

NEVADA COMMISSION OF APPRAISERS OF REAL ESTATE
MARCH 24, 2015 MINUTES

**GAMING CONTROL BOARD
GRANT SAWYER BUILDING
555 E. WASHINGTON AVENUE, ROOM 2450
LAS VEGAS, NEVADA 89101**

**VIDEO CONFERENCED TO:
GAMING CONTROL BOARD
1919 COLLEGE PARKWAY,
CARSON CITY, NEVADA 89706**

MARCH 24, 2015

9:00 A.M.

1-A) Introduction of Commissioners in attendance

Stephen Johnson; Cynthia Hoonhout; Daniel Walsh; Debbie Huber; and Glenn Anderson
Commission Counsel: Rosemary Reynolds

1-B) Introduction of Division Staff in attendance

In Las Vegas: Joseph Decker, Administrator; Brenda Kindred-Kipling, Appraisal Officer; Teralyn Thompson, Administration Section Manager; Rebecca Hardin, Commission Coordinator; Division Counsel: Colleen Platt, Deputy Attorney General

In Carson City: Michael Jory, Deputy Administrator.

2) Public Comment

None

4-5) NRED v. RONALD JAMES CASE No. AP14.011.S

4-6) NRED v. RONALD JAMES CASE No. AP14.025.S

4-7) NRED v. RONALD JAMES CASE No. AP14.041.S

Parties Present

Deputy Attorney General Colleen Platt was present representing the Division.

Ronald James was present.

Kaleb Anderson was present representing the respondent.

Preliminary Matters

Ms. Platt stated that there was a settlement agreement.

Ms. Platt read the Factual Allegations and Stipulation for Settlement into the record.

Mr. James accepted the terms and condition of the stipulation.

Commissioner Huber moved to accept the stipulation of settlement. Commissioner Anderson seconded.

Motion carried unanimously.

4-1) NRED v. ANTHONY R. CERA JR. CASE NO. AP14.033.S

Parties Present

Deputy Attorney General Colleen Platt was present representing the Division.

Anthony Cera Jr. was present.

Preliminary Matters

Ms. Platt stated that there was a settlement agreement.

Ms. Platt read the Factual Allegations and Stipulation for Settlement into the record.

Stipulation for Settlement

- Voluntary surrender of license.
- \$900 fine payable in 9 installments of \$100 each.
- Will not admit to any of the factual allegations and violation of law.

Mr. Cera Jr. accepted the terms and conditions of the stipulation.

Commissioner Anderson moved to accept the stipulation of settlement. Commissioner Huber seconded.

Motion carried unanimously.

4-2) NRED v. ANTHONY CERA III CASE NO. AP15.011.S

Parties Present

Deputy Attorney General Colleen Platt was present representing the Division.

Anthony Cera III was present.

Preliminary Matters

Ms. Platt stated that there was a settlement agreement.

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

Stipulation for Settlement

- Not to perform any acts that would require an appraisal license.
- Will not admit to any of the factual allegations and violations of law.

Mr. Cera III accepted the terms and condition of the stipulation.

Commissioner Hoonhout moved to accept the stipulation of settlement. Commissioner Huber seconded.

Motion carried unanimously.

4-8) NRED v. I. CLAIRE MORROW CASE NO. AP14.012.N

Parties Present

Deputy Attorney General Colleen Platt was present representing the Division.

I. Claire Morrow was not present.

Preliminary Matters

Ms. Platt stated that there was a settlement agreement.

Ms. Platt read the Factual Allegations and Stipulation for Settlement into the record.

Stipulation for Settlement

- Voluntary surrender of license.

Commissioner Huber moved to accept the stipulation of settlement. Commissioner Anderson seconded.

Motion carried unanimously.

3-A) Disciplinary Report

Teralyn Thompson presented this report. Ms. Thompson stated that Mr. Higgins paid his fine and only needs to complete 15 hours of USPAP and 30 hours of general sale approach classes.

Ms. Thompson stated that Mr. Tomasini is up to date with his payments.

Ms. Thompson stated that Mr. Gillespie paid his fine in full.

3-B) Attorney General's Case Status Report

Colleen Platt presented this report. Ms. Platt stated that there were three pending cases at the Attorney General's Office. Ms. Platt stated that she has one outstanding case that was continued until the August meeting.

3-C-3) Administrator's Report staffing updates

Joseph Decker presented this report. Mr. Decker introduced the new Deputy Administrator Michael Jory to the Commission.

Michael Jory gave a brief introduction about his background and credentials.

Mr. Decker stated that there is an open position for an appraisal investigator in Carson City.

3-C-1) Administrator's report-Introduction

3-C-2) Administrator's report Division reorganization

Joseph Decker presented these reports. Mr. Decker stated that he was hired to reorganize the Division. Mr. Decker stated that his goal is to improve customer service, streamline processes, remove obstacles and overall to enhance the Division's ability to serve and regulate. Mr. Decker stated that one of his goals is to pursue a self-funded budget proposal in this legislative session. Mr. Decker stated that the fees that the Division is charging to the sector are currently going to the general fund and then the Legislator gives back to the Division some of that money for operating costs based upon the Division's needs. Mr. Decker stated that one of the things that the Division can do if the self-funded proposal is approved is to establish a reserve budget.

3-C-5) Administrator's Report Agency priorities

Joseph Decker presented this report. Mr. Decker stated that if the budget proposal does not pass the Division would lose 7.4 temporary positions that are currently being funded by the National Mortgage Settlement Fund. Mr. Decker stated that losing a third of the Division's current employees would

negatively impact the growing needs of the Real Estate sector. Mr. Decker stated that the Division has revamped the Licensing Section, changed work performance standards to include improved customer service and introduced a customer feedback program. Mr. Decker stated that the idea is to remove obstacles and streamline processes in order to provide better services.

Commissioner Hoonhout asked if online license renewal and electronic processing are still a priority.

Mr. Decker stated that it is a priority however enhancing the Division's ability to conduct electronic transactions requires money, which the Division doesn't currently have. Mr. Decker stated that he reached out to the Real Estate sector and proposed a ten dollar fee increase per year in order to allow the Division to provide that type of functionality. Mr. Decker stated that realtors want those services but expressed their opposition to the fee increase.

3-C-4) Administrator's Report Division budget proposal

Joseph Decker presented this report. Mr. Decker stated that one of his goals was to pursue a self-funded budget proposal in this legislative session. Mr. Decker stated that with the current fees the Division could fund the general fund allocation and the Division's operating costs. Mr. Decker stated that if the Division gets more than that through nominal increase fees, the Division could establish a reserve account. Mr. Decker stated that once savings start building, the Division can start considering the expansion of services that the Division can provide such as technology enhancements and office hours in northern Nevada. Mr. Decker stated that the bill draft request became a bill. Mr. Decker stated that the Division is waiting for another hearing and a vote.

Mr. Decker stated that the Division is planning for a more stable future. Mr. Decker stated that the Division has an agreement with the Legislative Counsel Bureau to freeze the general fund allocation and keep the surplus generated by the new budget into a reserve account. Mr. Decker stated that the time share sector, builders, and developers have requested specific service expedite fees. Mr. Decker stated that in the budget, realtors and appraisers don't have fee increases. Mr. Decker stated that realtors and appraisers would only have fees that are either optional or avoidable. Mr. Decker stated that the Division would add a fee for first time applicants. Mr. Decker stated that the renewal fee for existing licensees will stay the same.

Commissioner Walsh asked who would be in charge of managing the fund.

Mr. Decker stated that the Division has to go to the Interim Finance Committee and get approval before allocating funds.

3-D) Discussion regarding Appraisal Officer's report on compliance case load for Fiscal Year 2015 year-to-date

Brenda Kindred-Kipling presented this report. Ms. Kindred-Kipling stated that she has thirty open cases. Ms. Kindred-Kipling stated that typically the Division receives more cases in May and June. Ms. Kindred-Kipling stated that she has ten pending ARC cases, 18 cases pending investigation and all cases are in between 0 to 12 months old.

President Johnson asked who will handle investigations since the investigator is no longer with the Division.

Ms. Kindred-Kipling stated that the Division has three residential appraisers that are contracted to do pre-reviews. Ms. Kindred-Kipling stated that she is in the process of contracting a residential appraiser.

3-E) Discussion of Customary and Reasonable Fees in regard to the Dodd-Frank Act

Commissioner Walsh stated that nothing has changed status wise. Commissioner Walsh requested to have this item removed from the agenda.

3-F) Discussion and decision regarding amending NAC 645C.345 (1) to include authors of an approved online course, to increase the hours of credit per each hour of approved course credit and to increase the limit of hours of credit per applicable period of licensing

Joseph Decker presented this report. Mr. Decker stated that the intent is to amend this regulation to allow developers of courses, not only instructors, to receive continuing education credits. Mr. Decker stated that for community manager licensees there was a proposed regulation change to allow developers and instructors to receive continuing education credits. Mr. Decker stated that the proposal was dropped by the Commission in light of a proposed statute change. Mr. Decker stated that on the real estate side, developers and instructors do not receive any continuing education credits.

Ms. Kindred-Kipling stated that the Commission requested her to draft some language to update NAC 645C.345. Ms. Kindred-Kipling stated that she amended paragraph one. Ms. Kindred-Kipling stated that the next step is to send the amended NAC to the Legislative Counsel Bureau and then the Commission would be required to conduct a workshop.

Commissioner Hoonhout asked if the credit received is within a licensing period.

Ms. Kindred-Kipling stated that they will get credit for developing a class once and then they can get credit for teaching it in a different cycle. Ms. Kindred-Kipling stated that this will affect mostly the developers of online courses.

Commissioner Anderson asked if the amended NAC makes a distinction between continuing education and pre-licensing education.

Mr. Decker stated that the Division's intent is to give credit to developer of all type of education as long as the course is Commission approved.

3-G) Discussion and possible action to approve the minutes of the December 3, 2014 meeting.

Commissioner Anderson moved to approve the minutes of the December 3, 2014 meeting. Commissioner Walsh seconded.

Motion carried unanimously

3-H) Discussion and possible action on date, time, place and agenda items for upcoming meeting

The next Commission meeting is scheduled for August 11-13, 2015. The time and place has not been determined.

Agenda items for upcoming meeting:

- Colleen Platt offered to provide new commissioner training in the morning on August 11, 2015 and have the Commission meeting in the afternoon.
- Commissioner Walsh ask to include a discussion item concerning appraisers altering photos or utilizing photographs from different sources in their appraisal reports (FAQ 291).
- Arizona passing the law eliminating the Appraisal Board and related U.S. Supreme Court case.

5) Education

CONSENT AGENDA

1. Allterra Group, LLC
 - a. Basic Charts and Graphs, 5 hours
2. Appraisal Institute
 - a. Contract or Effective Rent: Finding the Real Rent, 4 hours
 - b. Two day Advanced Income Capitalization/B, 15 hours
 - c. Two day Advanced Income Capitalization/B, 15 hours
 - d. Online Analyzing Operating Expenses, 7 hours
 - e. Online Rates & Ratios: Making Sense of GIM's, OAR's & DCF, 7 hours
 - f. Online Comparative Analysis, 7 hours
 - g. Online Report Writing & Case Studies, 15 hours
 - h. Case Studies in Appraising Green Commercial Buildings, 15 hours
3. Appraisal Institute, Las Vegas Chapter
 - a. Las Vegas Market Symposium 2015- Full day, 8 hours
 - b. Las Vegas Market Symposium 2015- Land & Residential Market Panels, 4 hours
 - c. Drone Technology & It's Impact on the Appraisal Industry, 4 hours
4. American Society of Farm Managers & Rural Appraisers (ASFMRA)
 - a. Basic Appraisal Procedures, 30 hours
 - b. Income Approach Applications, 4 hours
5. The Columbia Institute
 - a. Architectural Styles & the UAD, No. 042, 2 hours
 - b. 2015 Appraisal Summit & Expo, No 215, 14 hours
6. Marshall & Swift
 - a. Commercial Cost Approach Certification, 7 hours
7. McKissock
 - b. Appraisal of Owner Occupied Commercial Properties, 7 hours
 - c. Supervisor-Trainee Course for Nevada, 4 hours

Commissioner Walsh asked to pull item 5-7-a for discussion.

Commissioner Huber moved to approve the education consent agenda with the exception of item 5-7-a. Commissioner Anderson seconded.

Motion carried unanimously.

5-7-a) McKissock Appraisal of Industrial Incubators, 7 hours

Brenda Kindred-Kipling stated that the Division is recommending approval.

Commissioner Walsh asked if the course is for facilities that produce incubators or the incubator itself.

Ms. Kindred-Kipling stated that the course is for the incubator itself. Ms. Kindred-Kipling stated that the course content was approved through the Appraiser Qualifications Board (AQB) and it's an online course.

Commissioner Walsh moved to approve the course. Commissioner Hoonhout seconded.

Motion carried unanimously.

4-3) NRED v. MICHAEL HATCH CASE NO. AP15.014.S

4-4) NRED v. MICHAEL HATCH CASE NO. AP15.021.S

Cases have been continued until the August 11-13, 2015 meeting.

6) Public Comment

In Las Vegas: Sheila Leer, residential appraiser, commented. Ms. Leer asked if all the cases that are investigated end up in front of the Commission.

President Johnson stated that the Division will review every complaint in order to determine if there is a basis for a case.

Ms. Platt stated that all the filed complaints will be brought in front of the Commission either for approval of a stipulation or as a full hearing. Ms. Platt stated that all are public record.

In Las Vegas: Michael Proa, appraiser intern, commented. Mr. Proa stated that the meeting was educational and thanked the Commission.

3-I) Commissioner Comment

Commissioner Anderson thanked President Johnson for his guidance and leadership.

President Johnson thanked the Commission and stated that this board was one of the most productive that he has served on. President Johnson stated that he is very proud to have served with each and every one of the commissioners.

Commissioner Huber thanked Division staff for their work.

7) Adjournment

The meeting was adjourned at 1:22 PM on March 24, 2015.

Respectfully Yours,

Claudia Rosolen
Commission Coordinator