

NEVADA COMMISSION OF APPRAISERS OF REAL ESTATE
FEBRUARY 9, 2016 MINUTES

NEVADA STATE GAMING CONTROL BOARD
555 E. WASHINGTON AVENUE
HEARING ROOM 2450
LAS VEGAS, NV 89101

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

FEBRUARY 9, 2016

9:06 A.M.

1-A) Introduction of Commissioners in attendance

In Las Vegas: Debbie Huber; Glenn Anderson; Rose Marie Reynolds as Commission Counsel.

In Carson City: David Stefan; Cynthia Hoonhout; Daniel Walsh.

1-B) Introduction of Division Staff in attendance

In Las Vegas: Joseph Decker, Administrator; Teralyn Thompson, Administration Section Manager; Claudia Rosolen, Commission Coordinator.

In Carson City: Michael Jory, Deputy Administrator; Brenda Kindred-Kipling, Appraisal Section Manager; and Gina Session as Division Counsel.

2) Public Comment

None.

3) For possible action: Adoption Hearing for LCB FILE No. R073-15

Workshop began at 9:10 a.m. on February 9, 2016.

Introduction of Commissioners in attendance:

In Las Vegas: Debbie Huber; Glenn Anderson; Rose Marie Reynolds as Commission Counsel.

In Carson City: David Stefan; Cynthia Hoonhout; Daniel Walsh.

Introduction of Division Staff in attendance:

In Las Vegas: Joseph Decker, Administrator; Teralyn Thompson, Administration Section Manager; Claudia Rosolen, Commission Coordinator.

In Carson City: Michael Jory, Deputy Administrator; Brenda Kindred-Kipling, Appraisal Section Manager; and Gina Session as Division Counsel.

Public Comment

In Carson City: No public comments.

Joseph Decker stated that the intent of the regulation is to allow developers of courses to receive continuing education credits.

In Las Vegas: Dan Byrne, president of Coalition of Appraisers in Nevada (CAN), commented. Mr. Byrne stated that CAN supports this regulation.

Commissioner Walsh moved to adopt LCB FILE No. R073-15. Commissioner Huber seconded.

Motion carried unanimously.

Adoption hearing ended at 9:16 a.m. on February 9, 2016.

4) Disciplinary action: Hearing and possible action by the Commission

NRED v. GREGORY HARTMANN, for possible action

Case No. AP16.004.N

License No. ATMP.0005283-CG (Closed)

Parties Present:

Chief Deputy Attorney General Gina Session was present representing the Division.

Kim Krugman was present over the phone representing Gregory Hartmann.

Preliminary Matters:

Ms. Session stated that the State and the respondent reached a settlement. Ms. Session read the Alleged Violations and Stipulation for Settlement into the record.

Stipulation for Settlement:

- Respondent agrees to pay the Division an administrative fine in the amount of \$5,000.00 within one month after the effective date of the Commission's Order approving the Stipulation.

Commissioner Stefan stated that on page one, line 15, "Joseph Decker" is misspelled and on page six, signature page, the respondent changed the year from 2016 to 2015.

President Anderson asked why the year date was changed to 2015.

Ms. Krugman stated that she was not aware of the date change.

Ms. Session stated that they can get it corrected.

Ms. Krugman agreed with Ms. Session on having the year corrected from 2015 to 2016.

President Anderson asked if having the year 2015 on the settlement would have any implication if it is not corrected.

Ms. Session stated that she cannot predict, but she would prefer to have the date corrected.

President Anderson asked Ms. Krugman if Mr. Hartmann agrees to the settlement.

Ms. Krugman stated that her client is aware of the stipulation and that he agrees with the settlement.

Commissioner Hoonhout asked if Mr. Hartmann will have to apply for a temporary permit if he decides to take assignments in the future if the settlement will impact that.

Ms. Session stated that Mr. Hartmann will be able to do any future assignment as long as he complies with Nevada law.

Commissioner Hoonhout move to accept the stipulation for settlement as amended. Commissioner Huber seconded.

Motion carried unanimously.

5) ADVISORY REVIEW COMMITTEE INFORMAL CONFERENCE:

5-1) NRED v. ANNIE PAYLOR Case No. AP15.026.N

Brenda Kindred-Kipling read the Committee Report into the record.

Ms. Kindred Kipling stated that the Respondent agreed with the committee's recommendations.

Commissioner Walsh moved to accept the Stipulation for Settlement of Disciplinary Action. Commissioner Hoonhout seconded.

Motion carried unanimously.

5-2) NRED v. TOM C. RICE Case No. AP15.025.N

Brenda Kindred-Kipling read the Committee Report into the record.

Ms. Kindred Kipling stated that the Respondent agreed with the committee's recommendations.

Commissioner Huber moved to accept the Stipulation for Settlement of Disciplinary Action. Commissioner Walsh seconded.

Motion carried unanimously.

5-3) NRED v. ARTAK HOVHANNISYAN Case No. AP15.016.S

Brenda Kindred-Kipling read the Committee Report into the record.

Ms. Kindred Kipling stated that the Respondent agreed with the committee's recommendations.

Commissioner Walsh moved to accept the Stipulation for Settlement of Disciplinary Action. Commissioner Huber seconded.

Motion carried unanimously.

5-4) NRED v. TYRA COOKSEY Case No. AP15.017.S

Brenda Kindred-Kipling read the Committee Report into the record.

Ms. Kindred Kipling stated that the Respondent agreed with the committee's recommendations.

Commissioner Walsh moved to accept the Stipulation for Settlement of Disciplinary Action. Commissioner Hoonhout seconded.

Motion carried unanimously.

6-A) Disciplinary Report

Teralyn Thompson presented this report. Ms. Thompson stated that the highlighted parts are the changes since the last Commission meeting. Ms. Thompson stated that Mr. Tomasini, Mr. Cunningham, and Mr. Hatch are on time with their payments.

6-B) Discussion regarding Appraisal Officer's report on compliance case load for Fiscal Year 15-16, year-to-date

Brenda Kindred-Kipling presented this report. Ms. Kindred-Kipling stated that she has thirty-six open cases; twenty of them are pending investigation. Ms. Kindred-Kipling stated that she has seven pending Advisory Review Committee (ARC) cases and five of the pending were taken care of in today's meeting. Ms. Kindred-Kipling stated that there are four cases that are between 13 to 24 months old.

Ms. Kindred-Kipling stated that she has two residential reviewer contracts and that the Division is keeping up with cases by using funds for the contracts.

President Anderson asked if the new investigator was helpful.

Ms. Kindred-Kipling stated that the investigator left at the end of December and the position is open.

6-C) Discussion of Customary and Reasonable Fees in regard to the Dodd-Frank Act

Mr. Decker stated that the Division met with the Association and they are taking the lead in pursuing the specifics of the funding and the options that they have. Mr. Decker stated that the State doesn't have funding to cover the study and the Division is working with the Association in order to have the study done. Mr. Decker stated that this has been kept out the Legislature because the Division doesn't feel that it needs to go through that process. Mr. Decker stated that the study is a federal requirement not governed by statute.

Commissioner Huber asked what is the next step in the course of action.

Mr. Decker stated that the Association has some options that they identified but the Division doesn't know which one the Association is going to pursue.

Commissioner Huber asked who the Association is.

Mr. Decker stated that the Association is the Coalition of Appraisers in Nevada (CAN).

President Anderson asked if having the study done by third parties would have any ethical ramification for the Division.

Mr. Decker stated that the Division didn't find anything in statute stating that the study needs to be commissioned through the State.

President Anderson asked if there is a specific set of regulations on how the study needs to be conducted.

Mr. Decker stated that the study needs to meet federal requirements.

Dan Byrne, 2016 president of CAN, stated that they are strongly encouraging the State to adopt the Customary and Reasonable Fees schedule that is in compliance with the Dodd-Frank Act. Mr. Byrne stated that CAN is willing to give their support to make that happen.

Commissioner Walsh encouraged the Division to use templates that have been established by the other studies that the Commission reviewed in the past.

Mr. Decker stated that it boils down to funding and the Division does not have that option.

Commissioner Hoonhout asked if there is a timeline for the study to be done.

Mr. Decker stated that there is no timeline.

Commissioner Huber stated that she has been approached by several appraisers that are willing to donate funds toward the ability to have the study done. Commissioner Huber asked if accepting private donations to conduct the study would be acceptable for the State.

Mr. Decker stated that is essentially what CAN is going to do. Mr. Decker stated that in order to collect additional funds from licensees, even if it was voluntarily, the Division would have to have the Governor's Office and legislative approval. Mr. Decker stated that the request would have to go on the budgeting cycle for the next biennial for approval. Mr. Decker stated that CAN is better suited than the Division to handle the study.

6-D) Administrator's Report: Personnel

Joseph Decker presented this report. Mr. Decker stated that the Division was awarded Agency of the Year in the Department of Business and Industry for 2015.

Mr. Decker stated that the Division has cut operating expenses by 25%. Mr. Decker stated that the Division has increased revenues by 45%. Mr. Decker stated that the Division has almost doubled the general fund contribution. Mr. Decker stated that the Division achieved that in three ways. Mr. Decker stated that the increase of licensees applying for a license was the first way the Division increased revenues. Mr. Decker stated that when he started, there were twenty-four thousand licensees of all types that the Division regulates. Mr. Decker stated that the number of licensees is now over thirty-six thousand. Mr. Decker stated that the second way the Division increased revenues was by the expedited fees for builders and developers that was supported by the industry and approved by the Legislature. Mr. Decker stated that lastly the Division increased revenues by pursuing developers that were not registering with the Division and requesting the back registration fees.

Mr. Decker stated that the Division is going into the budget process for 2017. Mr. Decker stated that the Division does not have the option to propose a self-funded agency because no one wants to go through the fight that the Division went through last time. Mr. Decker stated that the Division has five positions left from the 2011 budget cuts. Mr. Decker stated that every Legislative session the Division risks losing those positions. Mr. Decker stated that he is looking to find funding for those positions in 2017. Mr. Decker stated that the real estate association is looking into possible solutions for the next Legislative session to help the Division with plans for the future.

Mr. Decker stated that the Division lost the investigator in the north and Ms. Kindred-Kipling is carrying the workload on her own.

President Anderson asked if the search for the investigator position is restricted for the north.

Mr. Decker stated that he is working with the Director's Office trying to see if they can have the position moved to the south. Mr. Decker stated that there is a bigger case load and greater market for hiring a person in the south. Mr. Decker stated that the Division has only five people in the north and if the Division starts moving those positions to the south they might not be able to justify having an office in the north.

6-E) For possible action: Discussion and possible action to approve the minutes of November 4, 2015 meeting

Commissioner Huber moved to approve the minutes of November 4, 2015 meeting. Commissioner Hoonhout seconded.

Motion carried unanimously.

6-F) For possible action: Discussion and possible action on date, time, place and agenda items for upcoming meeting(s)

Teralyn Thompson stated that the next Commission meetings will be May 17-19, 2016 in the North.

6-G) Commissioner Comment

President Anderson asked to have discussion of customary and reasonable fees in regard to the Dodd-Frank Act, and personnel placed on the next agenda.

Commissioner Walsh thanked Ms. Kindred-Kipling and the review committee for ARC. Commissioner Walsh stated that the process is saving the State money by allowing the appraisers to actually have the opportunity to receive feedback from the committee and move ahead with education making them better appraisers.

7) Education

CONSENT AGENDA

7-1) Appraisal Institute

- a. Online Eminent Domain & Condemnation, 7 hours

7-2) Appraisal Institute – Las Vegas Chapter

- a. Las Vegas Market Symposium 2016, 8 hours

7-3) Appraisal Institute – Utah Chapter

- a. St George Symposium 2016, 8 hours

7-4) International Society of Business Appraisers

- a. Going Concerns, 24 hours

7-5) Marshall & Swift

- a. Commercial Cost Approach, 14 hours

7-6) McKissock

- a. Appraising Small Apartment Properties, 6 hours
- b. Adjustments Supported or Not Supported, 5 hours

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

Commissioner Huber moved to approve the education consent agenda items 7-1 to 7-6. Commissioner Walsh seconded.

Motion carried unanimously.

FOR POSSIBLE ACTION: INDEPENDENT COURSE APPROVAL

7-7) Glen Bell

- a. 22nd Annual LA/OC Market Trends Seminar, 8 hours**
- b. Battle Over Hydraulic Fracking and Property Rights, 2 hours**
- c. Analyzing the Effects of Environmental Contamination on Real Property, 7 hours**

7-8) Michael Sanders

- a. 48th Annual Litigation Seminar, 8 hours**

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

Commissioner Hoonhout moved to approve item 7-7 and 7-8. Commissioner Huber seconded.

Motion carried unanimously.

7-9) Key Realty School, LLC

- a. National Appraising for Supervisor and Trainee, 4 hours**

Brenda Kindred-Kipling stated that Key Realty School is buying the course material from a college. Ms. Kindred-Kipling stated that they want this course approved as a supervisor training course that interns and supervisors are required to take. Ms. Kindred-Kipling stated that there are a couple of problems with the course. Ms. Kindred-Kipling stated that there is nothing related to Nevada in the course. Ms. Kindred-Kipling stated that the course outline has nothing to do with supervisor training and when she compared the course outline with the requirements of NAC 645C.2445; Ms. Kindred-Kipling stated that she doesn't believe that the course complies with the regulation. Ms. Kindred-Kipling stated that the course can be confusing for someone that is applying for internship because they have not gone through any of the processes yet. Ms. Kindred-Kipling stated that it doesn't discuss the specific requirements for Nevada.

Ms. Kindred-Kipling stated that the Division doesn't recommend approval.

Commissioner Hoonhout asked if Key Realty could amend the course.

Ms. Kindred-Kipling stated that they could.

Commissioner Huber stated that they should start from scratch because there are so many requirements missing.

Ms. Kindred-Kipling stated that NAC 645C.2445 (6) stated that the class needs to include provisions of NAC 645C.2445 and chapter 645C of NRS that govern supervisory appraisers and registered interns.

Commissioner Huber moved to deny approval for agenda item 7-9. Commissioner Hoonhout seconded.

Motion carried unanimously.

8) Public Comment

None.

9) Adjournment

The meeting adjourned at 10:20 a.m. on February 9, 2016.

Respectfully Yours,

Claudia Rosolen
Commission Coordinator