

NORTH DAKOTA REAL ESTATE APPRAISER QUALIFICATIONS AND ETHICS BOARD

Board Meeting Minutes
April 29, 2021 – 9:00am CT

Chairperson Timian called the meeting to order at 9:03. Roll call was taken.

Board Members present online: Chairperson Timian, Corey Kost, Matt Schlenvogt, Brock DesLauriers, and Joe Sheehan
Staff Present: Jodie Campbell and David Campbell
Investigative Reviewer: Joe Ibach
Legal Counsel: Allyson Hicks

Investigations:

Case 220-109: Anonymous allegations have been filed with the Board office against Dennis Huber and Dennis Danzl. Respondents were assigned separate case numbers: Case 220-109A Dennis Huber and Case 220-109B Dennis Danzl. The allegations were forwarded to Staff Investigative Reviewer, Joe Ibach for review.

Mr. Ibach provided a brief overview. The allegations imply a possible conflict of interest with various transactions in the Grand Forks market where Dennis Danzl is recorded as the listing or selling agent and the Appraisal Office recorded as the appraiser. The concern comes from the fact that Mr. Danzl is an apprentice appraiser under the supervision of Dennis Huber, owner of the Appraisal Office.

Mr. Ibach discussed:

- USPAP as it relates to conflict of interest: according to USPAP, if an appraiser has any interest in parties to the transaction, the appraiser is not prohibited from performing an appraisal if 1) the interest is disclosed and 2) the appraisal can be performed in an unbiased manner.
- The 1004 form certification that cannot be altered. The 1004 form certification states that the appraiser signing the 1004 certification is certifying they have no interest with any parties in the transaction. If the client requires the appraiser use the 1004 form, the 1004 certification becomes part of USPAP under the provision of assignment conditions. Mr. Ibach read directly from the certification page:*"The appraiser has to certify that I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective or no personal interest or bias with respect to the participants in the transaction."* An appraiser accepting a residential report 1004 form assignment is required to use the 1004 certification.

Based on this information, is there a conflict of interest with the transactions where Dennis Danzl is recorded as the listing or selling agent and the Appraisal Office is recorded as the appraiser?

Case 220-109A (Dennis Huber). In a letter dated April 27, 2021, Mr. Ibach requested Mr. Danzl and Mr. Huber provide copies of the six appraisals and work file for the transactions that were listed in the initial allegation. Dennis Huber responded, acknowledging that none of the six appraisals included any statement of a personal interest to the participants in the transaction.

Discussion took place. Board members questioned whether sufficient information exists to file a formal complaint against Mr. Huber. Based on the understanding that the certification did not include "disclosure of prospective interest with a party who is associated with the transaction", Board members were in agreement the allegation should be elevated to a complaint and further investigated. Prior to making a determination, the Board would like a review of the appraisal reports requested by Board Reviewer Ibach to determine who completed and/or signed the appraisals.

Corey Kost made a motion to elevate the allegation (Case 220-109A) against Dennis Huber to a complaint and move forward with further investigation. Matt Schlenvogt seconded the motion. Chairman Timian called for the vote. Matt Schlenvogt, Corey Kost, Joe Sheehan, Brock DesLauriers, and Tim Timian all voted yes. The vote was unanimous. Motion carried.

Discussion turned to **Case 220-109B**, allegations against Dennis Danzl. Mr. Danzl was recorded as the listing or selling agent in the transactions discussed above. Mr. Ibach provided an Investigative Report relative to this investigation. He indicated that he had a conversation with Mr. Danzl wherein Mr. Danzl relayed concern of an individual in Grand Forks harassing him relative to his appraisal and real estate activities. Mr. Danzl further commented that he was not the appraiser that accepted or completed the assignments. He, as the listing or selling agent, is not involved in the selection of the appraiser or the appraisal firm; the selection is controlled by the financial institution or via a third party.

Mr. Ibach indicated that, based on the initial information provided as part of the allegation, his initial recommendation was to dismiss the allegation against Mr. Danzl. However, based on Dennis Huber's response, Mr. Ibach is of the opinion it would be beneficial to review the appraisals of the transactions in question.

Board members agreed with the Investigative Reviewer, the Board is charged with protecting the public by fully investigating allegations filed with the Board. Prior to making a determination, the Board requests a review of appraisal reports where Mr. Danzl has a direct interest in any transactions that are associated with the Appraisal Office.

Corey Kost made a motion to table the allegation and move forward with further investigation. Brock DesLauriers seconded the motion. Chairman Timian called for the vote. Matt Schlenvogt, Joe Sheehan, Brock DesLauriers, Corey Kost, and Tim Timian all voted yes. The vote was unanimous. Motion carried.

Educational Review: Briana Scheid submitted a report for review as part of the Board's educational review process. An independent review was completed. Board members discussed the review with Ms. Scheid. Ms. Scheid was encouraged to utilize the review, as well as Board member comments, when completing future reports. Corey Kost moved to allow Ms. Scheid's report to be used as one of three reports for future certification. Brock DesLauriers seconded the motion. Discussion took place.

Corey Kost moved to amend his motion to require one of the additional reports Ms. Scheid submits for upgrade to certified general must include improved property. Brock DesLauriers seconded the amendment. Chairman Timian called for the vote. Matt Schlenvogt, Brock DesLauriers, Joe Sheehan, Corey Kost and Tim Timian voted yes to the motion. The vote was unanimous. Motion carried.

Applicants Issued Permits via Reciprocity-Require Board Confirmation: The following applicants 1) have met the requirements for apprentice, licensure, or certification, 2) were issued a permit for their respective levels and 3) require Board confirmation:

- **Certified General:** Justin Kaminski, Janice Rice and Douglas Wageman
- **Licensure:** Elizabeth Stowe
- **Apprentice:** Jeni Bergquist, Laura Johnson, and Laura Stearns

Brock DesLauriers moved to confirm all applicants for their respective levels. Matt Schlenvogt seconded the motion. Chairman Timian called for the vote. Brock DesLauriers, Joe Sheehan, Matt Schlenvogt, and Tim Timian all voted yes to the motion. Corey Kost abstained from voting. Motion carried.

Chairman Timian called for adjournment at 10:01AM.

Respectfully submitted,

Jodie R. Campbell, Executive Secretary