

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 5, 2006

In accordance with the Open Meetings Act, 1976 PA 267, as amended, the Board of Real Estate Appraisers met in Regular Session on December 5, 2006, 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 9:05 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
	David Molenaar	- Professional Member
	Reagan Schwarzlose	- Professional Member
	John Snyder	- Professional Member
Absent:	Robert Schellenberg, Jr.	- Public Member
Staff:	Jean Boven	- Licensing Division Director
	Felicia Badger	- Assistant Licensing Administrator
	Sharon Murphy	- Recording Secretary
	Dianne Bailey	- Testing & Education Services
	Bill Wilhelm	- Compliance/Legal/FOIA Unit
	Stephen Gobbo	- Compliance/Legal/FOIA Manager
	Archie Millben	- Enforcement Division Director
	Tom Byrne	- Testing & Education Services Manager
	Kristie Pfeifer	- Enforcement Division Analyst
	Barrington Carr	- Enforcement Division Manager
	Foye Longworth	- Testing & Education Services
	Forrest Maher	- Enforcement Division Analyst
	Kim Breitmeyer	- Enforcement Division
Visitors:	Andrea Bates	- MAR
	Michael Crowe	- Petitioner
	Sean Donnelly	- Petitioner
	Robert Gross	- Petitioner
	Bryan Howes	- Lifestyles Learning
	Tressa Williams	- Petitioner

AMENDMENTS TO AGENDA

The following items were added to the agenda:

- 8.d. Complaint File Process – Board Training
- 8.e. Status Update on Enforcement Files

APPROVAL OF PREVIOUS MINUTES HELD SEPTEMBER 19, 2006

MOTION: Mr. Hufnagel moved to approve the minutes of September 19, 2006. Ms. Graham seconded the motion, which carried unanimously.

PETITIONS

Michael Crowe, Certified Residential Real Estate Appraiser License Denial

On April 26, 2006, Mr. Crowe applied for a Certified Residential Appraiser license. The department denied the application on October 10, 2006, as Mr. Crowe did not meet the experience requirements by failing to comply with applicable federal standards. A petition for review was received on November 6, 2006. Mr. Crowe was present at the meeting today and addressed the board. The board reviewed the petition, supporting documents, and heard the petitioner's statements.

MOTION: Mr. Snyder moved to accept the petition based upon Mr. Crowe's demonstration of meeting the minimum experience requirements for licensure in Michigan in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). Ms. Graham seconded the motion, which carried unanimously. The department concurred.

Sean Donnelly, Limited Real Estate Appraiser License Denial, GMC

On April 3, 2006, Mr. Donnelly applied for a limited real estate appraiser license. The department denied the application on September 7, 2006, for lack of good moral character. A petition for review was received on October 5, 2006. Mr. Donnelly was present at the meeting today and addressed the board. The board reviewed the petition, supporting documents, and heard the petitioner's statements.

MOTION: Mr. Fresard moved to grant a probationary limited real estate appraiser license to Mr. Donnelly based upon his proof of rehabilitation and demonstration of good moral character with the following limitations: Prior to renewing his limited real estate appraiser license, Mr. Donnelly will be required to meet with the department and board at their June 2007 meeting for review of his progress, providing written documentation from his supervisor, Daniel Weaver, demonstrating his satisfactory performance and full time employment with description of duties performed, and that no complaints are filed with the department against his limited license. Mr. Chamberlain seconded the motion, which carried unanimously. The department concurred.

Robert Gross, Limited Real Estate Appraiser License Denial, GMC

On March 1, 2006, Mr. Gross applied for a limited real estate appraiser license. The department denied the application on August 11, 2006, for lack of good moral character. A petition for review was received on September 6, 2006. Mr. Gross was present at the meeting today and addressed the board. The board reviewed the petition, supporting documents, and heard the petitioner's statements.

MOTION: Mr. Fresard moved to uphold the license application denial issued by the department based upon Mr. Gross' inability to demonstrate rehabilitation and the propensity to serve the public in a fair, honest and open manner for a sufficient amount of time. The board recommended that Mr. Gross hold a position of public trust for at least 24 months before reapplying for real estate appraiser licensure, and present letters from employer and community members describing his capacity to serve the public in a fair, honest, and open manner. Mr. Chamberlain seconded the motion, which carried unanimously. The department concurred.

Dale Roat, Certified Residential Real Estate Appraiser License Denial

On June 1, 2006, Mr. Roat applied for a Certified Residential Appraiser license. The department denied the application on October 10, 2006, as Mr. Roat did not meet the experience and precensure requirements by failing to comply with applicable federal standards. A petition for review was received on August 4, 2006, and September 28, 2006. Mr. Roat was not present at the meeting today. The board reviewed the petition and supporting documents.

MOTION: Mr. Fresard moved to uphold the denial issued by the department based upon Mr. Roat's failure to demonstrate that he meets the minimum experience and precensure requirements for licensure in Michigan in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). Mr. Dynkowski seconded the motion, which carried by a majority vote, with Mr. Snyder abstaining. The department concurred.

Tressa Williams, Limited Real Estate Appraiser License Denial, GMC

On January 17, 2006, Ms. Williams applied for a limited real estate appraiser license. The department denied the application on April 6, 2006, for lack of good moral character. A petition for review was received on April 26, 2006, and October 25, 2006. Ms. Williams was present at the meeting today and addressed the board. The board reviewed the petition, supporting documents, and heard the petitioner's statements.

MOTION: Mr. Fresard moved to uphold the license application denial issued by the department based upon Ms. Williams' inability to demonstrate rehabilitation and the propensity to serve the public in a fair, honest and open manner in that she gave false testimony in response to questions asked by board members. Mr. Hufnagel seconded the motion, which carried unanimously. The department concurred.

STIPULATIONS

Fanny Clay, 12-01-002775, C#298464

The board reviewed the stipulation in the matter of Fanny Clay who admitted to failure to correctly employ recognized methods and techniques necessary to produce a credible appraisal; failure to properly support the estimate of value for the income approach, sales comparison approach, or cost approach; failure to identify the scope of work necessary to complete the appraisal assignment; failure to reconcile the quality and quantity of data available and analyzed within the approaches used and the applicability or suitability of the approaches used in the appraisal; 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 \$500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete 50 hours of continuing education including 20 hours of Advanced Residential Form & Narrative Report Writing courses and 30 hours of Income Capitalization Approach courses within a six month period from the date of mailing of the final order, and shall provide proof to the department within six months from the date of mailing of the final order certificates documenting such attendance and successful completion of the required courses. 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. Fresard moved to accept the stipulation. Mr. Hufnagel seconded the motion, which carried by a majority vote, with Mr. Molenaar abstaining.

Jerry L. Bland, 12-01-001581, C#93537

The board reviewed the stipulation in the matter of Jerry L. Bland who admitted to failure to identify the intended use of the appraiser's 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, including its location and physical, legal and economic attributes; failure to clearly and accurately set forth the appraisal report in a manner that was not misleading in that he failed to identify the intended use of the appraisal for a divorce; failure to use an appropriate form for the appraisal; failure to identify the school district where the property was located; and failure to summarize sufficient information to identify the real estate involved in the appraisal.

In accordance with the stipulation, the respondent consents to pay a fine of \$2,500.00 to the department, which shall be due sixty (60) days from the date of mailing of the final order, and successfully complete a 15 hour Residential Report Writing course and a 15 hour Uniform Standards of Professional Appraisal Practice in addition to the continuing education requirement for licensure renewal within six months from the date of mailing of the final order, and shall provide to the department within six months from the date of mailing of the final order certificates documenting such attendance and successful completion of the above required courses which shall not be applied to the continuing education required for licensure renewal, and make restitution in the amount of \$12,500.00 within 25 months from the date of mailing of the final order at the rate of \$500 per month,

due on the 15th of each month after the effective 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 Mr. Schwarzlose abstaining.

Melinda M. Kasat, 12-01-007164, C#95364

The board reviewed the stipulation in the matter of Melinda M. Kasat who admitted to failure to correctly employ recognized methods and techniques necessary to produce a credible appraisal in that she failed to measure the structure on the subject property; and committing a substantial error of omission or commission that significantly affected the appraisal.

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 successfully complete 31 hours of continuing education courses including 7 hours Scope of Work, 15 hours USPAP, 2 hours Michigan Law Update, and 7 hours Market Data within a six month period from the date of mailing of the final order, and shall provide proof to the department within six months from the date of mailing of the final order certificates documenting such attendance and successful completion of the above required courses. 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. Snyder moved to accept the stipulation. Mr. Schwarzlose seconded the motion, which carried by a majority vote, with Mr. Molenaar abstaining.

Matthew Bruce McBrien, 12-01-006365, C#92730

The board reviewed the stipulation in the matter of Matthew Bruce McBrien who admitted to 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 \$250.00 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. Fresard moved to accept the stipulation. Mr. Chamberlain seconded the motion, which carried by a majority vote, with Mr. Molenaar abstaining.

HEARING REPORTS

MOTION: Mr. Chamberlain moved to receive the following hearing reports. Mr. Fresard seconded the motion, which carried unanimously.

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

Fadi Riad Bejjani, 12-01-070896, C#297554, Docket No. 2006-490

The board reviewed the hearing report in the matter of Fadi Riad Bejjani for failure to perform an appraisal in compliance with Uniform Standards of Professional Appraisal Practice; violating standards for the development and communication of real property appraisal; failure or refusal to exercise reasonable diligence in developing or communicating an appraisal; performing appraisal services for which the individual is not licensed; using the license of another individual; committing fraud, deceit or dishonesty in an occupation; violating a rule of conduct; and violating a provision of the act or rule for which a penalty is not prescribed.

MOTION: Mr. Chamberlain moved to accept the administrative law judge's recommendation to assess a fine of \$5,000.00 to the department, which shall be due within sixty (60) days from the date of mailing of the final order, and immediate revocation of the real estate appraiser license. Mr. Fresard seconded the motion, which carried by a majority vote with Mr. Molenaar abstaining.

Richard John Jekel, 12-01-069152, C#298520, Docket No. 2006-605

The board reviewed the hearing report in the matter of Richard John Jekel for failure to perform an appraisal in compliance with Uniform Standards of Professional Appraisal Practice; violating standards for the development and communication of real property appraisal; failure or refusal to exercise reasonable diligence in developing or communicating an appraisal; failure to make available to the department upon request books and records required to be kept; performing appraisal services for which the individual is not licensed; violating a rule of conduct; violating a provision of the act or rule for which a penalty is not prescribed; and violating the rule "a limited real estate appraiser licensee shall not sign a real estate appraisal report performed for a federally related or real estate related financial transaction."

MOTION: Mr. Fresard moved to accept the administrative law judge's recommendation to assess a fine of \$10,000.00 to the department, which shall be due within sixty (60) days from the date of mailing of the final order, and continued revocation of the real estate appraiser license. Mr. Schwarzlose seconded the motion, which carried unanimously.

Kristen James Collins, 12-01-006176, C#91404, Docket No. 2006-588

The board reviewed the hearing report in the matter of Kristen James Collins, failure to perform an appraisal in compliance with Uniform Standards of Professional Appraisal Practice; failure to indicate on every appraisal report the license number and level of licensure of the appraiser; violating standards for the development and communication of real property appraisal; failure or refusal to exercise reasonable diligence in developing or communicating an appraisal; failure to make available to the department upon request

books and records required to be kept; using the license of another individual; violating a rule of conduct; violating a provision of the act or rule for which a penalty is not prescribed; and violating the rule "a licensee shall place his or her license number and license level on all reports and shall produce evidence of licensing upon request by a member of the public or a representative of the department."

MOTION: Mr. Chamberlain moved to accept the administrative law judge's recommendation to assess a fine of \$60,000.00 to the department, which shall be due within sixty (60) days from the date of mailing of the final order, and immediate revocation of the real estate appraiser license. Mr. Fresard seconded the motion, which carried by a majority vote with Mr. Molenaar abstaining.

EDUCATION COMMITTEE REPORT

The board received three Education Committee Reports as follows: September 8, 2006, October 3, 2006, and November 30, 2006.

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

Mr. Byrne, Manager of Testing & Education Services, advised board members that a new examination vendor had been selected based upon the State of Michigan bid process, and effective January 1, 2007, Psychological Services, Inc. (PSI) will begin administering the real estate appraiser examinations. Foye Longworth of Testing & Education Services distributed information to board members and department staff regarding test specifications and comparisons between the previous contractor, Applied Measurement Professionals (AMP) and the new examination contractor, PSI. Mr. Longworth provided a copy of a sample candidate information bulletin. Once the Real Estate Appraiser bulletin is developed, it will be available on the PSI website at www.psiexams.com. Mr. Byrne stated that candidates will register online through the MyLicense site and, upon approval by the department, will register for examination with PSI. Mr. Byrne stated that picture pocket cards would be issued onsite once candidates successfully complete their examination. Current examination sites are in Lansing, Southfield, Grand Rapids, and Marquette, and PSI will be opening one added site in the upper lower peninsula (probably) the Gaylord area.

ITEMS FOR CONSIDERATION FROM BOARD MEMBERS/STAFF

Commendation – A resolution was unanimously approved for former board member John Lyman, commending him for his ten dedicated years of service to the board as professional board member, vice-chairperson, and chairperson.

MOTION: Mr. Dynkowski moved to approve the resolution for former board member John Lyman. Ms. Graham seconded the motion, which carried unanimously.

Complaint Issue Follow-Up – The board received a copy of the response from Ann Paruk of the Enforcement Division in response to the board's inquiry regarding a complaint against Richard Petrak and whether a complaint had been filed against his supervising

appraiser, Hugh Gedrich, who also signed the appraisal. Ms. Paruk's memo stated that a complaint was opened and a hearing was held on May 30, 2006 against Hugh Gedrich, and that the board will receive a hearing report and record once it is issued.

Automated Phone System – Ms. Boven discussed with board members the information presented regarding the Licensing Division's Automated Telephone System, which was implemented effective August 31, 2006. The system will help the Licensing Division team better serve customers and provide information in a consistent manner.

Complaint File Process – Board Member Training – Mr. Millben and Mr. Carr of the Enforcement Division, and Mr. Gobbo of the Compliance Division, described the steps a complaint follows from the time received to final disposition to inform board members of the entire process and assist them in their role in processing complaints within one year. The department and board are working together to manage increased caseloads and ensure compliance with the Appraisal Subcommittee's Policy Statement that mandates disposition of administrative complaints within one of their filing. Board members were given direction on preparing case reviews and assisting in compliance conferences.

Status Update of Enforcement Files – Mr. Molenaar cautioned board members to review cases referred to them as quickly as possible, and return case reviews to the department within 30 days of receipt to assist the department in achieving the final disposition time limit of one year. Mr. Gobbo stated that if questions arise regarding a case review, board members should contact John Valenti for clarification.

Ms. Graham asked how long disciplinary action would stay on a person's record. Ms. Boven stated indefinitely. Mr. Gobbo stated that when Licensing 2000 was implemented, the policy to report disciplinary action against a licensee was established, which remains on the record infinitely. Mr. Chamberlain voiced his concern regarding a licensee being permanently punished for a minor violation. Ms. Boven responded that disciplinary action is part of the record and would be retained according to the retention schedule.

PUBLIC COMMENT

Bryan Howes, Educational Director of Lifestyles Learning, addressed the board regarding prelicensure courses offered at his school. Mr. Howes wants to provide prelicensure courses for which he is not qualified to teach according to the general rules for real estate appraisers, since he is currently a limited real estate appraiser, and the rules require a state licensed, certified residential, or certified general level of licensure with three years of appraisal experience. Mr. Howes stated that he develops the materials and examinations used to teach the course work in his school and feels that he is qualified to teach the material. He asked that the board grant an exception to allow him to teach prelicensure courses at his school.

Ms. Boven stated that the department and board were not prepared to discuss this issue, as they were not aware that Mr. Howes would be attending the meeting today. Ms. Boven suggested that Dianne Bailey obtain and present the information to the department for further discussion and consideration.

NEXT MEETING DATE

The next regularly scheduled meeting of the Board of Real Estate Appraisers will be held on March 27, 2007.

ADJOURNMENT

There being no further business to be brought before the Board at this time, the meeting was adjourned at 12:25 p.m.

David Molenaar /s/
Board Chairperson

3/27/2007
Date

Sharon Murphy /s/
Recording Secretary

3/27/2007
Date