

NEVADA COMMISSION OF APPRAISERS OF REAL ESTATE
MINUTES

AUGUST 12, 2014

GRANT SAWYER BUILDING
555 EAST WASHINGTON AVENUE
ROOM 4412
LAS VEGAS, NEVADA 89101

VIDEO CONFERENCE TO:
THE LEGISLATIVE BUILDING
401 SOUTH CARSON STREET
ROOM 3137
CARSON CITY, NEVADA 89701

The meeting was called to order at approximately 8:40 AM.

1-A) INTRODUCTION OF COMMISSIONERS IN ATTENDANCE

Stephen Johnson, President; Cynthia Hoonhout; Debbie Huber; Daniel Walsh; and Glenn Anderson
Commission Counsel: Sophia Long

1-B) INTRODUCTION OF DIVISION STAFF IN ATTENDANCE

Las Vegas: Gail Anderson, Administrator, Brenda Kindred-Kipling, Appraisal Program Officer;
and Rebecca Hardin, Commission Coordinator

Division Counsel: Colleen Platt, Deputy Attorney General

Carson City: Craig Reynoldson, Compliance Audit Investigator; and Steven Aldinger, Deputy
Administrator;

2) PUBLIC COMMENT

None.

4-2) NRED v. AARON CUNNINGHAM

Case No. AP13.012.S

Parties Present

Colleen Platt, Deputy Attorney General, representing the Division
Steven Geller, represent the Respondent, Aaron Cunningham

Preliminary Matters:

Ms. Platt stated that there was a settlement agreement.

Ms. Platt read the Factual Allegations, Violations of Law, and Stipulation for Settlement.

Stipulation for Settlement

- Administrative fine of \$8,000, pursuant to the following terms:
 - ◆ \$1,000 within 15 days of the approval of this Stipulation,
 - ◆ The remaining \$7,000 to be paid in thirty-five monthly installments of \$200.
 - ◆ The first monthly installment will be due 30 days from the effective date of the Commission's Order approving the Stipulation, with the following installments to be paid on the 10th of each month.
- Respondent will have two appraisals per month for one year reviewed, at Respondent sole expense, in the following manner:
 - ◆ Respondent will select a reviewer from a list of approved reviewers provided by the Division and notify the Division of reviewer which was selected;
 - ◆ Beginning October 5th, 2014, the Respondent will electronically submit a log of each appraisal conducted by the Respondent in the immediately preceding month to the reviewer on or before the 5th day of each month;
 - ◆ The reviewer will select 2 appraisals from the log and conduct a USPAP Standards Rule 3 desk or field review to ascertain if the appraisal complies with USPAP Standards Rule 1 and 2;
 - ◆ Respondent will electronically submit the two appraisals selected within 24 hours of the reviewer's notification of the appraisals;
 - ◆ The reviewer will submit the USPAP Standards 3 desk or field review to the Division within 30 days of receipt of the appraisal from the Respondent;
 - ◆ The Division will review the USPAP Standards 3 desk or field review and provide notice to the Respondent of its review; and
 - ◆ If the USPAP Standards 3 review indicates that the appraisal did not comply with USPAP Standards Rules 1 and/or 2, if the USPAP Standards 3 review was a desk review, the Division may request that a field review be conducted, at Respondent's expense, and the Division may proceed with disciplinary action against the Respondent. Respondent has the right to defend against the Division's claim that the appraisal did not comply with USPAP Standards Rules 1 and/or 2
- The Respondent shall complete a 30-hour Residential Sales Comparison Approach Course, take and pass the exam within six months from the effective date of the Order approving this Settlement. This class will not count toward the required continuing education for Respondent's license renewal.
- The Respondent shall complete a 3-hour Nevada Law course within six months from the effective date of the Order approving this Settlement. This class will not count toward the required continuing education for Respondent's license renewal.
- The Respondent shall complete a 15-hour National USPAP course, take and pass the exam within six months from the effective date of the Order approving this Settlement. This class will not count toward the required continuing education for Respondent's license renewal.

Mr. Geller stated that Mr. Cunningham agreed with the Settlement.

Commissioner Hoonhout moved to approve the Stipulation, as presented. Commissioner Walsh seconded. Motion carried unanimously.

4-5) NRED v. STEPHEN LAVINGTON

Case No. AP13.033.S

Parties Present

Colleen Platt, Deputy Attorney General, representing the Division
Stephen Lavington, Respondent

Preliminary Matters:

Ms. Platt stated that there was a settlement agreement.

Ms. Platt read the Factual Allegations, Violations of Law, and Stipulation for Settlement.

Stipulation for Settlement

- The Respondent agreed to pay the Division an administrative fine of \$5,000, within 30 days from the effective date of the Order approving this Stipulation.
- The Respondent shall complete a 15-hour Residential Report Writing and Cases Studies Course, take and pass the exam within six months from the effective date of the Order. This class will not count toward the required continuing education for Respondent's license renewal.
- The Respondent shall complete a 15-hour National USPAP course, take and pass the exam within six months from the effective date of the Order. This class will not count toward the required continuing education for Respondent's license renewal.

Mr. Lavington made a statement.

Commissioner Anderson questioned Mr. Lavington.

Mr. Lavington stated that he agreed with the Settlement.

President Johnson questioned Mr. Lavington.

Commissioner Anderson moved to approve the Settlement. Commissioner Huber seconded. Motion carried unanimously.

4-1). NRED v. KEVIN BAGG

Case No. AP13.032.S

Parties Present

Colleen Platt, Deputy Attorney General, representing the Division

Preliminary Matters:

Ms. Platt stated that there was a settlement agreement and Mr. Bagg agreed to a Voluntary Surrender of License in lieu of Other Disciplinary Action.

Ms. Platt summarized the Factual Allegations, Violations of Law, and Voluntary Surrender of License.

Commissioner Huber moved to approve the Voluntary Surrender. Commissioner Hoonhout seconded. Motion carried unanimously.

Colleen Platt stated that the Dustin Hughes cases had been continued and asked to proceed with Commission/Division Business.

3-B) DISCUSSION REGARDING ATTORNEY GENERAL'S CASE STATUS REPORT

Colleen Platt updated the Commission on the Jack Gillespie case.

3-C¹) DISCUSSION REGARDING THE ADMINISTRATOR’S REPORT ON THE STATUS OF ANY CHANGES TO PERSONNEL

Gail Anderson, Administrator, reported on personnel changes, stating that there had been three position changes in Licensing.

3-C²) DISCUSSION REGARDING THE ADMINISTRATOR’S REPORT ON THE STATUS OF DATA SYSTEM CUSTOMIZATIONS INCLUDING “MY ACCOUNT” LICENSEE LOOK-UP

Steven Aldinger, Deputy Administrator; talked about Real Estate Education sponsors emailing their education course roster submissions, identifying the licensee and course taken to the Division, so Division education staff can import that information the licensee’s credential record.

Mr. Aldinger stated that the online “My Account” feature for licensees had been completed.

Ms. Anderson commented.

The Commissioners asked questioned and made comments.

3-E) DISCUSSION OF CUSTOMARY AND REASONABLE FEES IN REGARD TO THE DODD-FRANK ACT

Commissioner Walsh asked Brenda Kindred-Kipling if she had received anything from the federal level.

Ms. Kindred-Kipling stated that nothing had changed and nothing had been established.

3-F) DISCUSSION REGARDING THE SMALL BUSINESS ADMINISTRATION (SBA) REQUIREMENT THAT ONLY CERTAIN DESIGNATIONS, WHICH INCLUDES NON-REAL ESTATE PROFESSIONALS, WILL BE ACCEPTABLE TO VALUE GOING CONCERNS WHICH MAY INCLUDE REAL ESTATE COMPONENTS FOR SBA FINANCING

Commissioner Anderson stated that he hadn’t seen any indication that there had been any change.

President Johnson stated that he believed that there was ongoing activity and thought that the Appraisal Institute was deeply involved.

3-G) DISCUSSION REGARDING RESIDENTIAL VALUATION SERVICES RVS NEW EVALUATION FORMS AND REQUIREMENTS OF THE EVALUATOR

President Johnson indicated that there had been no activity at the Division level relative to this.

3-H) DISCUSSION REGARDING A RECOMMENDATION BY THE APPRAISAL SUBCOMMITTEE FOR A STATUTORY CHANGE FOR CONSIDERATION DURING THE 2015 LEGISLATIVE SESSION

Brenda Kindred-Kipling discussed proposed statute changes recommended by the Appraisal Subcommittee to make sure we were compliant with changes that occurred in Title 11.

3-D) DISCUSSION REGARDING APPRAISAL OFFICER’S REPORT ON COMPLIANCE CASE LOAD FOR FISCAL YEAR 2014 YEAR END

Brenda Kindred-Kipling explained the report.

3-I) DISCUSSION AND POSSIBLE ACTION REGARDING THE PROCESS BY WHICH THE DIVISION REVIEWS AND APPROVES EDUCATION SPONSORS PROVIDING THE 15-HOUR NATIONAL USPAP COURSE AND THE 7-HOUR NATIONAL USPAP UPDATE COURSE TO NEVADA LICENSEES FOR LIVE CLASSROOM AND DISTANCE EDUCATION DELIVERY

Brenda Kindred-Kipling stated that she put this item on the agenda to review the process of approving the 15-hour USPAP and adopt that method for approving the 7-hour USPAP.

Commissioner Walsh moved to approve the 7-hour USPAP update course in the same way the 15-hour USPAP course is approved. Commissioner Huber seconded. Motion carried unanimously.

4-6). NRED v. RICHARD ROMANO
Case No's. AP13.034.S and AP14.009.S

Parties Present

Colleen Platt, Deputy Attorney General, representing the Division
Don Bennion, representing the Respondent

Mr. Bennion stated that he had two documents, an answer and a motion, to present to the Commission.

Ms. Platt stated that she believed the motions were out of order, because she had just been handed the documents, which did not afford her the chance to read them or prepare a response.

President Johnson asked Mr. Bennion to state his motions.

Mr. Bennion stated that the first document was the Respondent's answer to the complaint. The second document was a Motion to Continue Hearing and to Compel Production of Report.

Mr. Bennion argued his motions.

Ms. Platt responded.

Mr. Bennion restated his arguments.

Ms. Platt responded.

President Johnson discussed the motions with Ms. Platt and Mr. Bennion.

Commissioner Anderson questioned Ms. Platt and Mr. Bennion.

Commissioner Huber questioned Ms. Platt.

President Johnson, referring to the Respondent's request that the complaints against him be dismissed, stated that this case would not be dismissed

Commissioner Huber moved to deny the motion to compel the production of report on cases AP13.034.S and AP14.009.S. Commissioner Hoonhout seconded. Motion carried unanimously.

Commissioner Hoonhout moved to grant the motion to continue cases AP13.034.S and AP14.009.S. Commissioner Anderson seconded. Motion carried unanimously.

3-J) DISCUSSION AND POSSIBLE ACTION TO APPROVE MINUTES OF THE FEBRUARY 27, 2014 MEETING

Commissioner Hoonhout moved to approve the minutes of February 27, 2014. Commissioner Walsh seconded. Motion carried unanimously.

3-K) DISCUSSION AND POSSIBLE ACTION TO APPROVE MINUTES OF THE APRIL 15-16, 2014 MEETING

Commissioner Huber made some date corrections on page 11.

President Johnson made a correction on page 7.

Commissioner Anderson moved to approve the April 15-16, 2014 minutes, with corrections.

Commissioner Huber seconded. Motion carried unanimously.

3-L) DISCUSSION AND POSSIBLE ACTION TO APPROVE MINUTES OF THE MAY 21, 2014 MEETING

Commissioner Huber moved to approve the minutes of the May 21, 2014 meeting. Commissioner Walsh seconded. Motion carried unanimously.

3-M) DISCUSSION AND POSSIBLE ACTION ON DATE, TIME, PLACE AND AGENDA ITEMS FOR UPCOMING MEETINGS

Gail Anderson stated the next meeting would be December 3-5, 2014 in the South.

Ms. Anderson stated agenda items would include proposed meeting dates for the next calendar year and possibly the Governor's recommended budget for the Real Estate Division, if it is released.

Ms. Anderson asked if the Commission would like to retain items 3E, 3F, and 3G from the current agenda, and stated that, if there was a sponsor, there might be something to report on item 3H, as well.

President Johnson confirmed that the Commission would like to retain items 3E, 3F, 3G, and 3H for the next meeting agenda.

3-A) DISCUSSION REGARDING THE DISCIPLINE REPORT

Rebecca Hardin summarized the report.

5) EDUCATION

Commission may take the following actions:

1. To change designation of any of the following courses; or
2. To approve, disapprove any of the following courses for the amount of hours requested, recommended or any amount they deem appropriate.

Consent Agenda:

1. a la mode, inc.
 - a. Controlling Your Data with TOTAL, 3 hours
 - b. Developing Compliant Reports with TOTAL, 7 hours
 - c. Accurate Sketching Made Easy, 3 hours
 - d. Mobile Appraiser Workflow, 7 hours
2. American Society of Farm Managers & Rural Appraisers (ASFMRA)
 - a. Advanced Agware Techniques 2014, 3 hours
 - b. 85th Annual Conference Day 1, 7 hours
 - c. 85th Annual Conference Day 2, 3 hours
 - d. Rapid Fire Case Studies, 2014, 6hours

3. Appraisal Institute
 - a. Quantitative Analysis – 35 hours
 - b. Review Case Studies-General, 32 hours
4. Appraisal Institute, Sacramento Chapter
 - a. Tahoe Litigation Conference, Day 1 – 8 hours
 - b. Tahoe Litigation Conference, Day 2 – 8 hours
5. The Columbia Institute
 - a. New Construction-A Residential Valuation, 8 hours
 - b. Fannie Mae/ANSI Update, 8 hours
 - c. Focus on the Workfile, 5 hours
6. US Dept of Housing and Urban Development
 - a. Completing Today's FHA Appraisal
7. LIA Administrators & Insurance Service
 - a. Loss Prevention Program for Real Estate Appraisers, 4 hours
8. McKissock
 - a. Appraisal of Assisted Living Facilities, 8 hours
 - b. The Sales Comparison Approach, 7 hours
 - c. Understanding Residential Construction, 7 hours
 - d. Reviewer's Checklist – Lice Webinar, 4 hours
 - e. Expert Witness Testimony: To Do or Not To Do, 7 hours
 - f. 2014-2015 National USPAP Update Online, 7 hours
9. National Association of Independent Fee Appraisers (NAIFA)
 - a. 2014 NAIFA Conference-Wednesday, 8 hours
 - b. 2014 NAIFA Conference-Thursday, 8 hours
10. Richard Ribachhni – Independent Course Approval
 - a. Extreme Appraising: Value Unstable Properties in an Unstable Market, 7 hours – Appraisal Institute

For Discussion

11. Calypso Continuing Education
 - a. Victoria Era Architecture for Real Estate Professionals, 3 hours

Brenda Kindred-Kipling pulled item 1 for discussion.

Commissioner Hoonhout moved to approve consent agenda items 2-10. Commissioner Huber seconded. Motion carried unanimously.

Consent agenda item 1: a la mode, inc. (pulled for discussion)

Ms. Kindred-Kipling stated there were some areas where this course dealt with the Appraisal process, but it was mostly focused on using the software.

Discussion ensued concerning the merits of the course.

Kimberly Johnston, Appraiser and former president of Coalition of Appraisers in Nevada, commented.

Commissioner Huber questioned Ms. Johnston.

Commissioner Walsh moved to approve education agenda item 1. Commissioner Anderson seconded. Motion carried 4-1, with Commissioner Hoonhout opposing.

Consent agenda item 11: Calypso Continuing Education (for discussion)

Brenda Kindred-Kipling requested the Commission to grant approval contingent on the sponsor providing additional documentation needed.

Commissioner Anderson moved to approve item 11 of the education agenda, subject to the State acquiring the AQB and IDECC approvals. Commissioner Huber seconded. Motion carried unanimously.

3-N) ELECTION OF OFFICERS FOR FISCAL YEAR 2015

Commissioner Anderson nominated President Johnson to remain President for the remainder of his term. Commissioner Huber seconded. Motion carried 4-0. President Johnson did not vote.

Commissioner Huber nominated Commissioner Anderson to continue for Vice-President for 2015. Commissioner Walsh seconded. Motion carried 4-0. Commissioner Anderson did not vote.

Commissioner Hoonhout nominated Commissioner Huber to continue as secretary for 2015. Commissioner Walsh seconded. Motion carried 4-0. Commissioner Huber did not vote.

3-O) COMMISSIONER COMMENTS:

None.

6). PUBLIC COMMENT:

Kimberly Johnston suggested maintaining an email database for appraisers in the State.

The meeting was adjourned at 11:43 on August 12, 2014