

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES – LICENSING DIVISION
2501 Woodlake Circle, Okemos, Michigan 48864-5955

BOARD OF REAL ESTATE APPRAISERS

BOARD MEETING MINUTES

December 2, 2008

In accordance with the Open Meetings Act, 1976 PA 267, as amended, the Board of Real Estate Appraisers met in Regular Session on December 2, 2008, at the Department of Labor & Economic Growth, Bureau of Commercial Services, 2501 Woodlake Circle, Conference Room 1, Okemos, Michigan. The business meeting was called to order by Chairperson, David Molenaar, at 9:07 a.m.

ROLL CALL

Present:	Andrew Chamberlain	- Professional Member
	Darius Dynkowski	- Public Member
	Donn Fresard	- Public Member
	Beth Graham	- Professional Member
	Craig Hufnagel	- Professional Member
	Patricia Kelly	- Public Member
	David Molenaar	- Professional Member
	John Snyder	- Professional Member
Staff:	Joseph Campbell	- Licensing Administrator
	Joyce Karr	- Licensing Division Director
	Felicia Badger	- Assistant Licensing Administrator
	Sharon Murphy	- Recording Secretary
	Barrington Carr	- Enforcement Division Manager
	Kristie Pfeifer	- Enforcement Division
	Ann Paruk	- Enforcement Division
	Jim Nelson	- Compliance/Legal/FOIA Unit
	Jeannine Benedict	- Office of Policy & Legislative Affairs
Visitors:	William Couture Jr	- Father of Petitioner/Licensed Appraiser
	Cara Couture Diamond	- Petitioner
	Sean Donnelly	- Petitioner
	Timothy Evans	- Licensed Appraiser
	Denise Graves	- Appraisal Subcommittee
	John Megdan	- Licensed Appraiser
	Glenn Spence	- Licensed Appraiser
	Keith Spiller	- Petitioner
	Norman Thomas	- Petitioner
	Daniel Weaver	- Licensed Appraiser

AMENDMENTS TO AGENDA

Add item 8.d. Denise Graves, Appraisal Subcommittee, Field Review Follow-up Report

APPROVAL OF PREVIOUS MINUTES HELD SEPTEMBER 16, 2008

MOTION: Mr. Hufnagel moved to approve the minutes of September 16, 2008. Ms. Graham seconded the motion, which carried unanimously.

Cara Couture Diamond, State Licensed Appraiser Relicensure Denial, GMC (tabled)

On January 31, 2008, Ms. Diamond applied for state licensed real estate appraiser relicensure. The department denied the application on April 11, 2008, for lack of good moral character. A petition for review was received on May 14, 2008, and the board reviewed the petition and heard the petitioner's statements on June 17, 2008 at which time Ms. Diamond's appeal was tabled by the board until the December 2, 2008 meeting to allow her further opportunity to demonstrate rehabilitation and her propensity to serve the public in a fair, honest, and open manner by submitting updated letters from her probation officer, employers and members of the community regarding her conduct in that six month period. Ms. Diamond was present at the meeting today and addressed the board. The board reviewed the petition, supporting documents, and heard the petitioner's statements.

MOTION: Ms. Graham moved to accept Ms. Diamond's petition to overturn the denial issued by the department based upon her demonstration of rehabilitation and her propensity to serve the public in a fair, honest and open manner. Mr. Snyder seconded the motion, which carried by a majority vote, with Mr. Dynkowski opposed. The department concurred.

Sean Donnelly, Limited Appraiser Relicensure Denial, GMC (probationary license)

On January 9, 2008, Mr. Donnelly submitted a renewal application and payment for a limited real estate appraiser license, which was over five months past the due date of July 31, 2007, and he had not met the requirements of the board prior to renewal. The department denied the application on July 1, 2008, for lack of good moral character. A petition for review was received on September 9, 2008. Mr. Donnelly had initially applied for a limited real estate appraiser license on April 3, 2006, was denied by the department on September 7, 2006 for lack of good moral character, and Mr. Donnelly petitioned the board which met December 5, 2006 granting him a probationary limited real estate appraiser license with the following limitations: Prior to renewing his limited real estate appraiser license, he must meet with the board and department at their June 2007 meeting for review of his progress, provide written documentation from his supervisor Daniel Weaver, demonstrating his satisfactory performance and full time employment with a description of duties performed, and not have any complaints filed with the department against his limited appraiser license. Mr. Donnelly failed to appear before the board on June 19, 2007 as required, and the board moved to deny future renewals of his limited appraiser license based upon his failure to comply with the limitations set forth at the December 5, 2006 board meeting. Mr. Donnelly was present at the meeting today with his potential supervising appraiser, Daniel Weaver, and he addressed the board and department. The board reviewed the petition, supporting documents, and heard the petitioner's statements.

MOTION: Mr. Fresard moved to accept Mr. Donnelly's petition to overturn the denial issued by the department based upon his demonstration of rehabilitation and his propensity to serve the public in a fair, honest and open manner. Ms. Graham seconded the motion, which carried by a majority vote, with Mr. Dynkowski opposed. The department concurred.

Keith Spiller, Certified General Appraiser License Denial (tabled)

On September 19, 2007, Mr. Spiller applied for a certified general real estate appraiser license. The department denied the application on June 17, 2008 due to lack of acceptable appraisal experience required, specifically the appraisal experience does not comply with USPAP Standard Rule 2-1(a) which requires appraisal reports to clearly and accurately set forth the appraisal in a manner that will not be misleading, and Mr. Spiller's experience does not comply with USPAP Standard Rule 1-4(a) which states, "when a sales comparison approach is applicable, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion." A petition for review was received on July 17, 2008, and the board reviewed the petition and heard the petitioner's statements on September 16, 2008 at which time Mr. Spiller's appeal was tabled by the board until December 2, 2008 to allow him additional time to submit further documentation demonstrating the three approaches to value—cost, income and sales comparison—specifically, the use of rent comparables and cost approaches used in the sample reports submitted for 6043 14th Street in Detroit, and 2030 S. Averill Ave in Flint. Mr. Spiller submitted updated work samples for the two locations requested by the board, was present at the meeting today and addressed the board. The board reviewed the petition, supporting documentation and heard the petitioner's statements.

MOTION: Mr. Chamberlain moved to overturn the denial issued by the department and board and allow Mr. Spiller to sit for the examination based upon his demonstration of meeting the experience requirements to qualify for examination in Michigan. Mr. Hufnagel seconded the motion, which carried unanimously. The department concurred.

STIPULATIONS

Donald Adle, 12-01-001883, C#93416

The board reviewed the stipulation in the matter of Donald Adle who admitted to failure to analyze a sale of the subject property that occurred within one year prior to the effective date of the appraisal in that he failed to include transfer of sale of the subject property in an appraisal done for a party with knowledge of the sale because the redemption period had not expired.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department within sixty (60) days from the date of mailing of the final order, and successfully complete a 15 hour National USPAP course within sixty (60) days from the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Chamberlain moved to accept the stipulation. Mr. Hufnagel seconded the motion, which carried by a majority vote, with Ms. Graham abstaining.

Michael Antonian, 12-01-006147, C#304523

The board reviewed the stipulation in the matter of Michael Antonian who admitted to failure to summarize the information analyzed, the appraisal procedures followed and the reasoning that supported the analyses, opinions and conclusions.

In accordance with the stipulation, the respondent consents to pay a fine of \$2,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 30 hours of continuing education courses consisting of the 15 hour Residential Market Analysis and Highest and Best Use course, and a 15 hour Residential Site Valuation & Cost Approach course, which may not be applied to the continuing education requirement for licensure renewal, to be taken within 24 months from the date of mailing of the final order; and immediate suspension of licensure until respondent can demonstrate the capacity to fulfill professional standards of practice by appearing before the board of real estate appraisers to submit a complete medical release statement from a physician stating respondents full mental capacity is restored, for the board and department to determine whether suspension of his appraiser license can be lifted. Failure to comply with all terms and conditions set forth in the stipulation shall result in continued suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Ms. Graham moved to accept the stipulation. Mr. Snyder seconded the motion, which carried unanimously.

James Boudreau, 12-01-003125, C#305314

The board reviewed the stipulation in the matter of James Boudreau who failed to correctly employ recognized methods and techniques necessary to produce a credible appraisal in that he failed to include accurate property characteristics data; failure to clearly and accurately set forth the appraisal report in a manner that was not misleading; failure to provide sufficient information to enable the intended users of the appraisal to understand it properly; failure to exercise reasonable diligence in developing or communicating the appraisal; and violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to immediate revocation of his appraiser license, agreeing to return his licenses by mail to the department. Failure to comply with all terms and conditions set forth in the stipulation shall result in continued revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Ms. Graham moved to accept the stipulation. Mr. Fresard seconded the motion, which carried by a majority vote, with Mr. Snyder abstaining.

David Brigle, 12-01-005537, C#299580

The board reviewed the stipulation in the matter of David Brigle who admitted to violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to pay a fine of \$1,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 7 hours of continuing education courses in Market Approach Cost

Analysis which may not be applied to the license renewal requirement, to be completed within six (6) months from the mailing date of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Chamberlain moved to accept the stipulation. Ms. Graham seconded the motion, which carried by a majority vote, with Mr. Hufnagel abstaining.

Marie Collias, 12-01-007207, C#306387

The board reviewed the stipulation in the matter of Marie Collias who admitted to violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to pay a fine of \$750.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 7 hours of continuing education courses in Market Approach Cost Analysis which may not be applied to the license renewal requirement, to be completed within six (6) months from the mailing date of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Ms. Graham moved to accept the stipulation. Mr. Chamberlain seconded the motion, which carried by a majority vote, with Mr. Molenaar abstaining.

Paul Follett, 12-01-006389, C#305481

The board reviewed the stipulation in the matter of Paul Follett who admitted to failure to analyze all agreements of sale, options or listings that were current as of the effective date of the appraisal.

In accordance with the stipulation, the respondent consents to pay a fine of \$250.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and respondent consents to immediate revocation of his appraiser license. Failure to comply with all terms and conditions set forth in the stipulation within six months from the date of mailing of the final order shall result in continued revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Chamberlain moved to accept the stipulation. Mr. Hufnagel seconded the motion, which carried unanimously.

Joshua Griggs, 12-01-069770, C#3039891

The board reviewed the stipulation in the matter of Joshua Griggs who admitted to failure to correctly employ recognized methods and techniques necessary to produce a credible appraisal; failure to clearly and accurately set forth the appraisal report in a manner that was not misleading; failure to provide sufficient information to enable the intended users of the appraisal to understand it properly; performing appraisal services for which he was not licensed; performing an appraisal with a transaction value that exceeded the permissible amount for his license level; failure to exercise reasonable diligence in developing or communicating the

appraisal; violating a rule of conduct in practicing an occupation; and violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to immediate revocation of his appraiser license in lieu of sanctions in this matter. Failure to comply with all terms and conditions set forth in the stipulation shall result in continued revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Chamberlain moved to accept the stipulation. Mr. Snyder seconded the motion, which carried by a majority vote, with Ms. Graham abstaining.

Rodrnick Harling, 12-01-000374, C#306301

The board reviewed the stipulation in the matter of Rodrick Harling who admitted to rendering appraisal services in a careless or negligent manner; failure to analyze all agreements of sale, options or listings of the subject property that were current as of the effective date of the appraisal; and failure to provide sufficient information to enable the intended users of the appraisal to understand it properly.

In accordance with the stipulation, the respondent consents to pay a fine of \$2,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 7 hours of continuing education courses in Defensive Appraisal Writing or a substantially equivalent course, which shall not be taken online and may not be applied to the license renewal requirement, to be completed within six (6) months from the mailing date of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Dynkowski moved to accept the stipulation. Ms. Graham seconded the motion, which carried unanimously.

Laurence Herbert, 12-01-000450, C#84023

The board reviewed the stipulation in the matter of Laurence Herbert for failure to exercise reasonable diligence in developing or communicating the appraisal; and violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 15 hours of continuing education courses developed according to the Uniform Standards of Professional Appraisal Practice, which may be applied to the license renewal requirement, to be completed within six (6) months from the mailing date of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Ms. Graham moved to accept the stipulation. Mr. Chamberlain seconded the motion, which carried by a majority vote, with Mr. Molenaar abstaining.

Travis Hylan, 12-01-068231, C#305978

The board reviewed the stipulation in the matter of Travis Hylan for violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 15 hours of continuing education courses in Narrative Report Writing, which may not be applied to the license renewal requirement, to be completed within six (6) months from the mailing date of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Chamberlain moved to accept the stipulation. Ms. Graham seconded the motion, which carried by a majority vote, with Mr. Molenaar abstaining.

Nathan Hogan, 12-01-007564, C#303990

The board reviewed the stipulation in the matter of Nathan Hogan for performing appraisal services for which he was not licensed; signing appraisal reports for residential properties with transaction values that exceeded the permissible amount for his license level; failure to exercise reasonable diligence in developing or communicating the appraisal; and violating a rule of conduct in practicing an occupation.

In accordance with the stipulation, the respondent consents to pay a fine of \$5,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and immediate revocation of licensure effective upon the mailing date of the final order, the revocation to remain in effect for a minimum of one year in which respondent agrees to return his appraiser licenses to the department within 30 days of the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a continued revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Chamberlain moved to accept the stipulation. Mr. Dynkowski seconded the motion, which carried unanimously.

Nathan Hogan, 12-01-007564, C#305325

The board reviewed the stipulation in the matter of Nathan Hogan for signing appraisal reports for federally related transactions when he was not qualified by his license level to do so; failure to exercise reasonable diligence in developing or communicating the appraisal; failure to conform to standards of practice governing real estate appraisers demonstrating incompetence in developing or communicating the appraisals; and violating a rule of conduct in practicing an occupation.

In accordance with the stipulation, the respondent consents to pay a fine of \$5,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and immediate revocation of licensure effective upon the mailing date of the final order, the revocation to remain in effect for a minimum of one year in which respondent agrees to return

his appraiser licenses to the department within 30 days of the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a continued revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Hufnagel moved to accept the stipulation. Mr. Chamberlain seconded the motion, which carried unanimously.

Tim Korpala, 12-01-002620, C#302519

The board reviewed the stipulation in the matter of Tim Korpala for failure to identify and analyze the effect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic demand, the physical adaptability of the real estate and market area trends; failure to provide sufficient information to enable the intended users of the appraisal to understand it properly; and violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to permanently surrender his appraisal license within 21 days of the date of mailing of the final order, shall not reapply for appraisal licensure at any time in the future, and shall return appraisal licenses to the department. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Dynkowski moved to accept the stipulation. Ms. Graham seconded the motion, which carried by a majority vote, with Mr. Chamberlain abstaining.

Layne Lucia, 12-01-068870, C#305007

The board reviewed the stipulation in the matter of Layne Lucia for failure to exercise reasonable diligence in developing or communicating the appraisal.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete the 15 hour National Uniform Standard of Professional Appraisal Practice continuing education course, which may be applied to the license renewal requirement, to be completed within six (6) months from the mailing date of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Snyder moved to accept the stipulation. Ms. Graham seconded the motion, which carried by a majority vote, with Mr. Hufnagel opposed and Mr. Molenaar abstaining.

Melinda MacLachlan, 12-01-006074, C#301689

The board reviewed the stipulation in the matter of Melinda MacLachlan for failure to provide sufficient information to enable the intended users of the appraisal to understand it properly.

In accordance with the stipulation, the respondent consents to pay a fine of \$1,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and immediate revocation of licensure effective upon the date of mailing of the final order to continue for a period of at least three years. Failure to comply with all terms and conditions set forth in the stipulation shall result in a continued revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Chamberlain moved to accept the stipulation. Mr. Dynkowski seconded the motion, which carried by a majority vote, with Mr. Hufnagel abstaining.

Robert Mooney, 12-01-003974, C#304540

The board reviewed the stipulation in the matter of Robert Mooney for failure to exercise reasonable diligence in developing or communicating the appraisal.

In accordance with the stipulation, the respondent consents to pay a fine of \$2,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 21 hours of continuing education courses including the 7 hour Multi Family Residential Real Estate Appraisal course, the 7 hour Cost Approach course, and the 7 hour Income Approach course, all of which shall not be taken over the internet and may not be applied to the license renewal requirement, to be completed within six (6) months from the mailing date of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Chamberlain moved to accept the stipulation. Ms. Graham seconded the motion, which carried unanimously.

Julian Moore, 12-01-007226, C#304107

The board reviewed the stipulation in the matter of Julian Moore for violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 15 hours of continuing education courses developed according to the Uniform Standards of Professional Appraisal Practice, which may be applied to the license renewal requirement, to be completed within six (6) months from the mailing date of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Ms. Graham moved to accept the stipulation. Mr. Hufnagel seconded the motion, which carried unanimously.

Nicholas Nader, 12-01-002110, C#300830

The board reviewed the stipulation in the matter of Nicholas Nader for committing substantial errors of omission or commission that significantly affected the appraisal; failure to identify the client and other intended users of the appraisal; failure to identify the intended use of his

opinions and conclusions in the appraisal; failure to identify the characteristics of the property that were relevant to the purpose and intended use of the appraisal; failure to identify the scope of work necessary to complete the appraisal assignment; failure to analyze comparable sales data as available to indicate a value conclusion in the appraisal; failure to prominently state the appraisal option used in the appraisal report; failure to exercise reasonable diligence in developing or communicating the appraisal; failure to conform to standards of practice governing real estate appraisers, demonstrating incompetence in developing or communicating the appraisal and in the practice of an occupation; and violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and immediate revocation of licensure effective upon the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a continued revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Chamberlain moved to accept the stipulation. Ms. Graham seconded the motion, which carried unanimously.

Michael Orr, 12-01-068102, C#308228

The board reviewed the stipulation in the matter of Michael Orr for violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Chamberlain moved to accept the stipulation. Ms. Graham seconded the motion, which carried by a majority vote, with Mr. Hufnagel abstaining.

Dennis Theisen, 12-01-001303, C#305070

The board reviewed the stipulation in the matter of Dennis Theisen for violating a rule of conduct in practicing an occupation.

In accordance with the stipulation, the respondent consents to pay a fine of \$1,500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 14 hours of continuing education courses including the 7 hour Defensible Appraisal Report Writing course and the 7 hour Narrative Appraisal Report Writing course which may not be applied to the license renewal requirement, to be completed within six (6) months from the mailing date of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in a suspension of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Hufnagel moved to accept the stipulation. Mr. Dynkowski seconded the motion, which carried unanimously.

Jeffrey Wellman, 12-01-000141, C#303298

The board reviewed the stipulation in the matter of Jeffrey Wellman for failure to analyze comparable cost data as available to estimate the cost new of improvements; failure to analyze a current agreement of sale, option or listing of the property as available; failure to clearly and accurately disclose any extraordinary assumption, hypothetical condition or limiting condition that directly affected the appraisal and indicate its impact on value; and failure to analyze comparable data as available to estimate the difference between the cost new and the present worth of the improvements (accrued depreciation) in the appraisal.

In accordance with the stipulation, the respondent consents to pay a fine of \$3,500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 21 hours of continuing education courses including the 7 hour Scope of Work course, the 7 hour 2008 National Uniform Standards of Professional Appraisal Practice course, and the 7 hour Market Data Analysis course, which may be applied to the license renewal requirement, to be completed within six (6) months from the mailing date of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Ms. Graham moved to accept the stipulation. Mr. Chamberlain seconded the motion, which carried unanimously.

Walter Williams, 12-01-006668, C#303988

The board reviewed the stipulation in the matter of Walter Williams for committing substantial errors of omission or commission that significantly affected the appraisal; failure to analyze comparable sales data as available to indicate a value conclusion; failure to develop an opinion of site value by an appropriate appraisal method or technique when the cost approach was applicable; failure to clearly and accurately set forth the appraisal report in a manner that was not misleading; failure to summarize sufficient information to identify the real estate involved in the appraisal including the physical and economic property characteristics relevant to the appraisal assignment; failure to summarize the information analyzed, the appraisal procedures followed and the reasoning that supported the analyses, opinions and conclusions in the appraisal; failure to exercise reasonable diligence in developing or communicating the appraisal; and violating provisions for which penalties are not otherwise prescribed.

In accordance with the stipulation, the respondent consents to pay a fine of \$2,000.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 40 hours of continuing education courses including an Advanced Market Analysis course, which may be applied to the license renewal requirement, to be completed within six (6) months from the mailing date of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Chamberlain moved to accept the stipulation. Mr. Dynkowski seconded the motion, which carried by a majority vote with Mr. Hufnagel opposed.

Asil Zaya, 12-01-007156, C#301354

The board reviewed the stipulation in the matter of Asil Zaya for failure to clearly and accurately set forth the appraisal report in a manner that was not misleading in that he failed to include accurate property tax, size and features data.

In accordance with the stipulation, the respondent consents to pay a fine of \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 9 hours of continuing education courses including the 2 hour Michigan Law Update and the 7 hour Uniform Standards of Professional Appraisal Practice Update, which may be applied to the license renewal requirement, to be completed within sixty (60) days from the mailing date of the final order. Failure to comply with all terms and conditions set forth in the stipulation shall result in revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made.

MOTION: Mr. Chamberlain moved to accept the stipulation. Mr. Fresard seconded the motion, which carried by a majority vote with Ms. Graham abstaining.

HEARING REPORTS

MOTION: Mr. Hufnagel moved to receive the following hearing reports. Ms. Graham seconded the motion, which carried unanimously.

The following actions were taken on the hearing reports presented to the Board:

Gregory Mann, 12-01-004606, C#308002, Docket #2008-713

The board reviewed the hearing report in the matter of Gregory Mann for committing fraud, deceit or dishonesty in practicing an occupation; and failure or refusal without good cause to exercise reasonable diligence in developing or communicating an appraisal.

MOTION: Mr. Hufnagel moved to impose a fine in the amount of \$20,000.00 to be paid to the department within 60 days from the date of mailing of the final order, restitution in the amount of \$533.51 to complainant, and immediate revocation of licensure. Mr. Chamberlain seconded the motion, which carried unanimously.

Alphonso Munson, 12-01-068098, C#304925, Docket #2008-887

The board reviewed the hearing report in the matter of Alphonso Munson for failure to prepare an appraisal in compliance with USPAP; violating standards for the development and communication of real property appraisal; failure or refusal without good cause to exercise reasonable diligence in developing or communicating an appraisal; performing appraisal services for which the individual is not licensed under this article; violating a rule of conduct; and violating any other provision of the act or rule for which a penalty is not otherwise prescribed.

MOTION: Mr. Hufnagel moved to impose a fine in the amount of \$2,000.00 to be paid to the department within 60 days from the date of mailing of the final order, and immediate revocation of licensure. Ms. Kelly seconded the motion, which carried unanimously.

Pamela Notturmo, 12-01-007060, C#305315, Docket #2008-966

The board reviewed the hearing report in the matter of Pamela Notturmo for failure to prepare an appraisal in compliance with USPAP; violating standards for the development and communication of real property appraisal; failure or refusal without good cause to exercise reasonable diligence in developing or communicating an appraisal; demonstrating incompetence in developing or communicating an appraisal; committing an act which demonstrated incompetence; and violating any other provision of the act or rule for which a penalty is not otherwise prescribed.

MOTION: Ms. Graham moved to impose a fine in the amount of \$25,000.00 to be paid to the department within 60 days from the date of mailing of the final order, and immediate revocation of licensure. Mr. Hufnagel seconded the motion, which carried unanimously.

Darby Rytlewski, 12-01-000799, C#302432, Docket #2008-697

The board reviewed the hearing report in the matter of Darby Rytlewski for failure to prepare an appraisal in compliance with USPAP; violating standards for the development and communication of real property appraisal; failure or refusal without good cause to exercise reasonable diligence in developing or communicating an appraisal; and violating any other provision of the act or rule for which a penalty is not otherwise prescribed.

MOTION: Mr. Dynkowski moved to impose a fine in the amount of \$4,000.00 to be paid to the department within 60 days from the date of mailing of the final order, and successfully complete 22 hours of continuing education courses including the 7 hour Scope of Work course and the 15 hour Best Use course, to be completed within six months from the mailing date of the final order. Failure to comply with all terms and conditions set forth in the final order shall result in revocation of all licenses and denial of any future applications for licensure, relicensure, or renewal until full compliance is made. Mr. Chamberlain seconded the motion, which carried by a majority vote, with Ms. Graham abstaining.

EDUCATION COMMITTEE REPORT

The board received three Education Committee Reports as follows: September 2008, October 2008, and November 2008.

MOTION: Ms. Graham moved to accept the Education Committee reports as presented. Mr. Chamberlain seconded the motion, which carried unanimously.

ITEMS FOR CONSIDERATION FROM BOARD MEMBERS/STAFF

Legislative Update – Mr. Campbell addressed the board regarding the following rule changes now in process to update Michigan's statute to comply with federal guidelines:

R 339.23203, Rule 203(1)(a) currently states "Appraisal experience shall be demonstrated by copies of reports and file memoranda. A detailed log which includes the date, property address, property type, and a clear indication of the time devoted to each appraisal shall be submitted to the department." With the proposed changes in bold, it will read "...A detailed log which **at least** includes the date, property address, property type, **description of work performed by the applicant, scope of the review and supervision of applicant's supervising appraiser**, and a clear indication of the time devoted to each appraisal shall be submitted to the department."

R 339.23320, Rule 320(2) and R 339.23326, Rule 326(2) both currently state "USPAP qualifying education credit shall only be awarded when the class is instructed by both of the following: (a) An AQB certified instructor or instructors, (b) At least 1 residential or general state certified appraiser." With the proposed changes in bold, both rules will read "USPAP qualifying education credit shall only be awarded when the class is instructed by **at least one instructor who is an AQB certified instructor and who is a certified residential real estate appraiser or a certified general real estate appraiser.**"

R 339.23325, Rule 325 currently states, "Instructors may earn continuing education credit for teaching a course..." With the proposed changes in bold, it will read "Instructors may earn **up to one half of their required** continuing education credit for teaching a course..."

R 339.23327, Rule 327 currently states "A real estate appraiser licensee who becomes licensed in another category of appraisal licensure shall not have to complete continuing education requirements for the first renewal of the new license. The new license is deemed to be an original license to which the provisions of section 2629(3) of the act apply." This rule will be rescinded as continuing education is now required if a license is issued for 185 days or more in a renewal cycle, whether it is the first renewal of another appraiser licensure category or not.

MCL 339.2629(2) which currently states "The continuing education requirements of section 2627 do not apply to an individual renewing his or her license in the year in which the original license is issued" must also be rescinded.

Ms. Benedict of the Office of Policy & Legislative Affairs informed the board that today, her office was requesting a legislative amendment for MCL 339.2629(2).

Mr. Molenaar discussed the following statute in process to amend Section 2603(2) with changes in bold "Of those board members who are appraisers, 3 shall be certified general real estate appraisers, 1 shall be a certified residential real estate appraiser, and 2 shall be **EITHER** state licensed real estate appraisers **OR ADDITIONAL CERTIFIED RESIDENTIAL REAL ESTATE APPRAISERS**. At least 1 of those appraisers shall be employed by a state or nationally chartered bank, a state or federally chartered savings and loan or savings bank, a state or federally chartered credit union, an entity of the federally chartered farm credit system, or an entity regulated under the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1651 to 445.1684." Mr. Molenaar discussed the possibility of dropping the requirement that 1 appraiser must be employed by a financial institution due to extreme difficulty of appointing a board member who meets that requirement, proposing the following changes, "Of those board members who are appraisers, 3 shall be certified general real estate appraisers, 1

shall be a certified residential real estate appraiser, and 2 shall be **EITHER** state licensed real estate appraisers **OR ADDITIONAL CERTIFIED RESIDENTIAL REAL ESTATE APPRAISERS**. ~~At least 1 of those appraisers shall be employed by a state or nationally chartered bank, a state or federally chartered savings and loan or savings bank, a state or federally chartered credit union, an entity of the federally chartered farm credit system, or an entity regulated under the mortgage brokers, lenders, and servicers licensing act, 1987 PA 173, MCL 445.1651 to 445.1684.”~~

Mr. Molenaar also discussed the following rule the board approved for update at their June 2008 meeting, R 339.23326, Rule 326(3), with the proposed change in bold, “Every **2** years, appraisers shall successfully complete at least 2 hours of continuing education devoted to Michigan appraiser license law and rules.”

MOTION: Mr. Fresard moved to support the discussed changes to the appraiser law and rules.
Mr. Hufnagel seconded the motion, which carried unanimously.

Testing Services Update – Mr. Molenaar stated he was informed by Testing Services staff member, Mr. Longworth, the examination pass rates are improving.

Case Review Backlog Update – Mr. Molenaar asked board members to report the status of outstanding case file reviews for the department, and it was reported that there were no outstanding files at this time. Mr. Carr expressed his appreciation to board members for their assistance to the department and their concerted efforts to review and return case files in a timely manner, thereby eliminating the extreme backlog in the review stage.

Appraisal Subcommittee Field Review Follow-up Report – Denise Graves, Deputy Executive Director of the Appraisal Subcommittee addressed the board and department regarding her field review of Michigan’s appraiser licensing program on September 22 to September 24, 2008. She stated in the past, Michigan has been in danger of non-recognition proceedings due to continued non-compliance with Title XI which requires disposition of complaint files within one year. Ms. Graves stated she was pleased to report that Michigan has made progress in improving their complaint file disposition, reducing the backlog of cases from last year’s totals of 163 outstanding files over one year old down to 90 outstanding files over one year old at the time of her review. She also stated appraisal complaints received this year had increased by almost 100 from last year’s total, which indicates additional improvement in complaint file disposition. Ms. Graves commended staff for their responsiveness to suggestions and corrections noted during her review—continuing education requirements for relicensures and upgrades—which she is pleased to see have either been resolved or legislative action is already in process to update appropriate appraiser laws and rules. Ms. Graves stated her report will recommend the warning status be lowered for Michigan due to improvements in processes, that Michigan is on the right track to achieve required results, and she will suggest Michigan be placed on the normal two year review cycle instead of the current one year review cycle.

PUBLIC COMMENT

Mr. Diamond stated the meeting was informative and interesting.

Mr. Chamberlain expressed appreciation for the excellent work by licensing and enforcement staff over the last year, as he has noticed a marked improvement in the various processes during his appointment to the board. He asked that the board's acknowledgment of staff's excellent work be acknowledged in the board's minutes. The board members unanimously agreed.

NEXT MEETING DATE

The next regularly scheduled meeting of the Board of Real Estate Appraisers will be held on March 24, 2009.

ADJOURNMENT

There being no further business to be brought before the Board at this time, the meeting was adjourned at 11:25 a.m.

David Molenaar /s/
Board Chairperson

3/24/2009
Date

Sharon Murphy /s/
Recording Secretary

3/24/2009
Date