

**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
September 25th, 2012**

By the authority of AS 08301.070(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 September 25, 2012, at the Atwood Building, 550 West 7th Avenue, Suite 1860, Anchorage, Alaska.

Call to Order/Roll Call

The meeting was called to order at 9:00 a.m. by Butch Olmstead, Chair.

Those present, constituting a quorum of the Board:

Butch Olmstead-Chair, Mortgage Banking Executive
Donna Rulien-Vice-Chair, Residential Real Estate Appraiser
April Moore, Public Member
Clint Lentfer, General Real Estate Appraiser
Lance Cook, Residential Real Estate Appraiser

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

KC Odell, Licensing Examiner

Agenda Item 1 – Review Agenda

The Board reviewed the agenda and no changes were made.

Upon a motion by Ms. Rulien, seconded by Mr. Lentfer and approved unanimously, it was:

MOVED to approve the agenda as written.

Agenda Item 2 – Review Minutes

The board reviewed the minutes of the May 1st, 2012 meeting as written by previous licensing examiner Alysha Hernandez.

Upon a motion by Ms. Rulien, seconded by Mr. Cook and approved unanimously, it was:

MOVED to approve the May 1st, 2012 meeting minutes.

Agenda Item 3 – Board Business

Ethics Reporting-

There were no ethics issues to disclose.

Ratify New Licenses-

- 884- Etta Tull
- 885- Stephen Kovalsky
- 886- John Cowart
- 887- Joy Lipsmeyer
- 888- Darrin Liddell
- 889- Bonnie Gurney
- 890- Nancy Dawn
- 891- David Hunnicutt

Upon a motion by Ms. Rulien, seconded by Mr. Cook and approved unanimously, it was:

MOVED to accept the ratification of the licenses as read on record by the licensing examiner.

Review Goals and Objectives FY13-

The board reviewed their fiscal year 2013 goals and objectives and had nothing to add or remove.

Agenda Item 4 – Overview of the Appraisal Management Companies Minimum Requirements

The board called USPAP Instructor and Real Estate Appraiser Bill King who has a standing relationship with some of the board members. Donna Rulien had the licensing examiner copy the Appraisal Management Company registration & regulation model act which the State of Washington used to create their regulations with the help of Mr. King. This document was included in the board packet after the meeting adjourned and was filed along with it. Mr. King started by informing the board that there is no date that they need to be concerned about getting these changes made by. However, he continued by describing the changes that need to be made as "overwhelming" since he has assisted other states in becoming compliant with these rules such as Washington state. In Washington it apparently took two years to get the changes implemented with the assistance (and additional cost) of a lobbyist working on their behalf. So he recommended getting started sooner rather than later for our states board. Mr. King went on to recommend that our board find one or two "friendly" members of one of the bodies of government, either house or senate who is aware of the issues and can act as a sponsor for legislation that would put this in place. The board members brainstormed different people they could look to for this sort of assistance amongst themselves. Mr. King stated that he would be happy to assist our board with the creation of this language for our state. Our board could then review and edit it for themselves before submitting it the Department of Law. Mr. King thought that the key things to focus on are the areas that deal with discipline issues. It precludes allowing an Appraisal Management Company from having an appraiser sign an indemnification agreement. This is very important because then, Alaska certified appraisers wouldn't be agreeing to settle a dispute in Delaware or Florida for example. The area that may receive the most resistance when trying to get these changes in statute is the amount of the registration fee to do business as a AMC and the amount of bond that they would need to post, which varies widely depending on the state. Clint Lentfer asked if it was possible to look at the big picture while they had Mr. King on the line. Currently our state has nothing

on the books for this and Mr. Lentfer asked how our board could get this process started. Mr. King informed the board that generally this is a two step process in getting changes implemented. What the board needs to do according to Mr. King is create the requirement for Appraisal Management Companies to register themselves with the State on the statutory level, and then reserve the rules, or regulations as our state calls them, for the board to be in control of and easily change again in the future. Mr. King volunteered to create a first draft for the board to revise at their next meeting and then submit to the Division of Professional Licensing, who would carry it on to the Department of Law. The board thanked him for taking the time to do that in his busy schedule. Having nothing else to discuss the board moved on to the next agenda item.

Agenda Item 5 – Application Review

Mr. Frank Wagner was present to discuss his pending application with the board and brought along some additional documentation which served as an example of his work for the board. The licensing examiner had not seen his application in the multiple areas of files while compiling all the un-reviewed pending applications for the board to look at. Therefore, his application was not present at the time of this discussion for the board to refer back to. His documentation he brought was taken by the licensing examiner to include in his file once back in Juneau.

After adjournment of the meeting, the next day Mr. Wagners's file was found, scanned, and emailed to all the board members with a voting ballot. Once a quorum of approval is obtained via email his certification can be issued.

The board reviewed nine certification applications; three for certification as a Residential Appraiser, three for certification as a general appraiser, one for certification as a registered trainee, and one for courtesy licensure. They also reviewed sixteen applications for continuing education courses.

After reviewing all of the licensee applications the board members handed in the voting ballot containing all their votes attached to each individual application packet. Let the record show they have approved these applicants for licensure:

Certified residential real estate appraiser by examination

Carol Norquist
Michael Strong
Taft Tracy

Certified general real estate appraiser by examination

Jason Graves

Certified general real estate appraiser by endorsement

John Parsons

Registered real estate appraiser trainee

Bristol Whitmore

Real estate appraisal courtesy license

Richard Bass

The board approves the following applicant for certification by endorsement with the request that he submit further documentation on why his license was voluntarily surrendered on May 25th, 1995. Once a reason is obtained through contacting the applicant their application will be resent to the board for consideration.

Certified general real estate appraiser by endorsement

Geoffrey Oliver

The board also denied one incomplete application for certification as a general real estate appraiser by endorsement.

Incomplete application

Richard Long

There was a major error that occurred during this part of the meeting. The licensing examiner had brought along Jacob Gurney's entire application for the board to review and consider during agenda item ten: Administrative Law Judge recommendation. However, it was stored to the side of the meeting room along with the pending applications until a time when the board was ready to review them. The licensing examiner had intended on keeping these two separate but were instead mistakenly taken into consideration simultaneously. The board noticed it was for an applicant who had already been practicing in our state. They then discussed the decision laid out in the administrative law judge's referral and decided to accept the judgment rendered as written.

Upon a motion by Ms. Rulien, seconded by Mr. Cook and approved unanimously, it was:

MOVED to adopt the Administrative Law Judge's decision regarding Mr. Jacob Gurney.

Board Chair Butch Olmstead then signed and dated the adoption page of the referral and they moved on to agenda item seven: investigative report since they had a licensee joining them to discuss some of the complaints which had already been closed.

Agenda Item 7 – Investigative Report

Susan Crosson, who was once on the Alaska State Board of Real Estate Appraisers, was present during the meeting to discuss two complaints that she had filed and have since been closed. She was satisfied with investigation that took place on those complaints and appreciated the assistance provided by Margo Mandel in that regard. However, she wanted to address what the board does and doesn't see during the handling of these complaints. She went into a description of one of the complaints that she had filed in an effort to describe the difference between what the board sees and makes rulings on as opposed to what is going on in the field. She essentially was requesting the board to change investigative procedure, which is not in the board's power. Investigators utilize the board members as licensed professionals in their field to assist them in finding any sort of wrong doing at the beginning of the process, and always before any sort of judgment or ruling is decided on. With the understanding that information such as names, addresses, or anything

that would identify the licensee or complainant to a board member is withdrawn. Ms. Crosson went on to request that if a licensee who's decided not to surrender their license after being a recipient of disciplinary action could be required to pay for the cost of their investigation. Instead of it being paid by the board and thus distributed amongst the licensee's of that program in the form of increased licensing fees. This, again, is not in the board's power to change and is standard procedure for the Division of Corporations, Business and Professional licensing. The board thanked Ms. Crosson for her time and moved on to the investigative report itself.

Margo Mandel and Quinten Warren were both in attendance to present the investigative report. Quinten Warren is the chief investigator for the Division of Corporations, Business and Professional licensing, and Margo Mandel is the investigator assigned to this particular board. Margo asked the board if a licensee who is currently on a consent agreement would be able to use online courses to fulfill his continuing education requirements. The board has in the past allowed for online continuing education courses to be utilized for licensees with disciplinary actions taken against them provided the course isn't offered in person, and maintained that opinion with regard to this licensee as well.

FY2013 statistics to date:

Cases Opened: 7

Cases Closed: 5

Open Cases:

3300-09-001	Fraud/Misrepresentation	Litigation
3300-09-003	Negligence	Litigation
2012-000139	Violating Professional Ethics	Expert Review
2012-000289	Negligence	Expert Review
2012-000869	Violating Professional Ethics	Active
2012-000876	Negligence	Active
2012-000952	Violating Professional Ethics	Active

Closed Cases:

2011-000863	Violating Professional Ethics	No Violation
2011-001129	Negligence	Active
2012-000032	Violating Professional Ethics	Active
2012-000114	Negligence	Active
2012-000140	Negligence	Active

Board chairman, Richard "Butch" Olmstead, had requested that Ms. Mandel send the licensing examiner documentation related to the Kim Wold case which went to the Supreme Court, and was overturned entirely. Quinten Warren stepped in to answer the board chairs questions relating to the use of certain appraisers to determine whether or not USPAP violations had been made. Quinten stated that those individuals had been used before multiple times and the board members at that time (of which only April Moore was a party to from the existing board members) found their findings to be acceptable and in line with their opinion as well. Prior to the supreme court finding fault with their assessment of the violations in question there had been no reason to doubt their professional competency, and thus were used to assist investigators repeatedly without issue. Margo stepped in to remind the board that the state had attempted to resolve this case twice in the form of a consent agreement, but both times it was denied by the board and was then moved to the next highest court of appeals because of that denial. The board had thought it would be better for the matter to go to a hearing because of the potential risks to the public. Mr. Olmstead clarified his question by stating that he wanted to know why this matter went as far as it did

without having any sort of substantial findings. Quinten then informed the board that in fact there were substantial findings and that is why it went as far as it did. Only once the Supreme Court got a hold of the case did they overturn everything. Once again, the division attempted to end the case twice with a consent agreement between the board and Mr. Wold, but both times it was denied by the board and the litigation continued. Mr. Olmstead's main concern wasn't so much about what had happened in this case, but rather what the board presently can do to prevent such a circumstance from happening again in the future. The compromise that came out of this conversation was that the board can compile a list of licensed professionals, or appraisal firms as Mr. Olmstead suggested, to use as expert testimony in the future. The investigators can then utilize that list and know that the board is willing to listen to their opinion in these matters.

The board thanked both Margo and Quinten for their time and opened the floor to Kim Wold who was in attendance along with his wife and lawyer to make a statement during public comment, also present to listen in on this agenda item was Robert Auth from the attorney general's office. The board did not want make them wait an hour while on lunch break however, and allowed them to speak before doing so. Mr. and Mrs. Wold both made their comments related to the lengthy litigation they had lived through after a short message from their lawyer. There being nothing further the board could do, they apologized for the toll it had taken on him and his family over the span of ten years. They thanked him for coming in and then decided to break for lunch.

The board recessed for lunch at 12:40p

The board resumed the meeting at 1:34p

Agenda Item 9 – Public Comment

Board chair called the meeting back to order. They were joined again by Robert Auth from the Attorney General's office, and also by Bruce Falconer and Dani Wosly. They were there to discuss the administrative law judge's recommendation on Jacob Gurney's file which was mistakenly adopted and signed earlier in the meeting before either of them had a chance to discuss it with the board.

Agenda Item 10 – Administrative Law Judge Recommendation

The board informed them that they had indeed adopted the referral, and asked if they had any questions regarding their decision. Mr. Gurney's lawyer, Ms. Wosly, asked if there were going to be any sort of notations on the division's website that would indicate Mr. Gurney was the subject of a disciplinary action. Mr. Auth stated that this is standard procedure that he would in fact have a line of general language that would be attached to the license from that point on. It states to call the division and ask for details pertaining to what kind of action was taken. The board thanked them for coming in and continued to the next agenda item which was number six: course approvals.

Agenda Item 6 – Course Approval

After reviewing all continuing education approval applications the board members handed in the voting ballot containing all their votes attached to each individual course packet. Let the record show they have approved these courses for the following amount of credit hours and all information in the applicant's files will take precedence over the information in the minutes:

Appraisal Institute

- Online data verification methods -5 hours
- Fall real estate conference 2012 - 7 hours
- Condemnation appraising: Principles and Applications - 22 hours
- International financial reporting standards for the real property appraiser - 15 hours
- Online advanced internet search strategies - 7 hours
- Uniform appraisal dataset after effects: efficiency vs. obligation - 7 hours
- Online appraisal curriculum – Residential - 8 hours

Cengage Learning Inc.

- Residential appraiser site valuation & cost approach - 14 hours
- A U.R.A.R. form review - 7 hours
- Residential report writing & case studies - 14 hours
- Residential market analysis & highest & best use - 14 hours

McKissock, LP

- Understanding the uniform appraisal dataset (live webinar) - 3 hours
- FHA for today's appraiser - 7 hours
- Appraising FHA today - 7 hours
- How to analyze & value income properties

IRWA Chapter 49 and 45

- IRWA 431 – Problems in the valuation of partial acquisitions - 8 hours

Agenda Item 11 – New Board Business

The licensing examiner brought up the fact that physical copies of board packets is wasteful of paper and are extremely time consuming to create for each meeting. Multiple professional licensing boards have converted to the use of digital board packets in the form of pdf documents. The licensing examiner proposed that this board move to do the same on record.

Upon a motion by Ms. Rulien, seconded by Mr. Cook and approved unanimously, it was:

MOVED to convert all board meeting packets to digital format unless there is a request for a physical copy at least one week prior to the upcoming meeting.

Agenda Item 12 – Appraisal Subcommittee Regulation

The board reviewed the information regarding the appraisal foundations overview of changes that need to be made to all states statutes and regulations prior to January 1st, 2015. They looked over the document included in their packets and requested that they find someone like Bill King who they spoke with earlier in the day to form these regulations for them. The board members themselves are supposed to formulate these changes themselves and apparently have withdrawn from doing so three meetings in a row now. It was implied that the divisions regulations specialist, Jun Maiquis, may be able to assist. He in fact cannot, it is not anyones place but the board to write their regulations for themselves and thus will need to get this started via teleconference or some other means between the adjournment of this meeting and the start of their next one. These are federally mandated changes that need to be completed before the 2015 deadline, not just in the process of being implemented. The licensing examiner will work with the board in the mean time to initiate this process.

adjournment of this meeting and the start of their next one. These are federally mandated changes that need to be completed before the 2015 deadline, not just in the process of being implemented. The licensing examiner will work with the board in the mean time to initiate this process.

Agenda Item 13 – Correspondence

The board only had one piece of correspondence to review. It was from Neal Fenochietti with the Appraisal subcommittee. He was requesting that the board schedule their next meeting for May 23rd, 2013 so that it would fall in line with their compliance reviews. Having nothing else to review the board moved on to the last agenda item: administrative business.

Agenda Item 14 – Administrative Business

Schedule Next Meeting

The next board meeting is scheduled for March 5th, 2013.

Sign Certificates

The board had no wall certificates they needed to sign.

Meeting Minutes

The May 1st, 2012 meeting minutes were signed.

Sign TA's and Collect Receipts

Travel Authorization will be completed by the licensing examiner when all receipts have been received.

Upon a motion by Ms. Rulien, seconded by Mr. Lentfer and approved unanimously, it was:

MOVED to adjourn the September 25th, 2012 board meeting.

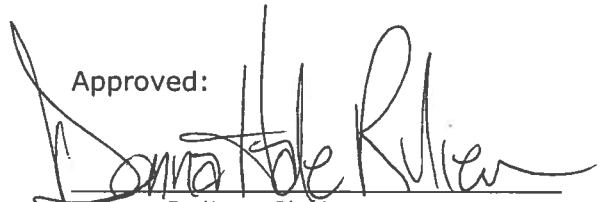
There being no further board business, the meeting adjourned at 2:54 p.m.

Respectfully Submitted:



KC Odell
Licensing Examiner

Approved:



Donna Rulien, Chair

3/5/2013

Date