

**MINUTES**  
**ALABAMA REAL ESTATE APPRAISERS BOARD**  
**RSA UNION STREET**  
**SUITE 370**  
**MONTGOMERY, ALABAMA**  
**November 20, 2014**

**MEMBERS PRESENT:**

Mr. Edmond G. Eslava, III (Vice-Chairman)  
Mr. Lew Watson  
Mr. Billy Cotter  
Mr. Richard D. Pettey  
Mr. Robert Butler  
Mr. Chester Mallory  
Mr. Dennis Key  
Ms. Angie Frost

**MEMBERS ABSENT:**

Mr. Christopher Baker (Chairman)

**OTHERS PRESENT:**

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

**GUESTS PRESENT:**

Mr. David Farmer, Trainee Real Property Appraiser, Birmingham, AL

- 1.0 With quorum present Mr. Edmond Eslava, Vice-Chairman, called the meeting to order at 9:14 a.m. Mrs. Carolyn Greene, Executive Secretary, recorded the minutes. The meeting was held in the 3<sup>rd</sup> 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. Watson, 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, Mr. Richard D. Pettey, Mr. Dennis Key, Ms. Angie Frost, and Mr. Chester Mallory. Member absent was Mr. Chris Baker.

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

4.0 On motion by Mr. Mallory and second by Mr. Watson, the regular minutes for September 18, 2014 were approved as written. Motion carried by unanimous vote.

5.0 Ms. Conway explained the litigation & hearing process to the Board and guests.

Ms. Conway informed the Board that she is working on setting hearings with an Administrative Law Judge to be held outside a Board meeting.

6.0 Mr. Mallory reported that the Legislative Session will begin in March and that there is nothing to report at this time.

7.0 Mr. Eslava discussed Ms. Leah Partridge's experience log with the Board. On motion by Mr. Watson and second by Mr. Cotter, the Board voted to allow experience credit for commercial properties only when physically inspected by the applicant. Ms. Conway will prepare the Administrative Code change to present to the Board. Motion carried by unanimous vote.

Mr. Eslava discussed Carrie Salituro's Certified General application with the Board. The application will be deferred for staff to request licensing information from the other states where appraisals on Ms. Salituro's log were performed. The Board discussed USPAP violations where specific contributions by licensees are not listed in appraisal reports. Mr. Eslava will ask the Appraisal Institute what their recommendations are on this subject and report back to the Board.

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

7.1 **Trainee Real Property Appraiser applications approved:** Scott Matthew Anderson, Rachel Marie Clark, Randall Shain Clark, Joseph Christopher Gattozzi, Kingsley Alan Moore, Steven Alan Pharr, Kristin Lee Rinaudo (Recip.)(GA), Jamie L. Shertzer and Vincent M. Tomalewski. **Applications deferred:** None. **Applications denied:** None.

**Trainee Real Property Appraiser Experience Logs for Review: Logs approved:** None. **Logs deferred:** Leah Partridge. **Logs denied:** None.

7.2 **State Registered Real Property Appraiser applications approved:** Michael Kerr Arnold. **Applications deferred:** None. **Applications denied:** None.

7.3 **Licensed Real Property Appraiser applications approved:** Crystal B. Daw (Recip.)(AK). **Applications deferred:** None. **Applications denied:** None.

7.4 **Certified Residential Real Property Appraiser applications approved:** David Farmer, Rachel Greene, Denise Hill, Grant David Hyde (Recip.)(FL), Spencer Leigh Moore, Barrett Hutchinson Sanders, Rosalie Corinne Stromme (Recip.)(CO) and Alana Marie Ward (Recip.TN). **Applications deferred:** None. **Applications denied:** None.

7.5 **Certified General Real Property Appraiser applications approved:** Clinton F. Bogart (Recip.)(TX), M. Rebecca Carr (Recip.)(GA), Keith W. Gossett (Recip.)(TX), Jeffrey Lyle Hansen (Recip.)(MO), John Matthew Heidt (Recip.)(GA), Edward Rogers Mitchell (Recip.)(GA), Robert Michael Moorman (Recip.)(GA), Thomas Dennis Mullins (Recip.)(MO), David Christopher Randall (Recip.)(GA), Shannon Reyome (Recip.)(GA), and Christopher S. Roach (Recip.)(TX). **Application deferred:** Carrie Salituro. **Applications denied:** None.

7.6 **Mentor applications approved:** James Folkes and Mark Palmer. **Applications deferred:** None. **Applications denied:** None.

8.0 Ms. Frost presented the Finance report and stated that in September the Board was 100% into Fiscal Year 2014 and 88% into budget expenditures; and 8% into Fiscal Year 2015 and 10% into budget expenditures. Ms. Frost stated that there were no negative trends that could not be reconciled at this time.

On motion by Ms. Frost and second by Mr. Pettey, the Board voted to approve the Financial Reports. Motion carried by unanimous vote.

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

#### **ALLTERRA GROUP, LLC**

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

(CE) Appraisal of Single Family Residential New Construction – 7 Hours – Online  
(Instructor: David Phillips)  
**Both Course and Instructor Approved**

(CE) A Practical Guide to Appraisal Review – 7 Hours – Online  
(Instructor: Greg Stephens)  
**Both Course and Instructor Approved**

#### **AMERICAN SOCIETY OF FARM MANAGERS AND RURAL APPRAISERS**

##### **Renewal Application:**

(CE) Cost Approach for General Appraisers Online – 27 Hours – Classroom

(Instructor: Howard Audsaley)  
**Both Course and Instructor Approved**

**AMERICAN SOCIETY OF APPRAISERS**

**New Applications:**

(CE) 2014 International Appraisers Conference – 18 Hours – Classroom  
(Instructors: Roger Durkin, Deane Wilson and Michael Lohmeier)  
**Both Course and Instructors Approved**

(CE) ARM204 – Appraisal Review & Management Overview - 24 Hours – Classroom  
(Instructor: Roger Durkin)  
**Both Course and Instructor Approved**

**APPRAISAL INSTITUTE - ALABAMA**

**New Application:**

(CE) Drone Technology and Its Impact on the Appraisal Industry – 4 Hours – Classroom  
(Instructor: Lamar Ellis)  
**Both Course and Instructor Approved**

**APPRAISAL INSTITUTE – CHICAGO**

**New Applications:**

(LIC) 2014-2015 15-Hour National USPAP Equivalent Course Online – 15 Hours – Online  
(Instructor: Thomas Kirby)  
**Both Course and Instructor Approved**

(CE) 2014-2015 7-Hour National USPAP Equivalent Course Online – 7 Hours – Online  
(Instructor: Craig Harrington)  
**Both Course and Instructor Approved**

(LIC) Advanced Market Analysis and Highest & Best Use – 35 Hours – Classroom  
(Instructor: John Underwood)  
**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) Case Studies in Appraising Green Residential Buildings – 7 Hours

- Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (CE) Condemnation Appraising: Principles & Applications – 21 Hours – Classroom  
(Instructor: John Underwood)  
**Both Course and Instructor Approved**
- (CE) Fundamentals of Separating Real and Personal Property from Intangible Business Assets – 14 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (CE) Introduction to Green Buildings: Principles & Concepts – 7 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (CE) Review Case Studies - General – 30 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (CE) Supervisory Appraiser / Trainee Appraiser Course – 4 Hours – Classroom  
(Instructor: Sandy Adomatis)  
**Both Course and Instructor Approved**
- (CE) The Appraiser as an Expert Witness: Preparation & Testimony – 15 Hours – Classroom  
(Instructor: John Underwood)  
**Both Course and Instructor Approved**
- (CE) Valuation of Conservation Easements – 31 Hours – Classroom  
(Instructor: John Underwood)  
**Both Course and Instructor Approved**

**Renewal Applications:**

- (LIC) 2014-2015 15-Hour National USPAP Course– 15 Hours – Classroom  
(Instructor: Craig Harrington)  
**Both Course and Instructor Approved**
- (CE) 2014-2015 7-Hour National USPAP Update Course – 7 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (LIC) Advanced Concepts and Case Studies – 38 Hours – Classroom  
(Instructor: John Underwood)

**Both Course and Instructor Approved**

- (LIC) Advanced Income Capitalization – 33 Hours – Classroom  
(Instructor: John Underwood)  
**Both Course and Instructor Approved**
- (LIC) Advanced Income Capitalization - Synchronous – 35 Hours – Online  
(Instructor: Thomas Kirby)  
**Both Course and Instructor Approved**
- (LIC) Advanced Residential Applications and Case Studies, Pt. 1 – 15 Hours – Classroom  
(Instructor: Craig Harrington)  
**Both Course and Instructor Approved**
- (LIC) Advanced Residential Report Writing, Part 2 – 30 Hours – Classroom  
(Instructor: Craig Harrington)  
**Both Course and Instructor Approved**
- (CE) Advanced Spreadsheet Modeling for Valuation Applications – 14 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (CE) (Online) Analyzing Operating Expenses – 7 Hours – Online  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (CE) Appraising Condos, Co-Ops & PUDs – 7 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (LIC) Basic Appraisal Principles – 30 Hours – Online  
(Instructor: Richard Dubay)  
**Both Course and Instructor Approved**
- (LIC) Basic Appraisal Principles – 30 Hours – Classroom  
(Instructor: Craig Harrington)  
**Both Course and Instructor Approved**
- (LIC) Basic Appraisal Procedures – 30 Hours – Classroom  
(Instructor: Craig Harrington)  
**Both Course and Instructor Approved**
- (LIC) (Online) Basic Appraisal Procedures – 30 Hours – Online  
(Instructor: Thomas Kirby)  
**Both Course and Instructor Approved**
- (CE) (Online) Business Practices and Ethics – 5 Hours – Online

- (Instructor: Bruce Closser)  
**Both Course and Instructor Approved**
- (CE) Business Practice and Ethics – 4 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (CE) Case Studies in Appraising Green Commercial Buildings – 14 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (CE) (Online) Case Studies in Appraising Green Residential Buildings – 7 Hours – Online  
(Instructor: Sandra Adomatis)  
**Both Course and Instructor Approved**
- (CE) (Online) Comparative Analysis – 7 Hours – Online  
(Instructor: Arlen Mills)  
**Both Course and Instructor Approved**
- (CE) Complex Litigation Appraisal Case Studies – 7 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (CE) (Online) Cool Tools: New Technology for Real Estate Appraisers – 7 Hours – Online  
(Instructor: Wayne Pugh)  
**Both Course and Instructor Approved**
- (CE) (Online) Data Verification Methods – 5 Hours – Online  
(Instructor: Alan Simmons)  
**Both Course and Instructor Approved**
- (CE) (Online) Forecasting Revenue – 7 Hours – Online  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (LIC) General Appraiser Income Approach Part 1 – 30 Hours – Classroom  
(Instructor: John Underwood)  
**Both Course and Instructor Approved**
- (LIC) General Appraiser Income Approach Part 2 – 30 Hours – Classroom  
(Instructor: John Underwood)  
**Both Course and Instructor Approved**
- (LIC) (Online) General Appraiser Income Approach, Part 1 – 30 Hours – Online  
(Instructor: David Lennhoff)  
**Both Course and Instructor Approved**

- (LIC) (Online) General Appraiser Income Approach, Part 2 – 30 Hours – Online  
(Instructor: David Lennhoff)  
**Both Course and Instructor Approved**
- (LIC) General Appraiser Market Analysis and Highest & Best Use – 30 Hours – Classroom  
(Instructor: John Underwood)  
**Both Course and Instructor Approved**
- (LIC) General Appraiser Report Writing & Case Studies – 30 Hours – Classroom  
(Instructor: John Underwood)  
**Both Course and Instructor Approved**
- (LIC) (Online) General Appraiser Report Writing & Case Studies – 30 Hours – Online  
(Instructor: Richard Dubay)  
**Both Course and Instructor Approved**
- (LIC) General Appraiser Sales Comparison Approach – 30 Hours – Classroom  
(Instructor: John Underwood)  
**Both Course and Instructor Approved**
- (LIC) (Online) General Appraiser Sales Comparison Approach – 30 Hours – Online  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (LIC) General Appraiser Site Valuation & Cost Approach – 30 Hours – Classroom  
(Instructor: John Underwood)  
**Both Course and Instructor Approved**
- (LIC) (Online) General Appraiser Site Valuation & Cost Approach – 30 Hours – Online  
(Instructor: Arlen Mills)  
**Both Course and Instructor Approved**
- (CE) Income Approach for Residential Appraisers – 7 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
- (CE) International Valuation Standards Overview – 7 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**

- (CE) (Online) Introduction to Green Buildings: Principles & Concepts – 7 Hours – Online  
(Instructor: Taylor Watkins)  
**Both Course and Instructor Approved**
  
- (CE) Litigation Appraising: Specialized Topics & Applications – 15 Hours – Classroom  
(Instructor: John Underwood)  
**Both Course and Instructor Approved**
  
- (CE) Litigation Assignments for Residential Appraisers – 4 Hours - Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
  
- (LIC) Quantitative Analysis – 33 Hours – Classroom  
(Instructor: John Underwood)  
**Both Course and Instructor Approved**
  
- (LIC) Real Estate Finance, Statistics & Valuation Modeling – 15 Hours – Classroom  
(Instructor: John Underwood)  
**Both Course and Instructor Approved**
  
- (CE) Residential & Commercial Valuation of Solar – Classroom – 14 Hours  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
  
- (CE) Residential Applications: Using Technology to Measure & Support Assignment Results – 7 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**
  
- (LIC) Residential Market Analysis and Highest & Best Use – 15 Hours – Classroom  
(Instructor: Craig Harrington)  
**Both Course and Instructor Approved**
  
- (LIC) (Online) Residential Market Analysis and Highest & Best Use – 15 Hours – Online  
(Instructor: Tom Kirby)  
**Both Course and Instructor Approved**
  
- (LIC) Residential Report Writing & Case Studies – 15 Hours – Classroom  
(Instructor: Craig Harrington)  
**Both Course and Instructor Approved**
  
- (LIC) (Online) Residential Report Writing & Case Studies – 15 Hours – Online

(Instructor: Sandra Adomatis)  
**Both Course and Instructor Approved**

(LIC) Residential Sales Comparison and Income Approach – 30 Hours  
– Classroom  
(Instructor: Craig Harrington)  
**Both Course and Instructor Approved**

(LIC) (Online) Residential Sales Comparison and Income Approach –  
30 Hours – Online  
(Instructor: Ed Molinari)  
**Both Course and Instructor Approved**

(LIC) Residential Site Valuation & Cost Approach – 15 Hours –  
Classroom  
(Instructor: Craig Harrington)  
**Both Course and Instructor Approved**

(LIC) (Online) Residential Site Valuation & Cost Approach – 15 Hours –  
Online  
(Instructor: Arlen Mills)  
**Both Course and Instructor Approved**

(CE) Review Theory – General - 30 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**

(CE) Review Theory – Residential - 15 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**

(CE) (Online) Reviewing Residential Appraisals & Using Fannie Mae  
Form 2000 – 7 Hours – Online  
(Instructor: Alan Simmons)  
**Both Course and Instructor Approved**

(CE) (Online) Small Hotel/Motel Valuation – 7 Hours – Online  
(Instructor: David Lennhoff)  
**Both Course and Instructor Approved**

(CE) (Online) Subdivision Valuation – 7 Hours – Online  
(Instructor: Don Emerson)  
**Both Course and Instructor Approved**

(CE) (Online) The FHA & the Appraisal Process – 7 Hours – Online  
(Instructor: Craig Harrington)  
**Both Course and Instructor Approved**

(CE) Valuation in Challenging Markets - 28 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**

- (CE) Unraveling the Mystery of Fannie Mae Appraisal - 4 Hours – Classroom  
(Instructor: Ken Foltz)  
**Both Course and Instructor Approved**

### **APPRAISAL UNIVERSITY**

#### **New Applications:**

- (CE) 2014-2015 7-Hour Equivalent USPAP Update Course – 7 Hours – Online  
(Instructor: Timothy Detty)  
**Both Course and Instructor Approved**
- (CE) Appraising Historic Property – 7 Hours – Online  
(Instructor: Steven Spangle)  
**Both Course and Instructor Approved**
- (CE) Practices and Pitfalls for the Residential Appraiser – 9 Hours – Online  
(Instructor: Steven Spangle)  
**Both Course and Instructor Approved**
- (CE) Retail Center Analysis for Financing – 7 Hours – Online  
(Instructor: Bruce Coin)  
**Both Course and Instructor Approved**
- (CE) Site Analysis and Valuation – 7 Hours – Online  
(Instructor: Steven Spangle)  
**Both Course and Instructor Approved**

### **CAREER WEBSCHOOL**

#### **Renewal Application:**

- (LIC) Basic Appraisal Principles – 30 Hours – Online  
(Instructor: AM Bud Black)  
**Both Course and Instructor Approved**

### **CENTER FOR REAL ESTATE & ECONOMIC DEVELOPMENT**

#### **New Applications:**

- (CE) Coastal Economy Outlook – 3 Hours – Classroom  
(Instructor: Donald Epley)  
**Both Course and Instructor Approved**
- (CE) Gulf Coast Commercial Real Estate & Market Review– 7 Hours – Classroom  
(Instructor: Donald Epley)

**Both Course and Instructor Approved**

**GREENSIGHT VALUE**

**Renewal Application:**

- (CE) Appraising Green Homes: Valuation Techniques – 7 Hours – Online  
(Instructor: Taylor Watkins)  
**Both Course and Instructor Approved**

**MCKISSOCK, LP**

**New Applications:**

- (CE) Appraisal of Land Subject to Ground Leases – 7 Hours – Online  
(Instructor: Tracy Martin)  
**Both Course and Instructor Approved**
- (CE) A Review of Disciplinary Cases – Live Webinar – 3 Hours – Online  
(Instructors: Tracy Martin and Dan Bradley)  
**Both Course and Instructors Approved**
- (CE) Expert Witness for Commercial Appraisers – 12 Hours – Online  
(Instructor: Paul Lorenzen)  
**Both Course and Instructor Approved**
- (CE) Fundamental Concepts of Analysis – 7 Hours – Online  
(Instructor: Tracy Martin)  
**Both Course and Instructor Approved**

**SEEC LLC**

**New Applications:**

- (CE) Appraising Energy Efficiency in New Homes and Retrofits – 3.5 Hours – Online  
(Instructors: Fiona Hamilton and Robbi Currey)  
**Both Course and Instructors Approved**

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

Mr. Dixon – Valuation by Comparison: Residential Analysis and Logic-C2074, taught by the Appraisal Institute - Alabama Chapter on October 10, 2014. On motion by Mr. Pettey and second by Mr. Mallory, the Board voted to send a letter to Appraisal Institute – Alabama Chapter to notify them of the concerns Mr. Dixon had with the course. Motion carried by unanimous vote.

The Board reviewed the following disciplinary reports.

**AB-13-44; AB 13-45; AB 13-46**– On September 18, 2014, the Board approved a Consent Settlement Order with Certified General appraiser Ira M. Betts, Jr. (G00087) where Licensee agreed to a public reprimand and an administrative fine of \$3,750. The violations in the reports are as follow: **AB 13-44** Licensee failed to summarize the information analyzed to support conclusions of the highest and best use (single family residential). Licensee also failed to analyze terms in the contract: that it included conversion of the existing manufactured home to a storage unit where the kitchen would be inoperable and utilities disconnected. In the Cost Approach, Licensee failed to provide support for the opinion of site value. Licensee failed to show the contribution to value in the cost approach for carports, storm shelter, barns, sheds, ponds, lighted horse corral. In the Sales Comparison Approach, failed to disclose Comparable #3 was a REO where the selling price (\$81,937) was higher than the list price (\$79,900). In the Neighborhood/Present Land Use % section, failed to report the commercial land use. The present land use reported was 35% one-unit and 65% vacant, which ignored other existing land uses in the neighborhood. Licensee reported zoning compliance as legal when “No zoning” should have been indicated. Licensee failed to use a local cost multiplier in calculating dwelling cost. Licensee analyzed the delivery, installation and setup costs twice within the Cost Approach. (Cost data source (Marshall & Swift) calculates the delivery and setup cost within the per square foot cost. Licensee analyzed an additional delivery, installation and setup cost, which resulted in the delivery, installation and setup cost being analyzed twice within the Cost Approach. Licensee failed to collect, verify and analyze all available sales data and also analyzed sales data that was not supported by his stated data source. Also, the comparables were located outside of the Subject property’s neighborhood and no analysis was provided. For comparable #1 and #2/Garage-Carport section, failed to state the detached two (2) car carport and provide an analysis of the detached two (2) car carport. For comparable #2, there is no analysis of the storm shelter included in the sale. Licensee did not disclose Comparable #3 was an REO with the selling price (\$81,937) higher than the list price (\$79,900). Licensee, in Comparable #4, failed to report and analyze two ponds, barns, sheds and a lighted horse corral. Licensee failed to collect, verify and analyze data or analyzed data that was not supported by the data source, which rendered the Sales Comparison Approach non-credible. Licensee’s workfile failed to provide support for the GLA analyzed in the Sales Comparison Approach for Comparable #2 and Comparable #4. In the Cost Approach, the dwelling cost data in the workfile was different than the dwelling cost analyzed. **AB13-45:** Licensee failed to summarize the information analyzed within the sales contract of the manufactured home in accordance with Standard Rule 1-5 as required when reporting an opinion of market value. Licensee failed to summarize the information from the sales contract of the site area, in accordance with Standard Rule 1-5 as required when reporting an opinion of market value. Licensee failed to summarize the information analyzed to support Licensee’s conclusions of the highest and best use of the subject property being

single family residential. Licensee, in the Sales Comparison Approach/Comparable #3, analyzed a \$3,000 superior location adjustment and a \$3,000 site adjustment for the comparable being located on water front property. Licensee failed to summarize information to provide an analysis that supported the adjustments. **AB 13-46:** Licensee failed to summarize the information analyzed to support the highest and best use. Licensee did not disclose that Comparable #1 was a REO sale. Licensee did not analyze differences for carport with storage, pond, 30x 60 3-bay garage with bath, workshop & bunk room/sewing/office, additional manufactured home for rental with an additional manufactured home space to rent, barn, equipment-storage shed and a storage building. Licensee reported zoning compliance as legal when there was no zoning. Licensee, in the Cost Approach section, provided the opinion of site value was \$32,500, which was the purchase price of the two parcels of property. Licensee, in the Sales Comparison Approach/Sale-Transfer History section, provided the property was under contract for \$25,500. Licensee, in the Sales Comparison Approach/Comparable #3/GLA section, due to a typo error provided and analyzed a GLA that was not supported. Licensee failed to develop/analyze credible cost data and failed to develop/analyze a local cost multiplier for the dwelling cost for the manufactured home in the Cost Approach. Licensee failed to analyze comparable sales data that was available from the data source and analyzed data that was unsupported by the data source within the Sales Comparison Approach. Licensee failed to collect, verify and analyze sufficient data/information. Licensee analyzed unsupported cost data in the square foot cost. Licensee failed to analyze a local cost multiplier for the dwelling cost. Licensee, in the Cost Approach section, explained the value (*opinion of site value*) given the land is the total of the purchase prices paid by the borrower for the two parcels, which is not an appropriate method and technique to develop an opinion of site value. Licensee, in Comparable #1, failed to provide information and an analysis of the comparable being a REO property. Licensee, in Comparable #1/Fireplace section, analyzed a single fireplace when the home had two fireplaces. Licensee, in Comparable #2, failed to provide information and an analysis of the carport with storage and pond, which was reported in the data source information. Licensee, in Comparable #3, analyzed 11.47 acres when the data source reported 15 acres. Licensee analyzed a two car garage when the garage was a 3-bay 30 x 60 garage with workshop and bath downstairs and a bunk room/sewing/office upstairs. Licensee failed to analyze the covered patio along with the additional manufactured home available for rental on the property and the extra manufactured home space available for rental on the property, which was reported in the data source information. Licensee, in Comparable #4, failed to provide information and analysis of the barn, equipment-storage shed and storage building, which was reported in the data source information. Licensee's workfile failed to provide support for the GLA of Comparable #3 and Comparable #4 analyzed in the Sales Comparison Approach. Licensee's workfile information failed to provide support for the dwelling cost analyzed within the Cost Approach. The dwelling cost information, within the workfile information, was different than the dwelling cost analyzed. **Violations:**

**Record Keeping Rule, Scope of Work Rule, Standards Rule 1-1(a), 1-1(b), 1-2(b), 1-2(e), 1-4(a), 1-4(b)(i), 1-4(b)(ii), 1-6(a), 1-6(b), 2-1(a), 2-1(b), 2-2(b)(viii), 2-2(b)(ii), USPAP, 2012-13 Ed.**

**AB 13-50:** On September 18, 2014, the Board approved a Consent Settlement Order with Certified Residential appraiser Robert Hadley Howard, Jr. (R00735) where Licensee agreed to pay an administrative fine of \$875 and complete a Board approved 15 hour course on Fundamentals of Separating Real Property, Personal Property and Intangible Business Assets. The violations cited in the report are: Licensee states the appraised value of the subject that “No personal property or intangible items were included in the overall value estimated.” But based of the appraisal report, the final estimate of value relied heavily on the Income Approach and licensee’s income approach was based on net operating income from operating businesses which represented net income for an ongoing business which also includes tangible and intangible property. Subject property sold within the three year window, licensee was aware of sale and reported said sale but did not analyze the sale. Licensee failed to address operating expenses for the subject property, instead utilizing Net operating income and disregarding a discussion of expenses in the income approach. Licensee failed to analyze the comparable rental data to properly estimate gross potential income of the real property, instead utilized net operating income from information of business income of similar properties. This income represented net income for an ongoing business which also includes tangible and intangible property. Licensee made an unsupported assumption that the subject 29 year old building had an effective age of 10 years. Licensee, by performing the income approach but utilizing Net Operating Income from businesses to estimate the net operating income of the real property that was the subject of this assignment did not correctly employ the income approach to value real property. Licensee by accepting the assignment to appraise land and building only but having used comparable information on Net Operating Income that was business income to estimate the Net Operating Income for the subject of the assignment did not properly identify the problem to be addressed and did not have the knowledge to complete the assignment competently.

**Violations:** COMPETENCY RULE, Standards Rule 1-1(a), 1-3(a), 1-4(c)(1), 1-4(c)(ii), 1-5(b), 2-1(a), USPAP, 2010-11 Ed.

**AB 13-51:** On September 18, 2014, the Board approved a Consent Settlement Order with a Certified General appraiser where Licensee agreed to a private reprimand and to pay an administrative fine of \$875. The violations cited in the report are: Licensee states the appraised value of the subject that “No personal property or intangible items were included in the overall value estimated.” But based of the appraisal report, the final estimate of value relied heavily on the Income Approach and licensees income approach was based on net operating income from operating businesses which represented net income for an ongoing business which also includes tangible and intangible property. Subject property sold within the three year window, licensee was aware of sale and reported said sale but did not analyze the sale. Licensee failed to address

operating expenses for the subject property, instead utilizing Net operating income and disregarding a discussion of expenses in the income approach. Licensee failed to analyze the comparable rental data to properly estimate gross potential income of the real property, instead utilized net operating income from information of business income of similar properties. This income represented net income for an ongoing business which also includes tangible and intangible property. Licensee made an unsupported assumption that the subject 29 year old building had an effective age of 10 years. Licensee, by performing the income approach but utilizing Net Operating Income from businesses to estimate the net operating income of the real property that was the subject of this assignment did not correctly employ the income approach to value real property. Licensee by accepting the assignment to appraise land and building only but having used comparable information on Net Operating Income that was business income to estimate the Net Operating Income for the subject of the assignment did not properly identify the problem to be addressed and did not have the knowledge to complete the assignment competently.

**Violations:** COMPETENCY RULE, Standards Rule 1-1(a), 1-3(a), 1-4(c)(1), 1-4(c)(ii), 1-5(b), 2-1(a), USPAP, 2010-11 Ed.

**AB-14-08:** On September 18, 2014, the Board approved a Consent Settlement Order with Certified Residential appraiser John T. Woodall (R00285) where Licensee agreed to pay an administrative fine of \$500. The violations cited in the report are: Licensee made an unsupported assumption that the subject 56 year old home had an effective age of 10 years. Licensee failed to verify, with a party to the transaction, the sales utilized by the licensee in the Sales Comparison Approach. The Appraisal of Real Estate, Thirteenth Edition, Page 304, states "Appraisers should verify information with a party to the transaction to ensure its accuracy and to gain insight into the motivation behind each transaction. The buyer's and seller's views of precisely what was being purchased at the time of sale are important. Licensee made an unsupported assumption that the subject 56 year old home had an effective age of 10 years and 15 years. Licensee performed three appraisals of the subject property: January 26, 2011; July 30, 2011; and November 3, 2011. Licensee failed to disclose in the July 30, 2011 and November 3, 2011 appraisals that he had previously appraised the subject property.

**Violations:** **ETHICS RULE Conduct Standards Rule 1-3(a), 1-4(a), 2-1(b), USPAP, 2010-2011 Ed.**

Ms. Conway discussed with the Board the investigative status charts. Ms. Conway informed the Board 4 new complaints were received since the September 2014 Board meeting, 4 complaints were dismissed, and 6 complaints were settled, leaving a total of 23 open complaints.

- 11.0 The Board reviewed Probable Cause Report **AB-13-59:** With Mr. Key recusing, on motion by Mr. Pettey and second by Mr. Butler, 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-14-12**: With Mr. Key recusing, on motion by Ms. Frost and second by Mr. Pettey, the Board voted that probable cause does exist and to set this case for hearing. Motion carried by unanimous vote.

The Board reviewed Probable Cause Report **AB-14-13**: With Mr. Butler and Mr. Key recusing, on motion by Mr. Pettey 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-14-16**: With Mr. Eslava and Mr. Key recusing, on motion by Mr. Mallory and second by Mr. Pettey, the Board voted that probable cause does not exist and to issue a Letter of Counsel. Motion carried by unanimous vote.

12.0 The Board reviewed the Consent Settlement Order on **AB-12-63**. On motion by Mr. Mallory and second by Mr. Cotter, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed the Consent Settlement Order on **AB-13-23 companion case to AB-13-24 (Scott Daniel Abercrombie, R01038)**. On motion by Mr. Mallory and second by Mr. Pettey, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed the Consent Settlement Order on **AB-13-24 companion case to AB-13-23 (Marion D. Plott, R00208)**. On motion by Mr. Mallory and second by Mr. Pettey, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed the Consent Settlement Order on **AB-13-52**. With Mr. Key recusing, on motion by Mr. Cotter and second by Mr. Watson, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

The Board reviewed the Consent Settlement Order on **AB-14-01**. With Mr. Pettey recusing, on motion by Mr. Key and second by Ms. Frost, the Board voted to approve this Consent Settlement Order. Motion carried by unanimous vote.

Ms. Conway discussed a letter from Mr. Roger Pugh requesting that the Board accept a lump sum payment of \$4,814.01 for the \$8,000 administrative fine due by December 31, 2014 in case AB-12-23 & AB-12-25. On motion by Ms. Frost and second by Mr. Cotter, the Board voted to deny Mr. Pugh's request. Ms. Frost, Mr. Cotter, Mr. Key, Mr. Pettey, Mr. Eslava, and Mr. Watson voted to accept the motion. Mr. Mallory and Mr. Butler opposed the motion. Motion carried.

13.0 The following reciprocal licenses were issued since last meeting: Clinton F. Bogart ('G')(TX), M. Rebecca Carr ('G')(GA), Crystal B. Daw ('L')(AK),

Keith W. Gossett ('G')(TX), Jeffrey Lyle Hansen ('G')(MO), John Matthew Heidt ('G')(GA), Grant David Hyde ('R')(FL), Edward Rogers Mitchell ('G')(GA), Robert Michael Moorman ('G')(GA), Thomas Dennis Mullins ('G')(MO), David Christopher Randall ('G')(GA), Shannon Reyome ('G')(GA), Kristin Lee Rinaudo ('T')(GA), Christopher S. Roach ('G')(TX), Rosalie Corinne Stromme ('R')(CO) and Alana Marie Ward ('R')(TN-upgrade).

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.

Ms. Frost reported that the AMC Committee will meet at 1:30 on Wednesday, January 14, 2015. Ms. Conway will post the meeting notice with the Secretary of State.

16.0 Ms. Conway discussed a letter from Ms. Laura Betts Leavell requesting that her Certified General license be reinstated. On motion by Mr. Pettey and second by Mr. Mallory, the Board voted to ask Ms. Leavell to meet with the Board. Motion carried by unanimous vote.

Mrs. Brooks discussed a request from Mr. Pat McCrae, reciprocal licensee from Florida, for a waiver of the license renewal late fee. On motion by Ms. Frost and second by Mr. Pettey, the Board voted to deny Mr. McCrae's request. Motion carried by unanimous vote.

Mrs. Brooks discussed a request from Mr. Steve Kaiser for a waiver of the license renewal late fee due to his wife's illness. On motion by Mr. Pettey and second by Ms. Frost, the Board voted to approve Mr. Kaiser's request. Motion carried by unanimous vote.

Mrs. Brooks discussed, with the Board, a memo from Thomas L. White, Jr., State Comptroller, announcing the initial open enrollment period for the State's Reloadable Payroll Debit Card program for employees or Board members not on direct deposit.

Mrs. Brooks included the Renewal report for Board information.

The discussion regarding Florida education concerns was deferred until the January, 2015 Board meeting.

17.0 Mrs. Brooks informed the Board that Alabama Interactive is working on an estimate for online Letters of Good Standing.

18.0 Mr. Pettey discussed, with the Board, a request from Mr. Christopher Pettey, Jr., Trainee Real Property Appraiser. Mr. Christopher Pettey is requesting that the Board allow him to sit for the Certified General examination prior to completion of the minimum thirty month experience requirement. The Alabama Real Estate Appraisers Board Administrative

Rule 780-X-8-01(1), Eligibility for Examination – Licensed Real Estate Appraiser, requires the applicant to provide evidence satisfactory to the Board of possessing the educational qualifications and qualifying experience outlined in the Administrative Code, Chapters 780-X-5 and 780-X-6 to be eligible to sit for the examination for licensure for any classification of real property appraiser.

The Trainee/Mentor requirements discussion was deferred until the January 2015 Board meeting.

- 19.0 At 12:05 p.m., on motion by Mr. Mallory and second by Mr. Eslava, the Board voted to adjourn the regular Board meeting. Motion carried by unanimous vote. The Board's meeting schedule for 2015 is January 15, 2015, March 19, 2015, May 21, 2015, July 16, 2015, September 17, 2015, and November 19, 2015 in the 3<sup>rd</sup> Floor Conference Room, 100 North Union Street, Montgomery, Alabama.

Sincerely,

Carolyn Greene  
Executive Secretary  
/cg

**APPROVED:** \_\_\_\_\_  
**Edmond G. Eslava, III, Vice-Chairman**