

NORTH DAKOTA REAL ESTATE APPRAISER QUALIFICATIONS AND ETHICS BOARD

DECEMBER 5, 2013 MINUTES

Radisson Hotel, 605 E Broadway, Bismarck ND 58501

Chairperson Ibach called the meeting to order. Roll call was taken.

Board Members present:	Chairperson Joseph Ibach	Tim Timian
	Kathy Maier	Harvey Huber
	David Lanpher	
Staff Present:	Edward Erickson, Legal Counsel	Jodie Campbell
		David Campbell
Others Present:	Philip McKenzie	Tiffiney Dick
	Rob Knoll	Matthew Schlenvogt
	Jill Beck	Keana Schuler
	Dean Rylander	Tina Jennings
	Dan Traynor	Ryan Haugen
	Alicia Vorland	Lynne Heiden (on-line)

Minutes: Board members reviewed the minutes of October 31. Tim Timian moved to approve the minutes. Dave Lanpher seconded the motion. Tim Timian, Kathy Maier, Harvey Huber, Dave Lanpher and Joe Ibach all voted yes to the motion. The vote was unanimous. Motion carried.

Investigations:

Inv 213-126: Dean Rylander, the appraiser involved in the complaint was present for discussion. The basis of the complaint is an appraisal completed by Mr. Rylander whereby he valued a property at \$0. At the meeting of June 27th the Board 1) reviewed the information provided, 2) determined there was a reasonable basis to believe a violation occurred, 3) made a motion to move forward with the investigative process and 3) determined a field review should be completed.

A field review was completed and a copy provided to Mr. Rylander and Board members. Discussion took place. Mr. Rylander indicated his biggest regret was not notifying his Client of the situation immediately. He agreed with the Board that communication with the Client could have minimized the problem. Discussion continued. Board members agreed that the property appraised does in fact have value. It was a complex appraisal. Mr. Rylander concurred. The Board concluded that the issue appeared to be one of competency in completing a complex appraisal of this type.

Mr. Rylander commented that the media coverage of this appraisal, the field review and discussion with the Board has turned in to quite an educational experience.

Based on the information received and reviewed, Tim Timian moved to initiate disciplinary action against Mr. Rylander. Dave Lanpher seconded the motion. Tim Timian, Carolyn Corwin, Harvey Huber, Dave Lanpher and Joe Ibach all voted yes to the motion, the vote was unanimous. Motion carried.

In lieu of moving forward with disciplinary action, Tim Timian moved to resolve the matter by offering the appraiser a settlement agreement. The provisions of the agreement are to include a \$3200 fine to be paid within 30 days of the effective date of the agreement. Harvey Huber seconded the motion. Dave Lanpher, Harvey Huber, Tim Timian, Kathy Maier and Joe Ibach all voted yes to the motion, the motion was unanimous. Motion carried.

Inv 213-122: Alicia Vorland, the appraiser involved in this complaint and her Attorney, Mr. Dan Traynor were present for discussion. Chairperson Ibach recused himself and turned the Chair over to Harvey Huber. Mr. Traynor requested Mr. Ibach leave the room. Mr. Ibach left and discussion took place.

Ms. Lynne Heiden, Reviewer for the Board, completed a review on the appraisal in question. Ms. Heiden provided comment. There were numerous violations noted in the review. Board members were in agreement with the review. The main issues in question appear to center around the Ethics and Competency provisions of USPAP, specifically, Ms. Vorland's lack of competency relative to completing this type of appraisal assignment.

Mr. Traynor provided comment, respectfully disagreeing with the allegations that Ms. Vorland violated the Competency and Ethics provisions as discussed and outlined in the review. He further commented that Ms. Vorland completed the appraisal as requested by her Client.

Discussion turned to the Board's complaint policy. Mr. Traynor had a concern that the Board did not inform Ms. Vorland there was a complaint against her until she received a copy of the field review. A brief review of the policy was provided.

Under current policy, once Staff receives a complaint, the complaint is forwarded directly to the appraiser provided specific issues are outlined in the complaint. However, if there are no specific issues outlined and Staff questions whether there is enough information provided to move forward with an investigation, the complaint is forwarded directly to the Board to make a determination. After review of the information, 1) the Board may dismiss the complaint or 2) the Board may determine there are enough concerns to move forward with an investigation. At this point the Board may determine a review or field review is order. The report/information is then forwarded to a reviewer. Once the review is completed a copy is forwarded to the appraiser for a response to any issues that may be noted in the review. The review and response are then forwarded to the Board for consideration.

The initial complaint against Ms. Vorland did not outline specific issues therefore was brought directly before the Board. After Board review it was determined there were sufficient issues of concern and requested a field review be completed. As soon as the field review was received in the Board's office Ms. Vorland was provided a copy and requested to address the issues outlined in field review.

Discussion concluded. Discussion relative to the complaint against Ms. Vorland resumed.

Based on the information provided and discussed, Tim Timian moved to initiate disciplinary action against Alicia Vorland. Kathy Maier seconded the motion. Tim Timian, Kathy Maier, Dave Lanpher and Harvey Huber all voted yes to the motion. Joe Ibach was not present for voting. Motion carried.

Dave Lanpher moved the Board enter into Executive Session to discuss an offer of settlement. Kathy Maier seconded the motion. Tim Timian, Kathy Maier, Dave Lanpher and Harvey Huber all voted yes to the motion. Joe Ibach was not present for voting. Motion carried.

Chairperson Huber called for a short break.

Executive Session:

Inv 213-122 may be discussed in executive session. The legal authority for closing this portion of the meeting is North Dakota Century Code Section 44-04-19.1. The topic or purpose of this executive session is attorney consultation. Dave Lanpher moved the Board enter into Executive Session format. Kathy Maier seconded the motion. A roll call vote was taken. Dave Lanpher, Tim Timian, Kathy Maier and Harvey Huber voted in favor. Joe Ibach was not present for voting. Motion carried. The public was asked to leave the room. Executive Session began at 11:02 and discussion proceeded.

Tim Timian made a motion to authorize legal counsel to draft an offer settlement with the provisions as outlined by the Board. A roll call vote was taken. Tim Timian, Kathy Maier, Dave Lanpher and Harvey Huber voted in favor. Joe Ibach was not present for voting. Motion carried.

Executive Session adjourned at 11:31AM. The Board returned to open session and the public was invited to return.

Edward Erickson, legal counsel for the Board, would be forwarding a letter and a proposed settlement offer to Mr. Traynor as soon as it is drafted.

Mr. Traynor encouraged the Board to revise their complaint policy to inform the appraiser when the appraiser is part of an investigation as soon as it is received in the Board's office.

Mr. Traynor and Ms. Vorland left the meeting.

Harvey Huber continued as Chairperson.

Inv 213-124: At the meeting of October 31, the Board determined there was a reasonable basis to believe a violation occurred, moved to proceed with the complaint process and tabled discussion to

further review the issues prior to making a determination. Joe Ibach recused himself from discussion and voting.

The appraiser involved in this investigation had a complaint filed against him in 2012 and is currently under a Settlement Agreement with the Board. In reviewing the timeline of the current investigation, it appears the issues in question (lack of professionalism and communication) took place after the signed Settlement Agreement. Furthermore, the issues in question appear to be the same issues that were the basis of the 2012 complaint.

Discussion took place. The Board determined that it does not appear the conditions required under the current Settlement Agreement have assisted the appraiser in correcting the issues of lack of professionalism or communication. The Board is charged with protecting the public. Based on review of this complaint, the appraiser's lack of communication could potentially cause damage.

Dave Lanpher moved to offer the appraiser a settlement agreement to include 1) \$2500 fine and 2) 60-day suspension. In addition, the appraiser must provide verification of completing the report writing class stipulated in the initial Settlement Agreement. Tim Timian seconded the motion. Dave Lanpher, Harvey Huber, Tim Timian and Kathy Maier all voted yes to the motion. Joe Ibach was not present for voting. Motion carried.

Mr. Vorland and Mr. Traynor left the meeting.

Joe Ibach returned to the meeting and resumed as Chair.

Inv 213-128:

Staff is looking for direction relative to correspondence received. The correspondence included two appraisals completed on the same property. Board members reviewed the information provided. Discussion took place. There are numerous differences between the two appraisals that appear to be significant and are of concern. Based on the information provided, the Board determined there is sufficient evidence and concern to warrant further investigation. Tim Timian made a motion to move forward with the investigative process. Dave Lanpher seconded the motion. Dave Lanpher, Harvey Huber, Tim Timian, Kathy Maier and Joe Ibach all voted yes to the motion. The vote was unanimous. Motion carried.

Harvey Huber made a motion to move forward with a field review. Kathy Maier seconded the motion. Dave Lanpher, Harvey Huber, Tim Timian, Kathy Maier and Joe Ibach all voted yes to the motion. The vote was unanimous. Motion carried.

Discussion turned to revising the investigation policy. Dave Lanpher moved to inform the parties in question when the Board is initiating further investigation. This would include a review, field review. Kathy Maier seconded the motion. Dave Lanpher, Harvey Huber, Tim Timian, Kathy Maier and Joe Ibach all voted yes to the motion. The vote was unanimous. Motion carried.

Edward Erickson left the meeting.

Applicants for Approval:

Applicants for Licensure: Rob Knoll is making application for licensure and was present for discussion. Review of Mr. Knoll's application indicates he meets the education, experience hours and examination requirements for licensure. Based on review of work product and discussion with Mr. Knoll, the Board determined that Mr. Knoll has demonstrated a working knowledge for the licensed level. Tim Timian moved to approve Mr. Knoll for licensure. Dave Lanpher seconded the motion. Dave Lanpher, Harvey Huber, Tim Timian, Kathy Maier and Joe Ibach all voted yes to the motion. The vote was unanimous. Motion carried.

Matthew Schlenvogt is making application for licensure and was present for discussion. Review of Mr. Schlenvogt's application indicates he meets the education, experience hours and examination requirements for licensure. Based on review of work product and discussion with Mr. Schlenvogt, the Board determined that Matthew Schlenvogt has demonstrated a working knowledge for the licensed level. Tim Timian moved to approve Mr. Schlenvogt for licensure. Dave Lanpher seconded the motion. Dave Lanpher, Harvey Huber, Tim Timian, Kathy Maier and Joe Ibach all voted yes to the motion. The vote was unanimous. Motion carried.

Keana Schuler is making application for licensure and was present for discussion. Review of Ms. Schuler's application indicates she meets the education, experience hours and examination requirements for licensure. Based on review of work product and discussion with Ms. Schuler, the Board determined that Keana Schuler has demonstrated a working knowledge for the licensed level. Tim Timian moved to approve Ms. Schuler for licensure. Harvey Huber seconded the motion. Dave Lanpher, Harvey Huber, Tim Timian, Kathy Maier and Joe Ibach all voted yes to the motion. The vote was unanimous. Motion carried.

Educational Reviews: As part of the Board's educational review process, independent reviews were completed on reports submitted by Brad Haugen. Board members discussed the reviews with Mr. Haugen and encouraged him to utilize the reviews, as well as Board member comments to assist in completing future reports.

Permits Issued/Require Board approval: Staff reviewed, approved and issued permits to the following applicants:

Certified General: Andrew Norine (via reciprocity with MN) Tanya Pierson (via reciprocity with MN)
Dave Lanpher moved to affirm the applicants for their respective levels. Tim Timian seconded the motion. Tim Timian, Kathy Maier, Harvey Huber, Dave Lanpher and Joe Ibach all voted yes to the motion. The vote was unanimous. Motion carried.

Education: The following educational offerings have been submitted for Board approval:

Kaplan:

- Mastering Unique & Complex Property Appraisal, 2nd Ed (20 hours QE)
- Making Adjustments in an Appreciating Market: 12 Proven Strategies (7.5 hours CE)

McKissock:

- Appraising Manufactured Homes (7 hours CE)
- Residential Report Writing: More than Forms (7 hours CE)
- Reviewer's Checklist (7 hours CE)

ND Appraiser Board:

- FHA Current Appraisal Requirements (7 hours CE)
- 2014-15 USPAP Update (7 hours CE)

Dave Lanpher moved to approve the above listed education for their respective hours, as appraisal specific. Tim Timian seconded the motion. Harvey Huber, Tim Timian, Kathy Maier, Dave Lanpher and Joe Ibach all voted yes to the motion. The vote was unanimous. Motion carried

Rules: At the meeting of October 31, Legal Counsel provided a brief overview of what the Board must address in Rules relative to 43-23.5, the regulation of Appraisal Management Companies (AMC). At a minimum the Board must 1) set fees and 2) determine whether to require a surety bond. If the Board determines the AMC must hold a surety bond, the Board must set an amount of the bond, not to exceed \$25,000. Discussion took place.

Tim Timian moved to set the following fees: 1) initial AMC application fee - \$2500 and 2) annual renewal fee - \$2000. Kathy Maier seconded the motion. Dave Lanpher, Harvey Huber, Tim Timian, Kathy Maier and Joe Ibach all voted yes to the motion. The vote was unanimous. Motion carried.

Tim Timian moved to require the AMC hold a \$25,000 bond. Kathy Maier seconded the motion. Dave Lanpher, Harvey Huber, Tim Timian, Kathy Maier and Joe Ibach all voted yes to the motion. The vote was unanimous. Motion carried.

Chairperson Ibach called for adjournment.

Respectfully submitted,

Jodie R. Campbell, Executive Secretary