

# NORTH DAKOTA REAL ESTATE APPRAISER QUALIFICATIONS AND ETHICS BOARD

## Minutes – April 15, 2020 Board Meeting – Teleconference Call

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

Board Members present online:

Chairperson Tim Timian	
Corey Kost	Joe Sheehan
Kathy Maier	Brock DesLauriers

Staff Present:

Jodie Campbell	David Campbell
Allyson Hicks, Legal Counsel	

**Investigations:**

Cases 218-186 & 218-187: At a previous meeting, the Board tabled both investigations and moved a field review be completed. Board members have a copy of the allegations, response, field review and response to the field review.

Corey Kost disclosed his personal connection with the complainant, Joe Ibach. Mr. Ibach is Mr. Kost's father-in-law and business partner. At the time Mr. Ibach made the allegation Mr. Kost was an employee of Mr. Ibach's, and since, has become his business partner. Even though he has a personal connection with the complainant, Mr. Kost does not feel that he has a conflict of interest, but leaves the decision up to the Board's discretion.

Allyson Hicks, Board Legal Counsel provided comment. Typically, the standards for conflict of interest are whether you have a direct or substantial, personal, or pecuniary interest in a matter. Now that Mr. Kost and Mr. Ibach are business partners there may be some type of a pecuniary interest which may call into question the Board's decision. To remove any doubt that the Board's decision is completely unbiased, Legal Counsel recommends the Board move to recuse Corey from this matter.

Brock DesLauriers moved to recuse Corey Kost from discussion and voting on Case 218-186 and Case 218-187. Joe Sheehan seconded the motion. Chairman Timian called for the vote. Joe Sheehan, Kathy Maier, Brock DesLauriers, and Tim Timian all voted yes to the motion. Motion carried.

Chairman Timian indicated that he was unaware that Corey Kost would be recused from voting on this Case and Mr. Kost was to be our lead commercial appraiser on these allegations. In the interest of the Board and these Cases, Chairman Timian entertained a motion requesting a delay in discussion of Case 218-186 and 218-187 to allow him time to prepare to take over as lead appraiser on these Cases.

Brock DesLauriers made a motion to table discussion on Case 218-186 and Case 218-187 until the next teleconference meeting. Joe Sheehan seconded the motion. Chairman Timian called for the vote. Kathy Maier, Brock DesLauriers, Joe Sheehan, and Tim Timian voted yes. Motion carried.

**Proposal to offer Supervisory Appraisers an Educational Review Opportunity:**

Board members discussed their concern with the number of applicants for upgrade to licensure or certification whose work product reviewed as part of the upgrade process was found to be noncompliant with USPAP. More specific, work product submitted by the apprentice applicant and signed by the supervisory appraiser. Unfortunately, the Board is finding that this issue is becoming more frequent.

If there are significant violations of *USPAP* identified through the application work product review process, the Board has the authority to deny or table the application, or file a complaint against the applicant and/or Supervisory Appraiser for noncompliance with *USPAP*. To avoid these actions, the Board discussed ways to assist in improving the quality of the supervisory appraiser's work product.

Discussion turned to educating the supervisory appraiser. Chairman Timian proposed starting an educational work product review program for supervisory appraisers. A supervisory appraiser would be allowed to voluntarily submit work product to the Board for review, by the Board reviewer, for educational purposes. This educational work product review program would allow a supervisory appraiser to submit work product to the Board for review for compliance with USPAP for educational purposes. If violations are identified in the educational review program, the Board will not initiate a complaint. The Board will pay half the review cost, up to \$500 and the supervisor will be responsible for the remainder of the cost.

This program can only make our ND appraisers stronger. By trying to raise the level of quality of the supervisory appraiser this could in turn improve the quality of work product of the apprentice appraiser. If the supervisor chooses not to take advantage of the program and work product signed by the supervisor and submitted as part of the upgrade process is found to be noncompliant, the Board has the responsibility to look at remedial action.

Corey Kost moved to set in policy an educational work product review program for supervisory appraisers. The program would be voluntary and available to new and current supervisory appraisers. If violations are found through this review process, the Board will not initiate a complaint. The Board will pay half the review cost, up to \$500. The supervisor will be responsible for the remainder of the cost. Brock DesLauriers seconded the motion. Chairman Timian called for the vote. Brock DesLauriers, Kathy Maier, Joe Sheehan, Corey Kost and Tim Timian voted yes. Motion carried. The vote was unanimous. Staff was directed to start promoting the new policy asap.

**Other Business:**

A notice of claim was filed against the ND Appraiser Board and subsequently denied by the ND Department of Risk Management. Legal Counsel clarified this action was not a lawsuit, but a notice of claim. Risk Management found that Board members clearly acted within the scope of employment as a state officer of the ND Appraiser Board. Therefore, the notice was denied.

The next meeting is set for April 29. Staff was directed to set the meeting up as a Zoom meeting.

Tim called for adjournment.  
Respectfully submitted,

Jodie R. Campbell  
Executive Secretary