

**NEVADA COMMISSION OF APPRAISERS OF REAL ESTATE
MEETING
OCTOBER 9 - 11, 2018 MINUTES**

NEVADA STATE BUSINESS CENTER
3300 WEST SAHARA AVENUE
NEVADA ROOM, SUITE 400
LAS VEGAS, NV 89102

VIDEO CONFERENCE:
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF INSURANCE
1818 E. COLLEGE PARKWAY
1ST FLOOR HEARING ROOM
CARSON CITY, NV 89706

OCTOBER 9, 2018

9:00 A.M.

1-A) Swearing in of Newly Appointed Commissioners.

President Daniel Walsh swore in newly appointed Commissioner Kenneth Cronin.

1-B) Introduction of Commissioners in Attendance.

In Las Vegas: Daniel Walsh, David Stefan, Christopher Lauger, Debbie Huber, Kenneth Cronin and Deputy Attorney General Asheesh Bhalla as Commission Counsel.

1-C) Introductions of Division Staff in Attendance.

In Las Vegas: Sharath Chandra, Administrator; Teralyn Thompson, Administration Section Manager; Samiel Williams, Commission Coordinator and Deputy Attorney General Peter Keegan representing the Division.

In Carson City: Sharon Jackson, Deputy Administrator; Jaye Lindsay, Appraisal Program Manager; and Victor Nikonchuk, Compliance Investigator.

2) Public Comment

Dave Dawley of Carson City commented on concerns he has with Automated Valuation Models.

Commissioner Huber disclosed that she has had a professional relationship with Mr. Brunson. Commissioner Huber stated that she would refer work to Mr. Brunson that she could not accept. Commissioner Huber stated that no referral fees, gifts, money or special treatment have been exchanged between herself and the respondent. Commissioner Huber stated that she will participate in this proceeding with impartiality.

3-2) NRED v. Michael Brunson, Case No. 2016-3272, AP.17. 011.S

Parties Present

Deputy Attorney General Peter Keegan was present representing the Division.

Michael Brunson was present representing himself.

Opening Statements

Deputy Attorney General Peter Keegan presented his opening statement

Mr. Michael Brunson presented his opening statement.

State's Exhibit 1 admitted. Notice of documents bate stamped 000001-000229.

State's Witness

Kelly Wade testified.

Mr. Brunson objected to admitting the original complaint and bate stamp document number 12 which was a summary of the complainant's allegations.

President Walsh overruled Mr. Brunson's objection.

Mr. Keegan requested the Commission strike the words "Clark County" from the complaint in reference to bate stamp document numbers 127 and 130. Mr. Keegan stated that those records are not copies of the Clark County Assessor's records.

Mr. Brunson objected to Mr. Keegan's requested. Mr. Brunson stated that there is a copy of the Clark County Assessor's record in the original work file.

President Walsh overruled Mr. Brunson's objection.

President Walsh agreed to strike "Clark County" on bate stamp documents numbers 127 and 130.

Mr. Keegan continued his examination of the witness.

Mr. Keegan closed his case.

Mr. Brunson presented his case.

Mr. Keegan cross-examined Mr. Brunson.

The Commission questioned Mr. Brunson.

Mr. Keegan re-cross-examined Mr. Brunson.

Closing Statements

Mr. Keegan gave a closing statement.

Mr. Brunson gave a closing statement.

Factual Allegations

Commissioner Huber moved that factual allegations admitted by the respondent were proven: 1-7, 9, 12, 15, and 22-25. Seconded by Commissioner Lauger. Motion carried.

Commissioner Lauger moved that factual allegation 8 was not proven. Seconded by Commissioner Stefan. Motion carried.

Commissioners Stefan moved that factual allegation 11 was proven. Seconded by Commissioner Huber. Motion carried.

Commissioner Huber moved factual allegation 13 was not proven. Seconded by Commissioner Lauger. Motion failed 2 to 3 with President Walsh, Commissioner Stefan and Commissioner Cronin opposed.

6) Public Comment

Tigran Sardaryan of Las Vegas, Nevada, commented on the education requirements for appraiser interns.

7) For possible action: Adjournement

Meeting recessed on October 9, 2018 at 4:39 pm.

MINUTES NOT APPROVED BY COMMISSION

October 10, 2018

Nevada State Business Center
3300 W. Sahara Avenue, Nevada Room
Las Vegas, Nevada 89102

VIDEO CONFERENCE TO:
DIVISION OF INSURANCE
1818 E. COLLEGE PARKWAY
1ST FLOOR HEARING ROOM
CARSON CITY, NV 89706

The meeting was called to order at 9:00 AM

2) Public Comment

No Public Comment

3-2) NRED v. Michael Brunson, Case No. 2016-3272, AP.17. 011.S

Parties Present

Deputy Attorney General Peter Keegan was present representing the Division.
Michael Brunson was present.

Factual Allegations

Commissioner Stefan moved that factual allegation 13 was proven. Seconded by Commissioner Cronin.
Motion passed 3 to 2 with Commissioners Huber and Lauger opposed.

Commissioner Lauger moved that factual allegation 16 was proven. Seconded by Commissioner Stefan.
Motion carried.

Commissioner Lauger moved that factual allegation 17 was proven. Seconded by Commissioner Stefan.
Motion carried.

Commissioner Lauger moved that factual allegation 18 was not proven. Seconded by Commissioner Huber. Motion carried.

Commissioner Lauger moved that factual allegation 19 was not proven. Seconded by Commissioner Huber. Motion carried.

Commissioner Stefan moved that factual allegation 20 was not proven. Seconded by Commissioner Lauger. Motion carried.

Commissioner Stefan moved that factual allegation 21 was not proven. Seconded by Commissioner Lauger. Motion carried.

Commissioner Lauger moved that factual allegation 14 was proven. Seconded by Commissioner Stefan.
Motion carried.

Violations of Law

Commissioner Lauger moved that the first violation of law was not proven. Seconded by Commissioner Huber. Motion carried.

Commissioner Huber moved that the second violation of law was not proven. Seconded by Commissioner Lauger. Motion carried 4 to 1 with President Walsh opposed.

Commissioner Stefan moved that the third violation of law was not proven. Seconded by Commissioner Huber. Motion carried.

Commissioner Lauger moved that the fourth violation of law was not proven. Seconded by Commissioner Stefan. Motion carried.

Commissioner Lauger moved that the fifth violation of law was not proven. Seconded by Commissioner Huber. Motion carried.

Commissioner Lauger moved that the sixth violation of law was not proven. Seconded by Commissioner Cronin. Motion carried.

Commissioner Lauger moved that the seventh violation of law was not proven. Seconded by Commissioner Huber. Motion carried.

Commissioner Huber moved that the eighth violation of law was not proven. Seconded by Commissioner Cronin. Motion carried.

Commissioner Lauger moved that the ninth violation of law was not proven. Seconded by Commissioner Huber. Motion carried.

Commissioner Lauger moved that the tenth violation of law was not proven. Seconded by Commissioner Huber seconds the motion. Motion carried.

No Violations were found. No Discipline.

Mr. Keegan asked Commissioner Huber to disclose her relationship with Mr. Brunson.

Commissioner Huber stated she and Mr. Brunson began a professional relationship 10 to 15 years ago while participating at the Appraisal Institute. Commissioner Huber stated she and Mr. Brunson were involved in creating the Coalition of Appraisers of Nevada. Commissioner Huber stated that she would refer cases to Mr. Brunson that she could not accept. Commissioner Huber stated that no referral fees, gifts, money or special treatment have been exchanged between herself and Mr. Brunson.

Mr. Keegan asked Commissioner Huber if she had ever had a professional business relationship cooperatively with Mr. Brunson.

Commissioner Huber stated that she had not.

4-A) Discussion regarding Disciplinary Report

Teralyn Thompson presented this report. Ms. Thompson summarized the report.

4-B) Discussion regarding the Administrator's Report on Personnel and Division Updates

Administrator Sharath Chandra stated that the Division is fully staffed.

Mr. Chandra stated that the Appraisal section completed a federal audit and found to be in compliance.

Mr. Chandra stated that the Division has entered a new biennium and is in the process of receiving the new budget. Mr. Chandra stated that there is a bill draft request in legislation to address changes due to the Dodd- Frank Act.

Mr. Chandra stated Business and Industry Director C.J. Manthe has taken a position at Public Utilities Commission as of November 2, 2018. Mr. Chandra stated Terry Reynolds will be the Interim Director.

4-C) Discussion regarding Appraisal Officer's Report on Compliance Case Load

Jaye Lindsay presented this report.

4-D) Discussion regarding Customary and Reasonable Fees regarding the Dodd-Frank Act, and discussion regarding Louisiana Real Estate Appraisal Board FTC Action.

This agenda item was tabled.

4-E) Discussion and possible action relating to experience requirements to upgrade from licensed residential appraisers to certified residential appraiser pursuant to NAC 645C.065.

Commissioner Huber stated that there should be some consideration in the experience level of appraisers that are trying to upgrade from licensed to certified appraiser. Commissioner Huber stated that as it stands the only way to upgrade the appraiser license is to have a four-year degree. Commissioner Huber stated that she would like to keep this on the agenda as a discussion item.

Tigran Sardaryan, member of the public, stated that the requirements to upgrade your license used to be 2,500 hours and a bachelor's degree. Mr. Sardaryan stated that the requirements were recently lowered to 1,500 hours, one year and 30 hours of college courses.

Administrator Chandra stated that there is a standard in place. Mr. Chandra stated that if the Commission feels comfortable that the standards do not take away from public protections and allows appraisers to advance in their careers, then the Commission can discuss it.

Mr. Chandra stated that if the Commission feels standard education requirements need to be in place, agencies that represent appraisers can send draft language to the Division for draft regulations. Mr. Chandra stated that the regulation process allows for public hearings so both sides can be heard.

President Walsh agreed with Mr. Chandra.

Commissioner Lauger stated that a hybrid is needed.

Irena Taylor, member of the public and appraiser intern, commented on concerns regarding the required education hours in Nevada compared to other states.

Jaye Lindsay, Appraisal Program Officer, stated that the required amount of education is higher in Nevada than the Appraiser Qualification Board (AQB) suggests.

Deputy Attorney General Bhalla stated that Senate Bill 69 regarding reciprocity passed but also allows Nevada agencies to have higher standards. Mr. Bhalla stated that people can apply using reciprocity, but the agency can determine that their standards still be met.

4-F) For possible action: Discussion, nomination and election of officers for FY 19 pursuant to NRS 645C.200.

Commissioner Huber moved to nominate Christopher Lauger for President. Seconded by Commissioner Stefan. Motion carried.

Commissioner Huber moved to nominate David Stefan for Vice President. Seconded by Commissioner Lauger. Motion carried.

Commissioner Stefan moved to nominate Kenneth Cronin for Secretary. Seconded by Commissioner Huber. Motion carried.

4-G) For possible action: Discussion and possible action to approve the minutes of the May 15, 2018 meeting.

Commissioner Lauger motions to accept the May 15, 2018 meeting minutes. Commissioner Stefan seconds. Motion carried with Commissioner Cronin abstaining.

5) For possible action: Discussion and possible action on date, time, place and agenda items for upcoming meeting(s); including setting meeting dates for 2019.

Teralyn Thompson presented the dates for the 2019 Commission meetings:

- January 29-31, 2019 in the South.
- May 21-23, 2019 in the North.
- October 1-3, 2019 in the South.

3-1) NRED v. Craig Jiu, Case No. 2016-4145, AP.17. 021.S

3-3) NRED v. Michael Brunson, Case No. 2016-4146, AP.17. 020.S

Deputy Attorney General Peter Keegan stated Craig Jiu and Michael Brunson stipulated to have their cases heard jointly.

Parties Present

Deputy Attorney General Peter Keegan was present representing the Division.

Craig Jiu was present.

Michael Brunson was present.

Commissioner Huber disclosed that she has had a professional relationship with Mr. Brunson and Mr. Jiu. Commissioner Huber stated that she would refer work to Mr. Brunson that she could not accept. Commissioner Huber stated that no referral fees, gifts, money or special treatment have been exchanged between herself and either of the respondents. Commissioner Huber stated that she will participate in this proceeding with impartiality.

Commissioner Lauger disclosed his relationship with the State's witness Matthew Lubawy.

Commissioner Lauger stated that he was employed by Mr. Lubawy for ten years ending in 2009.

Commissioner Lauger stated that he will remain impartial during this proceeding.

Commissioner Huber stated that she has had a professional relationship with Matthew Lubawy.

Commissioner Huber stated that she would refer potential assignments to Mr. Lubawy without the

exchange of referral fees, gifts, money or special treatment. Commissioner Huber stated that she will participate in this proceeding with impartiality.

Mr. Brunson requested that State's witness, Matthew Lubawy, be excluded from the opening statements.

Opening Statements

Deputy Attorney General Peter Keegan presented his opening statement

Craig Jiu presented his opening statement.

Michael Brunson presented his opening statement.

State's Witness

Matthew Lubawy testified.

Mr. Brunson cross-examined the witness.

Mr. Jiu stated that that he had no questions for Mr. Lubawy.

Mr. Keegan question the witness on re-direct examination.

Mr. Brunson cross examined the witness.

The Commission questions Mr. Lubawy.

Mr. Lubawy was dismissed.

State's Witness

Craig Jiu testified.

The Commission questioned Mr. Jiu.

6) Public Comment

No public comment.

7) For possible action: Adjournment

Meeting recessed on October 10, 2018 at 4:45 pm.

October 11, 2018

Nevada State Business Center
3300 W. Sahara Avenue, Nevada Room
Las Vegas, Nevada 89102

VIDEO CONFERENCE TO:
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1818 E. COLLEGE PARKWAY
1ST FLOOR HEARING ROOM
CARSON CITY, NV 89706

The meeting was called to order at 9:05 AM

2) Public Comment

No public comment

3-1) NRED v. Craig Jiu, Case No. 2016-4145, AP.17. 021.S

3-3) NRED v. Michael Brunson, Case No. 2016-4146, AP.17. 020.S

Parties Present

Deputy Attorney General Peter Keegan was present representing the Division.

Michael Brunson was present.

Craig Jiu was present.

The Commission questioned Mr. Jiu.

Mr. Keegan re-examined Mr. Jiu.

The Commission questioned Mr. Jiu.

State's Witness

Michael Brunson testified.

The Commission questioned Mr. Brunson.

President Walsh stated there may not be enough time for Mr. Brunson and Mr. Jiu to properly present their case.

Mr. Keegan stated that it would be prejudicial if the Commission recessed the hearing and gave the respondents time to regroup and provide new evidence.

President Walsh stated that the Commission shall limit the evidence admitted to what has been presented today.

Mr. Keegan stated that the position of the Division is that if the Commission wishes to continue the matter, that the matter be continued to the next scheduled hearing on January 29-31, 2019.

Mr. Brunson stated that he objected to continuing the matter. Mr. Brunson stated he would like to exhaust the remaining time today to present his case.

Mr. Keegan stated that if the Commission focuses on 590 Lairmont Place, the State will rest its case.

President Walsh asked the Commission if the Commission asked all questions regarding 590 Lairmont Place.

President Walsh stated for identification purposes Complaint Notice 2016-4146 factual allegations on Property A referring to 590 Lairmont Place.

Mr. Brunson presented his case.

Mr. Keegan cross-examined Mr. Brunson

The Commission questioned Mr. Brunson.

President Walsh stated that this hearing will be continued to the next Commission meeting on January 29, 2019.

6) Public Comment

No public comment.

7) For Possible Action: Adjournment

The meeting adjourned at 4:45 p.m. on October 11, 2018.