

**STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
DIVISION OF CORPORATIONS, BUSINESS AND PROFESSIONAL LICENSING
BOARD OF CERTIFIED REAL ESTATE APPRAISERS**

**MINUTES OF MEETING
January 10-11, 2008**

By the authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled meeting of the Board of Certified Real Estate Appraisers was held January 10-11, 2008, at the Atwood Building, 550 W. 7th Avenue Suite 1270 & 240, Anchorage, AK.

Thursday – January 10, 2008

Call to Order/Roll Call

The meeting was called to order at 8:36 a.m. by Steve MacSwain, Chairman.

Those present, constituting a quorum of the Board:

Steve MacSwain, Chairman, General Real Estate Appraiser
Gene Shafer, Vice Chair, Residential Real Estate Appraiser
William Larick, General Real Estate Appraiser
Butch Olmstead, Mortgage Banking Executive
April Moore, Public Member

In attendance from the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, was:

Jan Mays, Licensing Examiner
Margo Mandel, Investigator

In attendance from Department of Law:

Gayle Horetski, Attorney

Agenda Item 1 – Ethics Report

No ethics issues to disclose.

Agenda Item 2 – Investigative Report

Margo Mandel, Investigator presented the investigative report to the Board.

During this reporting period, September 17, 2007 to December 27, 2007, the Investigation Unit opened one (1) case and closed one (1) case. Currently there are four (4) open cases; three of the four cases are currently involved in litigation.

Open Cases:

3300-98-006 Violating Professional Ethics Litigation

| | | |
|-------------|-------------------------------|------------|
| 3300-02-004 | Violating Professional Ethics | Litigation |
| 3300-06-009 | Continuing Education | Active |
| 3300-07-006 | Violating Professional Ethics | Active |

Closed Cases:

| | | |
|-------------|-------------------------------|-----------|
| 3300-06-005 | Violating Professional Ethics | Unfounded |
|-------------|-------------------------------|-----------|

Agenda Item 3 – Review Agenda

The following items have been added to the Agenda.

Item 9

- William Westover
- Tony Vargas
- Deborah Sather
- Cathy Kelly
- Jacob Gurney
- Wendy Lawrence
- Charles McGee

Agenda Item 4 – Review Minutes

The Board reviewed the June 14, 2007, October 5, 2007, November 29, 2007 (teleconference), and December 26, 2007 (teleconference) minutes. No changes were made.

Upon a motion by Olmstead, seconded by Shafer and approved unanimously, it was:

RESOLVED to approve the June 14, 2007, October 5, 2007, November 29, 2007 teleconference, and December 26, 2007 teleconference minutes.

Agenda Item 5 – Goals & Objectives

The Board reviewed and discussed the Goals & Objectives for FY08. The Board request to change number three and to delete number six to read:

1. Review recommended changes and modify current statutes and regulations to include changes as needed and encourage their implementation.
2. See comments/input from other organizations that are involved in our use of appraisal services in Alaska.
3. Circulate the Board meeting dates and activities to appraisal organizations, interested individuals, and users of appraisal services and to the Alaska Chapter of Appraisal Institute.
4. Provide public notice of all meetings in the newspaper.
5. Continue to make listings of approved, denied, and expired initial certification and continuing education courses/seminars available to certified individuals.

6. At the time of initial certification, the Board is to review the appraiser's application along with one appraisal report completed by the applicant, in accordance with 12 AAC 70.110(e).
7. To have at least two face-to-face meetings per year.

Upon a motion by Olmstead, seconded by Shafer and approved unanimously, it was:

RESOLVED to approve the FY08 Goals & Objectives as amended.

Break at 10:27 a.m.; back on record at 10:43 a.m.

Agenda Item 6 – Budget Report

The Board reviewed the Expenditure and Revenue Report. The Board had no comments.

Agenda Item 7 – Public Comment

There were no individuals in attendance for public comment.

Agenda Item 8 – Courtesy License Procedure

Mrs. Mays presented an excel spreadsheet list of all the courtesy license holders. The Board reviewed the list. The Board request to delete the column "Report Returned", since nothing in regulations requires the Board to send the appraisal report back to the license holder.

Lunch at 11:55 a.m.; back on record at 1:44 p.m.

Agenda Item 9 – Application Review

Gayle Horetski, Assistant Attorney General, Department of Law was present during the application review. The Board discussed how they are going to allow only 50% of the hours required to be in mass appraisal. Ms. Horetski stated that nothing in the statutes and regulations allows the Board to enforce the 50% rule. Mr. Horetski also stated that the Board can change the language in regulation to allow 50% in mass appraisal.

Break at 3:04 p.m.; back on record at 3:13 p.m.

The Board discussed changing the language in 12 AAC 70.990(1) and 12 AAC 70.108. The following regulation changes will be submitted to Jun Maiquis, Regulation Specialist to draft for the Board.

- 12 AAC 70.990(1) delete "ad valorem tax appraisals" and replace it with "mass appraisal".
- 12 AAC 70.108 – that no more than 50 percent of the total work experience hours required maybe obtained through the performance in mass appraisal work.

Upon a motion by Shafer, seconded by Olmstead and approved unanimously, it was:

RESOLVED to approve the following changes to the current regulations in 12 AAC 70.990(1) and 12 AAC 70.108.

General

Upon a motion by Shafer, seconded by Larick and approved unanimously, it was:

RESOLVED to approve the following for certification as General Real Estate Appraisers.

- Trevor Lund
- Wenda Kennedy
- Barbara Belluomini

Upon a motion by Larick, seconded by Moore and approved unanimously, it was:

RESOLVED to deny William Westover for certification as a General Real Estate Appraiser in accordance with AS 08.87.110, 12 AAC 70.108, 12 AAC 70.110(e), and 12 AAC 70.990(1).

Residential

Upon a motion by Olmstead, seconded by Shafer and approved unanimously, it was:

RESOLVED to approve the following for certification as Residential Real Estate Appraisers.

- Shawn Kantola
- Jacob Gurney
- Ashley Dittman
- Cynthia Hansen
- Mae Sprague
- Wendy Booker
- Richard Smith
- Tony Vargas
- Michael Dooley
- Jason Graves

Upon a motion by Larick, seconded by Olmstead and approved unanimously, it was:

RESOLVED to deny the following for certification as Residential Real Estate Appraisers in accordance with AS 08.87.110, 12 AAC 70.110(e), 12 AAC 70.108, and 12 AAC 70.990(1).

- Cathy Kelly
- Deborah Sather
- Wendy Lawrence

Mr. Shafer abstained from voting on Deborah Sather's application.

Agenda Item 10 – Course Approval

Upon a motion by Olmstead, seconded by Larick and approved unanimously, it was:

RESOLVED to approve the following courses by the Appraisal Institute, McKissock, LP, ASMRA, and Allied Schools.

Appraisal Institute

- An Introduction to Valuing Green Buildings

McKissock, LP

- Mortgage Fraud: Protect Yourself
- The Evolution of Finance and the Mortgage Market – Virtual Classroom
- Environmental Issues for Appraisers

ASFMRA

- Intermediate Approaches to Value for Rural Appraisal (A-200)
- Valuation of Conservative Easements
- Introduction to the Approaches to Value for Rural Appraisal (A-110)
- Advanced Approaches to Value for Rural Appraisal (A-300)
- Introduction to Appraisal Review (A-360)
- Appraisal Review Under USPAP (A-370)
- ASFMRA 78th Annual Convention

Allied Schools

- 7 Hour USPAP Course (recertification)

Agenda Item 11 – Correspondence

The Board reviewed two correspondence items. No response was needed.

Upon a motion by Olmstead, seconded by Larick and approved unanimously, it was:

RESOLVED to adjourn the meeting.

There being no further business, the meeting adjourned at 5:36 p.m.

Friday – January 11, 2008

Call to Order/Roll Call

The meeting was called to order at 8:44 a.m. by Steve MacSwain, Chairman.

Those present, constituting a quorum of the Board:

Steve MacSwain, Chairman, General Real Estate Appraiser
Gene Shafer, Vice Chair, Residential Real Estate Appraiser
William Larick, General Real Estate Appraiser
Butch Olmstead, Mortgage Banking Executive
April Moore, Public Member

In attendance from the Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, were:

Jan Mays, Licensing Examiner
Margo Mandel, Investigator

In attendance from Department of Law:

Bob Auth, Attorney
Gayle Horetski, Attorney
Linda Schwass, Paralegal

Guests present were:

Clay Keene, Attorney (teleconference)
Kim Wold, General Real Estate Appraiser (teleconference)
Bruce Faulkner, Attorney

Agenda Item 12 – Wold Case

Margo Mandel, Investigator, Division of Corporations Business & Professional Licensing and Bob Auth, Attorney, Office of Administrative Hearing, and Gayle Horetski, Assistant Attorney General, Department of Law joined the meeting. The Board also called Clay Keene, Attorney representing Kim Wold and Kim Wold himself, via teleconference.

Butch Olmstead indicated that he would be recused from all discussion, voting and deliberation on the Wold Case.

Ms. Horetski stated that the Board at the November 29, 2007 teleconference decided on Option 4, to take no additional evidence. The Board is here today to deliberate on the Wold Case and it was noted that Ms. Schwass brought down hard copies of the exhibits for the Board to review.

The Board decided to continue to get legal advice from Ms. Horetski. Ms. Horetski stated that the Board has two legal issues to address 1) Decision on the pending motions 2) How to interpret the fine provisions.

The Board had a discussion on the two motions being filed.

Upon a motion by Shafer, seconded by Moore and approved unanimously, it was:

RESOLVED to deny the Motion to Establish Final Agency Action and Motion to Limit Agency Action.

Upon a motion by Shafer, seconded by Larick and approved unanimously, it was:

RESOLVED to go into executive session to deliberate on the Wold Case.

Executive session at 9:25 a.m.; back on record at 4:07 p.m.

Lunch Break from 11:30 a.m. to 1:30 p.m.

The Board requested that Ms. Horetski state the Board's final decision. Ms. Horetski stated that there had been some changes to the original proposed decision that was issued by Administrative Law Judge, Jim Stanley on May 24, 2007. On page 2, a short summary of what's been going on procedurally since the first issue of the proposed decision. On page 19 there will be some changes regarding on disciplinary sanctions. The records support the following sanctions:

1. Failed to adhere to USPAP Standards Rules 1.1a, 1.1b, 1.1c and 2.2a11.
2. Mr. Wold is required to take the following courses taught by the Appraisal Institute. Courses must be classroom attendance. Evidence of passing and completing the course must be submitted to the Board 18 months from the date of the final order.
 - Business Practices & Ethics
 - General Market Analysis and Highest and Best Use
 - Advanced Sales Comparison and Cost Approaches
 - Litigation Appraising, Specialized Topics and Applications
 - National Uniform Standards and Professional Appraisal Practice – 15 Hour
3. Civil Fine of \$4500.00 within six months from the date of the final order.
 - \$1500.00 Copper Road Appraisal
 - \$1500.00 Marina Appraisal
 - \$1500.00 Ellis Island Appraisal
4. Failure to meet the requirements above will result in suspension of Mr. Wold's certification as a real estate appraiser in the State of Alaska until proof of compliance is received by the Board.

Ms. Horetski will have the final order for the Board to review no later than January 31, 2008.

Agenda Item 13 – Board Business

Task List

Jan Mays

- Order 4 USPAP Guide Books 2008-2009
- Find the letter from ASC in 2007 regarding "mass appraisal", email letter to Board.
- Email Steve for the AK Chapter of Appraisal Institute email.
- Delete the column "Report Returned" in the Courtesy License Holder Excel list.
- Add Training for the Executive Ethics Branch for the June 6, 2008 meeting agenda.

Sign Wall Certificates

The Board signed two wall certificates for the following:

- Philip Swartz, General Real Estate Appraiser No. 686
- Robert Olchin, Residential Real Estate Appraiser No. 687

Schedule Next Meeting

The Board decided to schedule there next face-to-face meeting on June 6, 2008. The Board requests that Mrs. Mays email Denise Graves, ASC to have the meeting in conjunction with the field review audit.

Sign Meeting Minutes

The Board chair signed the following meeting minutes:

- June 14, 2007
- October 5, 2007
- November 29, 2007 Teleconference
- December 26, 2007 Teleconference

Sign TA's and Collect Receipts

Travel Authorization forms were given to each Board member to sign.

Upon a motion by Shafer, seconded by Larick and approved unanimously, it was:

RESOLVED to adjourn the meeting.

There being no further business, the meeting adjourned at 4:15 p.m.

Respectfully Submitted:

Jan Mays
Licensing Examiner

Approved:

Steve MacSwain, Chair

Date: _____