



STATE OF TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE
REAL ESTATE APPRAISER COMMISSION
500 JAMES ROBERTSON PARKWAY
NASHVILLE, TENNESSEE 37243-1166
615-741-1831

August 13, 2012 - Minutes
Second Floor Conference Room, Andrew Johnson Tower

The Tennessee Real Estate Appraiser Commission met August 13, 2012 at 9:50 a.m. in Nashville, Tennessee, at the Andrew Johnson Tower in the second floor conference room. Chairperson, Norman Hall, called the meeting to order and the following business was transacted.

COMMISSION MEMBERS PRESENT

Norman Hall
Dr. Edward A. Barylka
Timothy Walton
Rosemarie Johnson
Michael Green (by telephone conference call)

COMMISSION MEMBERS ABSENT

James E. Wade, Jr.
Nancy Point
Herbert Phillips

GUEST PRESENT IN AUDIENCE

Jason Covington – appointed as the AMC member, but recused from the meeting due to quorum issues related to T.C.A. 62-39-202 (quorum - majority of appraiser members).

STAFF MEMBERS PRESENT

Nikole Avers
Aminah Saunders

ADOPT AGENDA

Dr. Barylka made the motion to accept the agenda and it was seconded by Mr. Walton. The motion carried unopposed.

MINUTES

The July 16, 2012 minutes were reviewed. Ms. Johnson made the motion to accept the minutes as written. It was seconded by Dr. Barylka. The motion carried unopposed.

EXPERIENCE INTERVIEW

Wesley D. McCarver made application to upgrade from a registered trainee to become a certified residential real estate appraiser. Mr. Hall was the reviewer and made a recommendation for approval of his experience request. Mr. Green made a motion to approve the experience request and Mr. Walton seconded the motion. The motion carried unopposed.

Education Committee Report

Dr. Barylka reviewed the education and discussed his recommendations with the Real Estate Appraiser Commission, as seen below. Mr. Walton made a motion to accept Dr. Barylka's recommendations. Ms. Johnson seconded the motion. The motion carried unopposed.

August 13, 2012 Education Committee Report

Course Provider	Course Number	Course Name	Instructors	Hours	Type	Rec'd
Allterra Group LLC	1591	2012 Keynote / Valuation Visionaries	Kifer, Palim, Park Stolworthy, Rayburn, Stinson, Linne, Langdon	7	CE	For
Allterra Group LLC	1592	2012 Appraiser Town Hall Meeting / Re-Engineering the Appraisal Process	Burns, Oldmixon, Christensen, Adams, Durbin, Dickstein, Stephens, O'Brien	7	CE	For
ASFMRA	1597	ASFMRA 83 rd Annual Convention – Day 1	Steve Elmore Dr. Michael Swanson Dr. Angus Selby Steve Kenney Jim Park Gary Taylor John Ross Larry Disney Joel Wipperfurth Tom Ryan Trevor Mecham Wade Barnes Mike Walsten Mark Dotzour	7	CE	For
ASFMRA	1598	ASFMRA 83 rd Annual Convention – Day 2	Stephen Frerichs Otto Doering Dr. Lowell Catlett	3	CE	For
ASFMRA	1599	Rapid Fire Case Studies 2012	Mark Williams Eldon Krull Ron Mayer John Widdoss Don Fisher Anita Gill	7	CE	For

LEGAL REPORT:

1. 2012001021

Mr. Tom King was the reviewer.

This complaint was filed anonymously and alleged that the Respondent over valued twenty six (26) residential properties between April 2007 and May 2008 by communicating inflated appraisal reports. The anonymous complainant did not provide any appraisals or any documentation to support the complaint.

The Respondent states that the allegation that the appraisals were inflated is completely without merit.

Counsel selected six (6) of the twenty six (26) appraisals for review.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- No violations of USPAP were identified in the six (6) appraisals reviewed.

License History: Certified Residential 07/29/2004 - Present

Prior Complaint / Disciplinary History: 200706256 (Closed w/Consent Order), 200901769 (Closed w/Consent Order imposing \$1,000.00 civil penalty and corrective education)

Reasoning and Recommendation: As no violations of USPAP were identified by the reviewer, Legal recommends that the complaint matter be CLOSED due to INSUFFICIENT EVIDENCE of USPAP violations.

Vote: Mr. Walton made a motion to accept the recommendation. Dr. Baryla seconded the motion. The motion carried unopposed.

2. 2012000681

Mr. Michael Orman was the reviewer.

This complaint was filed by a property owner and alleged that the Respondent misreported the sewer system and undervalued the property.

The Respondent states that the report was revised to accurately report the sewer system and that the value conclusion is well supported.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The neighborhood boundaries were not adequately identified or defined. [SR 1-1 (b); SR 1-2 (e)(i); SR 2-2 (b)(iii)]
- The sales comparison to value had typographical errors, mathematical errors and incorrect data. Adequate reasoning and/or support for the adjustments, opinions

and conclusions provided in the sales comparison has not been provided in the report or work file. [SR 1-1 (a)(b)(c); SR 2-2 (b)(viii)]

License History: Certified Residential 10/31/1991 - Present

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: The reviewer found that the lack of analysis and errors contained in the report undermine the credibility and reliability of the value indicated. The Respondent has been licensed since 1991 and has no prior complaint or disciplinary history as such Legal recommends a **Letter of Warning** regarding the reviewer's findings as noted above.

Vote: Ms. Johnson made a motion to accept the recommendation. Dr. Baryla seconded the motion. The motion carried unopposed.

3. 2012007131 Mr. Tom King was the reviewer.

This complaint was filed by a property owner and alleged that the Respondent undervalued the residential property in a review appraisal.

The Respondent states that the review was performed pursuant to USPAP.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- No violations of USPAP were identified.

License History: Certified Residential 01/31/1994 - Present

Prior Complaint / Disciplinary History: 200707985 (Closed w/ LOW)

Reasoning and Recommendation: Legal recommends the DISMISSAL of the complaint matter as no violations of USPAP were identified.

Vote: Mr. Walton made a motion to accept the recommendation. Dr. Baryla seconded the motion. The motion carried unopposed.

4. 2012002601 Mr. William Wilson was the reviewer.

This complaint was filed by a property owner and alleged that the Respondent undervalued the residential property by using inappropriate comparable sales.

The Respondent states that the allegation that the appraisal is unsupported is completely without merit. The Respondent provided a detailed response to the complainant's specific allegations.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- Neighborhood section information is limited. [2-1(b)]
- No comments on the selection of comparable properties with different styles.[SR 1-6. SR 2-1(a)(b), SR 2-2(b)(viii)]
- The Cost Approach did not have any discussion of any appraisal method or reconciliation that derived the value.[SR 1-4(b), SR 2-1(a)(b)]

License History: Certified Residential 12/03/2007 – Present

Prior Complaint / Disciplinary History: None.

Reasoning and Recommendation: The Respondent has been licensed since 2007 and has no prior discipline. The reviewer found that the appraisal is inadequate and incomplete. Legal recommends a Letter of Warning addressing the issues noted by the reviewer.

Vote: Mr. Walton made a motion to accept the recommendation. Ms. Johnson seconded the motion. The motion carried unopposed.

5. 2012006858 There was no reviewer in this matter.

This complaint was filed by TREAC staff and alleged that the Respondent failed to comply with the Commission's Final Order by failing to pay penalties and costs.

License History: Certified Residential 10/04/1991 - Present

Prior Complaint / Disciplinary History: 200504517 (closed), 200900585 (closed w/final order)

Reasoning and Recommendation: The Litigating Attorney sent a request to the Attorney Generals' office on April 30, 2012 to initiate collections proceedings. Counsel recommends that the complaint matter be closed as the matter has been referred to the Attorney General for collections proceedings.

Vote: Mr. Walton made a motion to accept the recommendation. Ms. Johnson seconded the motion. The motion carried unopposed.

Rules Pending from January 2012 Meeting

A Rule Making hearing was held in January of 2012. Ms. Saunders discussed with the Commission two portions of the pending rule changes where the attorney general's office had questions regarding the language included. This first matter brought up for discussion was 1255-1-.11 (4) where the rule indicates no late renewal will be granted if more than six (6) months have passed since expiration. After some discussion it was

recommended that this portion of the portion of the rules not be included in the change proposals. Mr. Walton made a motion to approve this recommendation. Dr. Baryla seconded the motion. The motion carried unopposed. The second portion of the rules discussed was 1255-2-.03 (1) where the pending rules were to change the “shall” to “may”. After some discussion it was recommended that this portion of the portion of the rules not be included in the change proposals. Mr. Walton made a motion to approve this recommendation. Ms. Johnson seconded the motion. The motion carried unopposed.

NEW BUSINESS

Director’s Report

Ms. Avers gave a director’s report to the Commission, which included updating the members on hiring of new a staff person, discussion of the needed legislative changes, and need for newsletter articles for the Real Estate Appraiser Commission. She updated the members on the budget information and an overview of number of complaints received in the calendar year. Finally, she updated the members on the numbers of licensees, courses and active temporary practice permits.

FORMAL HEARING(S)

The formal hearings scheduled for this month were continued due to lack Commission member quorum.

.....
Being no further business, the meeting was adjourned at 10:15 a.m.

Chairperson, Norman Hall

Nikole Avers, Executive Director