendments to Administrative Code Section 780-X-6. The Board will take public comments on the change to the Rule to no longer prorate experience points among co-signers of appraisal reports. Motion carried by unanimous vote.

- 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:** Nancy Joyce Turner. **Applications deferred:** None. **Applications denied:** None.
- Trainee Real Property Appraiser Experience Logs for Review: Logs approved:** Kenny Wagnon. **Logs deferred:** Robert Lowe McGough and James O'Neil. **Logs denied:** None.
- 7.2 **State Registered Real Property Appraiser applications approved:** Gregory Walker. **Application deferred:** None. **Application denied:** None.
- 7.3 **Licensed Real Property Appraiser applications approved:** None. **Application deferred:** Paul Shiver. **Applications denied:** None.
- 7.4 **Certified Residential Real Property Appraiser applications approved:** Kim Weldon Chalmers. **Application deferred:** None. **Applications denied:** None.
- 7.5 **Certified General Real Property Appraiser applications approved:** Matthew Cole and Waleta M. Spear (Recip.)(TX). **Application deferred:** None. **Applications denied:** None.
- 7.6 **Mentor applications approved:** Christopher A. Baker, and Tony Hallman. **Applications deferred:** Christopher D. Looney. **Applications denied:** None.
- 8.0 Mr. Lundy presented the Finance report and stated that the Board was 91% into Fiscal Year 2013 and 78% into budget expenditures. Mrs. Brooks reminded the Board that annual renewals had begun August 1<sup>st</sup>. Mr. Lundy stated that there were no negative trends that could not be reconciled at this time.
- On motion by Mr. Mallory 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. Wallis and second by Mr. Eslava, the following education courses and instructor recommendations were approved, deferred, or denied as indicated. Motion carried by unanimous vote.

## **APPRAISAL INSTITUTE – ALABAMA CHAPTER**

### **New Applications:**

- (CE) Complex Litigation Appraisal Case Studies – 7 hours – Classroom  
(Instructor: Shawn Wilson)  
**Both Course and Instructor Approved**
- (CE) Valuation by Comparison: Residential Analysis and Logic – 7 hours – Classroom  
(Instructor: James Atwood)  
**Both Course and Instructor Approved**
- (CE) Loss Prevention for Real Estate Appraisers – 4 hours – Classroom  
(Instructor: Peter Christensen)  
**Both Course and Instructor Approved**
- (CE) Staying out of the Courtroom Unless You Are Paid to Be There – 3 hours – Classroom  
(Instructor: Peter Christensen)  
**Both Course and Instructor Approved**

#### **APPRAISAL INSTITUTE – CHICAGO CHAPTER**

##### **New Applications:**

- (CE) Review Theory - General – 30 hours – Classroom  
(Instructor: Stephanie Coleman)  
**Both Course and Instructor Approved**
- (CE) Review Theory - Residential - 15 hours – Classroom  
(Instructor: Craig Harrington)  
**Both Course and Instructor Approved**
- (CE) Litigation Assignments for Residential Appraisers – 4 hours – Classroom  
(Instructor: Sandra Adomatis)  
**Both Course and Instructor Approved**
- (CE) International Valuation Standards Overview - 7 hours – Classroom  
(Instructor: Stephen Roach)  
**Both Course and Instructor Approved**
- (LIC) Advanced Market Analysis and Highest & Best Use – Synchronous – 35 hours – Online  
(Instructor: Larry Wright)  
**Both Course and Instructor Approved**
- (CE) Valuation of Conservation Easements – 33 hours – Classroom  
(Instructor: Nick Tillema)  
**Instructor Approved**

## **FAULKNER STATE COMMUNITY COLLEGE**

- (CE) Maximizing the Financial Advantages of Land Conservation: Advanced Seminar on Conservation Easements – 5.25 Hours – Classroom  
(Instructors: Robert Keller, James Connors, Claud Clark, Anna Ziegler, Ronald Levitt, Joseph Skalski and David Wooldridge)  
**Both Course and Instructors Approved**

## **MCKISSOCK, LP**

- (CE) Reviewer's Checklist – 7 Hours – Classroom  
(Instructors: Dan Bradley, Wally Czekalski, Ken Guilfoyle, Chuck Huntoon, Tracy Martin, Richard McKissock, Larry McMillen, Steve Vehmeier, Susanne Barkalow and Paul Lorenzen)  
**Both Course and Instructors Approved**
- (CE) The Dirty Dozen – 3 Hours – Online  
(Instructor: Dan Bradley)  
**Instructor Approved**

## **REQUESTS FOR CONTINUING EDUCATION CREDIT**

Mrs. Brooks discussed a request from Mr. Edward Travis for credit for attending the Alabama Realtors Land Institute's Spring Meeting - 'Tax Laws Affecting Real Estate, Post 2013' and 'U.S. Corps of Engineers-Permits- Lakes, Roads, Subdivisions, etc.' on May 9, 2013 hosted by The Mobile Area Association of Realtors. On motion by Mr. Eslava and second by Mr. Crochen, the Board voted to grant 7 hours continuing education credit to Mr. Travis. Motion carried by unanimous vote.

### **The following appraisal course monitor reports were included for Board information:**

Mr. Dixon – Disciplinary Cases, taught by the McKissock on August 10, 2013.

The Education Committee report on The Appraisal Institute application fees and extending education was deferred to the November Board meeting.

10.0 The Board reviewed the following disciplinary reports.

**AB-12-37** – On July 18, 2013, the Board approved a Consent Settlement Order with Certified Residential Real Property Appraiser, James W. Smith, R00897, where the Licensee agreed to pay an administrative fine of \$375 to the Board. The violations in the report are as follow: Licensee's USPAP certification does not include the following newly adopted sentence: "I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the

subject of this report within the three-year period immediately preceding acceptance of this assignment.” In the Sales Comparison Approach/Comparable #2/Concessions section, Licensee failed to provide information to explain the lack of an adjustment for concessions (\$4,092), when an adjustment was made for concessions in Comparable #3 (\$5,500). In the Cost Approach section, Licensee reported the site value was derived from land sales but did not retain the supporting data used to develop site value in the Work file. **Violation: Standards Rule: 2-1(b) and 2-1(b)(viii), 2-2(b)(xi), USPAP, 2012-2013 Edition.**

**Letters if Warning** were issued on the following investigations for the discrepancies indicated. This disciplinary action will be considered in any future discipline proceedings:

**AB-13-07** A letter of Warning was issued and Licensee was assessed a \$250 administrative fine for the appraisal of a single family dwelling where Licensee made unsupported adjustments for Condition of Sale, Site, and Quality of Construction. **Violation: Standard 1-1(a), USPAP, 2012-2013 Ed.**

**AB-13-09** A letter of Warning was issued and Licensee was assessed a \$250 administrative fine for the appraisal of a single family dwelling where comparable data was not clearly stated in the Sales Comparison Approach. Comparable 2 and Comparable 5 were reported by the city as neighboring municipalities and Licensee did not disclose that the photos used for Comps 1, 2 and 5 were MLS photos. **Violation: Standard 2-1(a), 2-2(b)(vii), USPAP, 2012-2013 Ed.**

**AB-13-11** A letter of Warning was issued and Licensee was assessed a \$250 administrative fine for the appraisal of a single family dwelling where there were two cloning errors in the report that resulted in conflicting statements in the report. One error listed a seller when the appraisal was for a refinance transaction. The other error created conflicting disclosures of prior valuation services for the subject property. The statutory certification is not the exact language from the law. **Violations: Standard 2-1(a), USPAP, 2012-2013 Ed., §34-27A-3(b)(2), Code of Alabama, 1975.**

Ms. Conway discussed with the Board the investigative status charts. Ms. Conway informed the Board 10 new complaints were received since the July 2013 Board meeting, 6 complaints were dismissed, and 5 complaints were settled, leaving a total of 47 open complaints.

11.0 The Board reviewed Probable Cause Report **AB-13-06**: With Mr. Lundy recusing, on motion by Mr. Wallis and second by Mr. Crochen, the Board voted to defer this Probable Cause Report to the November Board meeting. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-13-19**: With Mr. Lundy recusing, on motion by Mr. Wallis 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 a hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-13-22**: With Mr. Lundy recusing, on motion by Mr. Wallis and second by Mr. Eslava, 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-13-23 companion case to AB-13-24**: With Mr. Lundy recusing, on motion by Mr. Crochen 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-13-24 companion case to AB-13-23**: With Mr. Lundy recusing, on motion by Mr. Crochen 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-13-28 companion case to AB-13-29 and AB-13-30**: On motion by Mr. Wallis 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-13-29 companion case to AB-13-28 and AB-13-30**: On motion by Mr. Wallis 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-13-30 companion case to AB-13-28 and AB-13-29**: On motion by Mr. Wallis 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-13-36**: 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 dismiss this case. Motion carried by unanimous vote.

12.0 The Board reviewed the Consent Settlement Order on **AB-10-12**. With Mr. Lundy recusing, on motion by Mr. Mallory and second by Mr. Eslava, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed the Consent Settlement Order on **AB-12-05**. With Mr. Eslava and Mr. Wallis recusing, on motion by Mr. Lundy and second

by Mr. Mallory, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed the Consent Settlement Order on **AB-12-26 (Reuben Bullock, R01155)**. With Mrs. Wood recusing, on motion by Mr. Wallis and second by Mr. Mallory, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed the Consent Settlement Order on **AB-12-55**. With Mrs. Wood recusing, on motion by Mr. Mallory and second by Mr. Wallis, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed the Consent Settlement Order on **AB-12-68 (Michael L. Murphree, L00121)**. With Mrs. Wood recusing, on motion by Mr. Lundy and second by Mr. Wallis, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed the Consent Settlement Order on **AB-12-69**. With Mrs. Wood recusing, on motion by Mr. Lundy and second by Mr. Wallis, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed the Voluntary Surrender Consent Order on **AB-13-14** and **AB-13-16**. On motion by Mr. Lundy and second by Mr. Crochen, 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: Waleta M. Spear (Recip.)(TX).

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 a request from Leah Partridge, Trainee appraiser, for a waiver of the 50 inspection requirement. There is no issue to resolve.

Mrs. Brooks included the Renewal Report for Board information and stated that as of September 18, 2013, 872 appraisers had renewed of which 722 or 83% were online renewals.

Mrs. Brooks included information regarding the FDIC's Statute of Limitations for Board information.

Ms. Conway informed the Board that she will be interviewing law school students from Jones School of Law for a Legal Internship for fall at no cost to the Board.

Mrs. Brooks discussed the Immigration Law requirements and that she will be sending letters requiring proof of citizenship to all licensees.

Mrs. Brooks included an email from Ms. Penny Nichols, for Board information, regarding withdrawing closed sales in MLS.

The AMC Fee survey discussion was deferred until the November Board meeting.

- 17.0 Ms. Conway discussed the request from Mr. Randy Smyth, Trainee Appraiser, that the amendment to 780-X-6 be retroactive. This issue was deferred until after the Public Hearing.

Ms. Conway discussed the application for an AMC license from the William Craig Company, Inc. She informed the Board that she had contacted Florida and Washington, the states that this AMC is licensed in, and that she had contacted several states regarding their policies. On motion by Mr. Wallis and second by Mr. Lundy, the Board voted to accept the application. Motion carried by unanimous vote.

The AMC bankruptcy discussion was deferred until November.

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

- 19.0 At 10:45 a.m., on motion by Mr. Mallory and second by Mr. Moody, the Board voted to adjourn the regular Board meeting. Motion carried by unanimous vote. The Trainee/Mentor Orientation resumed at 1:00 p.m. The Board's tentative meeting schedule for the remainder of 2013 is November 21, 2013 in the 3<sup>rd</sup> Floor Conference Room, both in the RSA Union Building, 100 North Union Street, Montgomery, Alabama.

Sincerely,

Carolyn Greene  
Executive Secretary  
/cg

**APPROVED:** \_\_\_\_\_  
**Dot Wood, Chairman**