Chairperson Lanpher called the meeting to order at 9:00 AM. Roll call was taken.

Board Members present: Chairperson Dave Lanpher Tim Timian
Kathy Maier Brock DesLauriers
Joe Ibach
Staff Present: Edward Erickson, Legal Counsel Jodie Campbell
David Campbell
Guests Present: Robert Harshberger Beth Keller
Matt Schlenvogt Kathy Berry
Dennis Huber Tonia Dosch
Rachel Rawling
Guests Present Online: Michael Cline Tony Jenkins
Jonathan Jaeger Robert Gietzen
Eric Oberg Kurt Kielisch
Wade Becker

Public Comment Period: No comments

Minutes: Board members reviewed the minutes of December 14, 2015, January 13 and March 28, 2016, Corrections were noted. Joe Ibach moved to approve the minutes as corrected. Kathy Maier seconded the motion. Tim Timian, Kathy Maier, Brock DesLauriers, Joe Ibach and Dave Lanpher all voted yes to the motion. The vote was unanimous. Motion carried.

Applicant: Michael Cline is making application for certified general and was present online for discussion. Review of Mr. Cline's application for certification found that Mr. Cline's education appeared to precede his experience hours. Board members questioned this timeline and further questioned how Mr. Cline could complete an appraisal of a complex hotel property prior to completing appraisal specific education. Mr. Cline indicated he worked very closely with, and under the supervision of, Mr. Tony Jenkins and Jonathan Jaeger. He further indicated that he completed education while gaining his experience.

Mr. Cline is a resident of NY. Neither he nor his supervising appraisers hold a permit in ND. Board members questioned Mr. Cline's decision to make application in ND. He explained that he does not hold a trainee license; and, ND is one state that does not require an appraiser hold a trainee permit to gain experience.

Board members were concerned that Mr. Cline may have gained experience in other states where licensing is mandatory. Tim Timian moved to table Mr. Cline's application and requested Staff research State requirements where Mr. Cline gained his experience. Joe Ibach seconded the motion. Kathy Maier, Joe Ibach, Tim Timian, Brock DesLauriers and Dave Lanpher all voted yes. The vote was unanimous. Motion carried.

Investigations:
Inv 214-141: Tonia Dosch, the appraiser involved in this case, was in attendance for discussion. At the meeting of September 30, 2014, the Board reviewed the allegations and response and determined a field review was in order. A field review was completed. Ms. Dosch provided a response to the review. Discussion took place. The field review outlined a number areas of concern. Board members concurred with the review. Among the issues noted in the review and discussed included: 1) the appraiser did not address the fact that the property was lakefront/waterfront property; 2) the appraiser did not fully acknowledge the subject's renovations, 3) the appraiser did not properly address/adjust for the quality or condition, and 4) the range in value of the comparables implied/supported a higher value than appraised. These deficiencies appeared to result in a flawed reconciliation of value, consequently the appraised value may have been understated.

Tim Timian made a motion that there is sufficient evidence to move forward with the complaint process and offer Ms. Dosch a Settlement Agreement. The terms of the agreement to include:1) payment of review costs; 2) successful completion of a two-day course "Advanced Residential Application and Case Studies"; and 3)
complete a demonstration report on the property in question. Joe Ibach seconded the motion. Kathy Maier, Joe Ibach, Tim Timian, Brock DesLauriers and Dave Lanpher all voted yes. The vote was unanimous. Motion carried.

**Case 215-155:** Robert Gietzen, the appraiser involved in this case, was in attendance via teleconference call for discussion. At the meeting of December 14, 2015 the Board reviewed the allegations and response and determined a field review was in order. A field review was completed. The appraiser has provided a response to the review. Discussion took place.

The assignment was to complete an appraisal on a house, outbuildings and 10 acres of land for refinancing purposes. The appraiser completed the appraisal of the house, but only included 2 of the 10 acres of land, and no outbuildings. The lender would not accept the appraisal. Therefore, a second appraisal was completed. The second appraisal included the house, the outbuildings and 10 acres of land. Several issues were discussed: 1) both appraisals came in at the same value; this issue was the basis of the allegations and of major concern among Board members; 2) both reports have the same legal description. City records show an irregular plat of a 10-acre parcel, yet the initial appraisal is of a 2-acre parcel. Identification of the subject property is fundamental to completing an appraisal and was clearly an issue in this assignment; 3) the reports lack support for adjustments; and 4) a prior update to the subject was not addressed in the appraisal certification. The Board determined improper use of data led to misleading reports, indicating an issue with competency.

Tim Timian made a motion that there is sufficient evidence to move forward with the complaint process and offer Mr. Gietzen a Settlement Agreement. The terms of the agreement to include: 1) payment of review costs; 2) successful completion of a two-day course "Advanced Residential Application and Case Studies"; 3) completion of a course relating to legal descriptions; 4) complete a demonstration report on the property in question and 5) there must be no valid complaints filed against the appraiser within the next 5 years. Joe Ibach seconded the motion. Motion carried. Kathy Maier, Joe Ibach, Tim Timian, Brock DesLauriers and Dave Lanpher all voted yes. The vote was unanimous. Motion carried.

**Case 215-151:** The Board is awaiting a response from the appraiser to the allegations. Joe Ibach moved to table the investigation until receipt of the response. Tim Timian seconded the motion. Joe Ibach, Brock DesLauriers, Tim Timian, Kathy Maier and Dave Lanpher all voted yes to the motion. The vote was unanimous. Motion carried.

**Question Relative to Confidentiality:** Dennis Huber was present to discuss confidentiality relative to investigative information. Should an appraisal that was not completed by the appraiser involved in an investigation, but attached to the allegations, remain confidential? Legal Counsel cited 43-23.3-03.01 Public records exception: "Documents obtained by the board as part of the licensing, investigation, or disciplinary process which are deemed confidential under the uniform standards of professional appraisal practice are exempt records..."

**Case 216-158:** Board members reviewed the allegations and the respondent's response to the allegations. The allegations allege negligence; the appraiser manipulated data, used inaccurate data and ignored relevant data. Discussion took place.

Based on review of the information provided, the Board did not find 1) significant USPAP violations or 2) negligence. Joe Ibach moved to dismiss the allegations. Tim Timian seconded the motion. Kathy Maier, Tim Timian, Joe Ibach, Brock DesLauriers, and Dave Lanpher voted yes to the motion. The vote was unanimous. Motion carried.

**Case 214-135:** At the meeting November 17, 2014, the Board moved for revocation of Mr. John Hraba's certified general permit. Mr. Hraba contacted legal counsel for the Board, indicating he is not willing to accept the offer of revocation. Mr. Hraba proposed a counter offer to include the payment of a fine. Discussion took place. Tim Timian recused himself from discussion. Mr. Hraba has two issues before the Board: 1) Mr. Hraba indicated on his application for renewal that he had no past disciplinary action against him, when in fact Staff found that he had been disciplined in MN; 2) Mr. Hraba is also involved in Inv 214-135. Allegations were filed against Mr. Hraba by a consumer. The Board did not move forward with this investigation based on the fact that the Board had already proposed revocation of Mr. Hraba's permit.

After review of both matters, Joe Ibach moved to remain with the initial offer proposed; revocation of Mr. Hraba's certified general permit. If Mr. Hraba does not accept the offer within 20 days of receipt, the Board will move the
case to administrative hearing. Brock DesLauriers seconded the motion. Joe Ibach, Brock DesLauriers, Kathy Maier and Dave Lanpher all voted yes to the motion. Tim Timian recused himself. Motion carried.

**Inv 214-130/Inv 214-138:** As part of a signed settlement agreement Mr. David Williamson is required to complete a 15-hour course relating to the appraisal of complex properties. Mr. Williamson submitted two courses he would like the Board to review and approve to meet this requirement: "Machinery and Equipment" and/or "Business Valuation".

After review of the course outlines, the Board determined the courses do not meet the required education. Joe Ibach made a motion to inform Mr. Williamson that 1) the courses do not qualify and 2) he must provide verification of completing the required 15 hours of qualifying education relating to the appraisal of complex properties no later than June 22, 2016, or the Board would consider taking further action. Tim Timian seconded the motion. Kathy Maier, Tim Timian, Joe Ibach, Brock DesLauriers, and Dave Lanpher voted yes to the motion. The vote was unanimous. Motion carried.

Edward Erickson, legal counsel, provided an update on pending cases.

**Inv 214-146A / Inv 214-146B:** At the meeting of 12/15/15 moved to table the investigation and requested the complainant provide additional details relative to the allegations. To date, no additional details have been received. Tim Timian moved to request Staff forward another letter of request. If no response is received within 20 days the Case will be closed. Kathy Maier seconded the motion. Kathy Maier, Tim Timian, Joe Ibach, Brock DesLauriers, and Dave Lanpher voted yes to the motion. The vote was unanimous. Motion carried.

**Inv 215-150AN/Inv 215-152AN:** Both investigations were tabled at the meeting of 9/21/15 due to illness. Tina Jennings, the appraiser involved in both cases has since applied for inactive status.

Joe Ibach moved to table Inv 215-150AN and Inv 215-152AN until Ms. Jennings reactivates her certified residential permit. Tim Timian seconded the motion. Kathy Maier, Tim Timian, Joe Ibach, Brock DesLauriers, and Dave Lanpher voted yes to the motion. The vote was unanimous. Motion carried.

**Review Procedure:** Board members discussed revising the review process to include standardized review forms, as well as the use of a review committee/panel.

**Investigative Procedure:** Board members requested Staff refrain from redacting names of the complainant and respondent relative to the allegations.

**Applicant:** Troy Engstrom is making application for certified general via reciprocity with South Dakota. Board members reviewed Mr. Engstrom’s application. Tim Timian moved to approve Troy Engstrom for certified general. Joe Ibach seconded the motion. Tim Timian, Kathy Maier, Brock DesLauriers, Joe Ibach and Dave Lanpher all voted yes to the motion. The vote was unanimous. Motion carried.

**Financials:** Staff submitted the current income and expense report. After review and discussion, Tim Timian moved for approval. Brock DesLauriers seconded the motion. Tim Timian, Kathy Maier, Joe Ibach, Brock DesLauriers, and Dave Lanpher all voted yes to the motion. The vote was unanimous. Motion carried.

**2016 Board Meeting Schedule:** The next Board meeting is scheduled for June 23 in Bismarck. Face-to-face meetings for the remainder of 2016 are scheduled as follows: September 19, Minot and December 5th, Bismarck.

Joe Ibach moved for adjournment. Brock DesLauriers seconded the motion. Joe Ibach, Brock DesLauriers, Tim Timian, Kathy Maier and Dave Lanpher all voted yes to the motion. The vote was unanimous. Motion carried.

Chairman Lanpher adjourned the meeting.

Respectfully submitted,

Jodie R. Campbell
Executive Secretary