

**NEVADA COMMISSION OF APPRAISERS OF REAL ESTATE
MEETING
JANUARY 29-30, 2019 MINUTES**

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

**VIDEO CONFERENCE:
DEPARTMENT OF BUSINESS AND INDUSTRY
1830 E. COLLEGE PARKWAY
SUITE 100
CARSON CITY, NV 89706**

JANUARY 29, 2019

9:00 A.M.

1-A) Introduction of Commissioners in Attendance

In Las Vegas: Christopher Lauger, David Stefan, Kenneth Cronin, Debbie Huber and Deputy Attorney General Asheesh Bhalla representing the Commission.

1-B) Introduction of Division Staff in Attendance

In Las Vegas: Sharath Chandra, Administrator; Samiel Williams, Commission Coordinator; Deputy Attorney General Peter Keegan representing the Division.

In Carson City: Sharon Jackson, Deputy Administrator; Jaye Lindsay, Appraisal Program Manager; Daniel Walsh, Compliance Audit Investigator.

2) Public Comment

Daniel Walsh resigned as President of the Commission of Appraisers of Real Estate. Mr. Walsh stated that he has taken the role as investigator for the Nevada Real Estate Division.

3-4) NRED v Nickolas St. George, Case# 2018-28 AP18.010.N

Parties Present

Deputy Attorney General Peter Keegan was present representing the Division.
Nickolas St. George was not present.

State's Witness

Samiel Williams, Commission Coordinator, testified regarding service of the complaint.

Mr. Keegan stated he would like to move for an entry of default.

Commissioner Cronin moved that Mr. St. George was not present. Seconded by Commissioner Huber. Motion passed.

Mr. Keegan read the factual allegations and violations of law into the record.

President Lauger moved that the factual allegations and violations of law have been proven. Seconded by Commissioner Stefan. Motion passed.

Division's Recommendation for Discipline

- \$5,000.00 fine to be paid within 30 days of the effective date of the order and the normal customary collection language.

Commissioner Stefan moved to accept the Division's recommendation for discipline. Seconded by Commissioner Huber. Motion passed.

3-3) NRED v Michael Lach, Case # 2017-1117 AP17.034.S

Parties Present

Deputy Attorney General Peter Keegan was present representing the Division. Michael Lach was not present.

Mr. Keegan stated that he was in contact with Mr. Lach's attorney, Jason Earnest, through email. Mr. Keegan stated that a settlement had been reached but Mr. Earnest has not responded to the finalized settlement.

State's Witness

Samuel Williams, Commission Coordinator, testified regarding service of the complaint.

Mr. Keegan stated he would like to move for an entry of default.

President Lauger moved that Mr. Lach was not present. Seconded by Commissioner Huber. Motion passed.

President Lauger moved that the factual allegations and violations of law have been proven. Seconded by Commissioner Stefan. Motion passed.

Division's Recommendation for Discipline

- \$5,000.00 fine to be paid within 30 days of the effective date of the order and the normal customary collection language.

Commissioner Stefan moved to accept the Division's recommendation for discipline. Seconded by Commissioner Huber. Motion passed.

3-5) NRED v Brian Oliver Spillers, Case No. 2018-888 AP19.001.S

Parties Present

Deputy Attorney General Peter Keegan was present representing the Division. Brian Oliver Spillers was present by telephone.

Preliminary Matters

Mr. Keegan stated that a settlement had been reached. Mr. Keegan read the settlement into the record.

Settlement

- \$5,000.00 fine to be paid within 30 days of the effective date of the order and the normal customary collection language.

Commissioner Huber moved to accept the stipulation as entered. Seconded by Commissioner Cronin. Motion passed.

3-1) NRED v. Michael Brunson, Case No. 2016-4146, AP17.020.S

3-2) NRED v. Craig Jiu, Case No. 2016-4145, AP17.021.S

Deputy Attorney General Peter Keegan stated that 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.

President Lauger questioned Mr. Brunson.

Commissioners Stefan and Huber questioned Mr. Brunson.

Mr. Brunson read from Mr. Jiu's report.

Mr. Keegan objected to Mr. Brunson's explanation of Mr. Jiu's report.

President Lauger questioned Mr. Brunson.

Commissioners Stefan and Huber questioned Mr. Brunson.

Mr. Keegan asked the Commission to refer to State's Exhibit bate stamp 41. Mr. Keegan read from the appraisal report regarding the detrimental conditions analysis.

Commissioners Stefan and Cronin questioned Mr. Brunson.

Closing Arguments

Mr. Keegan gave his closing statement.

Mr. Brunson gave his closing statement.

5) For possible action: License Denial Appeal for Decision

Thomas E. Dugan, A.0206655-INTR

File No. S-645C-LDA-13-001

Richard Scott Dugan was present.

Mr. Dugan requested this matter be tabled.

President Lauger stated that the matter will be tabled.

4) Advisory Review Committee Informal Conference Recommendations:

NRED v. Theresa Sharp

Case No. 2016-3294, AP17.026.S

Jaye Lindsay read the Committee Report into the record. Ms. Lindsay stated that the respondent agreed with the Committee's recommendations.

Commissioner Stefan moved to accept the stipulation for settlement of disciplinary action. Seconded by Commissioner Huber. Motion passed.

3-1) NRED v. Michael Brunson, Case No. 2016-4146, AP17.020.S

3-2) NRED v. Craig Jiu, Case No. 2016-4145, AP17.021.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.

Opening Statements

Mr. Keegan gave his opening statement.

Mr. Brunson objected to Mr. Keegan's explanation of allegation number 10 with regards to intended use.

President Lauger overruled Mr. Brunson's objection.

Mr. Keegan continued with his opening statement. Mr. Keegan stated that the intended use of this restricted appraisal report was not identified as required by Uniform Standards of Professional Appraisal Practice (USPAP) advisory opinion number 21 was read into the record.

Mr. Brunson objected to Mr. Keegan's statement regarding USPAP advisory opinion number twenty-one.

President Lauger sustained the objection.

Mr. Keegan continued with his opening statement. Mr. Keegan reads allegation number 14.

Mr. Brunson objected to allegation number 14 on the grounds that allegation number 14 pertains to a different case.

Mr. Keegan acknowledged the misstatement.

Mr. Brunson gave his opening statement.

Mr. Brunson rested his case.

Mr. Keegan stated that the USPAP standards are mandatory. Mr. Keegan stated that USPAP uses the word “must” when discussing the scope of work and the intended use.

Mr. Brunson read standard rule 1-1(c) from the USPAP book.

Mr. Keegan rests his case.

3-2) NRED v. Craig Jiu, Case No. 2016-4145, AP17.021.S

President Lauger moved that factual allegations 3, 4, 5, 6, 7, 10, 12 and 13 were proven and admitted. Seconded by Commissioner Cronin. Motion passed.

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

President Lauger moved that factual allegation 9 part 1 was not proven. President Lauger moved that factual allegation 9 part 2 was proven. President Lauger moved that factual allegation 9 part 3 was not proven. Seconded by Commissioner Cronin. Motion passed.

Commissioner Huber moved that factual allegation 11 was not proven. Seconded by President Lauger. Motion passed.

President Lauger moved that factual allegation 14 was not proven. Seconded by Commissioner Stefan. Motion passed.

President Lauger moved that factual allegation 15 was proven. Seconded by Commissioner Huber. Motion carried.

President Lauger moved that factual allegation 16 was proven. Seconded by Commissioner Cronin. Motion passed.

President Lauger moved that factual allegation 17 was proven. Seconded by Commissioner Cronin. Motion passed.

Commissioner Stefan moved that factual allegation 18 was proven. Seconded by Commissioner Huber. Motion passed.

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

Commissioner Stefan moved that factual allegation 20 was proven. Seconded by Commissioner Cronin. Motion passed.

President Lauger moved that damage analysis in factual allegation 21 was not proven but the bias was proven. Seconded by Commissioner Cronin. Motion passed 3 to 1 with Commissioner Huber opposed.

President Lauger moved that factual allegation 22 was proven. Seconded by Commissioner Stefan. Motion passed.

Commissioner Huber moved that factual allegation 23 was not proven. Seconded by President Lauger. Motion passed.

Commissioner Cronin moved that factual allegation 24 was proven. Seconded by President Lauger. Motion passed.

Commissioner Huber moved that factual allegation 25 part 1 was proven. Commissioner Huber moved that factual allegation 25 part 2 was not proven.

Motion failed for lack of a second. Commissioner Huber withdrew the motion.

Commissioner Huber resubmitted the motion that factual allegation 25 was not proven. Seconded by Commissioner Stefan. Motion passed.

Commissioner Huber moved that factual allegation 26 was not proven.

Motion failed for lack of a second. Commissioner Huber withdrew the motion.

Commissioner Stefan moved that factual allegation 26 was proven. Seconded by Commissioner Huber. Motion passed.

3-1) NRED v. Michael Brunson, Case No. 2016-4146, AP17.020.S

President Lauger moved that factual allegations 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 15 and 21 were proven and admitted. Seconded by Commissioner Huber. Motion passed.

President Lauger moved that factual allegation 10 was not proven. Seconded by Commissioner Huber. Motion passed.

President Lauger stated Mr. Keegan has agreed to strike factual allegation number 13.

Commissioner Huber moved that factual allegation 14 was not proven. Seconded by Commissioner Stefan. Motion passed.

President Lauger moved that factual allegation 16 was not proven. Seconded by Commissioner Cronin. Motion passed.

Commissioner Huber moved that factual allegation 17 was proven. Seconded by President Lauger. Motion passed.

Commissioner Stefan moved that factual allegation 18 was proven. Seconded by Commissioner Huber. Motion passed.

Commissioner Stefan moved that factual allegation 19 was proven. Seconded by Commissioner Cronin. Motion passed.

President Lauger moved that factual allegation 20 was not proven. Seconded by Commissioner Huber. Motion passed.

3-2) NRED V. Craig Jiu, Case No. 2016-4145, AP17. 021.S

President Lauger moved that the first violation of law in item number one was not proven. President Lauger moved that the first violation of law in item number two was proven. President Lauger moved that the first violation of law in item number three was not proven. Seconded by Commissioner Stefan. Motion carried 3 to 1 with Commissioner Huber opposed.

President Lauger moved that the second violation of law was not proven. Seconded by Commissioner Cronin. Motion passed.

President Lauger moved that the third violation of law was proven. Seconded by Commissioner Cronin. Motion passed.

President Lauger moved that the fourth violation of law was proven. Seconded by Commissioner Cronin. Motion passed.

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

Commissioner Stefan moved that the sixth violation of law was not proven. Seconded by Commissioner Huber. Motion failed 2 to 2 with President Lauger and Commissioner Cronin opposed.

President Lauger stated that he had misunderstood Commissioner Cronin and was under the impression that Commissioner Cronin had voted nay.

Commissioner Cronin stated that he did not vote nay.

President Lauger restated the motion.

Commissioner Stefan moved that the sixth violation of law was not proven. Seconded by Commissioner Huber. Motion passed 3 to 1 with President Lauger opposed.

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

President Lauger moved that the eighth violation of law was not proven. Seconded by Commissioner Stefan. Motion passed.

President Lauger moved that the ninth violation of law was proven. Seconded by Commissioner Stefan. Motion passed.

President Lauger moved that the tenth violation of law was proven. Seconded by Commissioner Cronin. Motion passed.

Mr. Brunson stated that there was a distinction on factual allegation 14.

President Lauger stated that factual allegation 14 had three parts. President Lauger stated that the distinction on factual allegation 14 for Mr. Brunson was item number two was proven.

President Lauger moved that factual allegation 14 was not proven. Seconded by Commissioner Stefan. Motion passed.

3-1) NRED v. Michael Brunson, Case No. 2016-4146, AP17.020.S

President Lauger moved that the first violation of law in item number one was not proven. President Lauger moved that the first violation of law in item number two was proven. President Lauger moved that the first violation of law in item number three was not proven. Seconded by Commissioner Cronin. Motion failed 2 to 2 with Commissioners Huber and Stefan opposed.

Commissioner Stefan moved that the first violation of law item number two was proven. President Lauger amended the motion and moved that the first violation of law in item numbers one and three were not proven. Seconded by Commissioner Cronin. Motion passed 3 to 1 with Commissioner Huber opposed.

Commissioner Stefan moved that the second violation of law was not proven. Seconded by President Lauger. Motion passed.

Commissioner Cronin moved that the third violation of law was proven. Seconded by President Lauger. Motion passed 3 to 1 with Commissioner Huber opposed.

President Lauger moved that the fourth violation of law was proven. Seconded by Commissioner Cronin. Motion passed.

Commissioner Stefan moved that the fifth violation of law was not proven. Seconded by President Lauger. Motion passed.

8) Public Comment

Robert Steffan, resident of Las Vegas, Nevada; commented on the benefits of a paperless environment.

Britt West, resident of Boulder City, Nevada; commented on the respondent paying for the cost of the investigation.

9) For possible action: Adjournment

Meeting recessed on January 29, 2019 at 4:39 pm.

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1ST FLOOR HEARING ROOM
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JANUARY 30, 2019

9:00 A.M.

1-B) Introduction of Division Staff in Attendance

In Las Vegas: Sharath Chandra, Administrator and Samiel Williams, Commission Coordinator.
In Carson City: Sharon Jackson, Deputy Administrator and Daniel Walsh, Compliance Audit Investigator.

2) Public Comment

No Public Comment

3-1) NRED v. Michael Brunson, Case No. 2016-4146, AP17.020.S

Parties Present

Michael Brunson was present.

President Lauger moved that the sixth violation of law was proven. Seconded by Commissioner Cronin. Motion passed.

Commissioner Stefan moved that the seventh violation of law was not proven. Seconded by Commissioner Cronin. Motion passed.

President Lauger moved that the eighth violation of law was proven. Seconded by Commissioner Cronin. Motion passed.

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

President Lauger moved that the tenth violation of law was not proven. Seconded by Commissioner Stefan. Motion passed.

Commissioner Stefan moved that the eleventh violation of law was proven. Seconded by Commissioner Cronin. Motion passed 3 to 1 with Commissioner Huber opposed.

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

President Lauger moved that the thirteenth violation of law was proven. Seconded by Commissioner Cronin. Motion passed.

3-2) NRED V. Craig Jiu, Case No. 2016-4145, AP17. 021.S

Division Recommendation for Discipline

Jaye Lindsay stated the Division's recommendation for discipline:

- \$5,000 fine per violation
- Suspension of appraiser license number A.0002330-CG for 36 months
- Complete 15 hours of USPAP course
- Complete 30 hours of Basic Appraisal Practices
- Complete 30 hours of Basic Appraisal Procedures
- Costs of the hearing and investigation
- Fine and costs to be payable within 30 days of the effective date of the order

Samuel Williams stated that the total costs of the investigation and hearing were \$7,156.58.

Mr. Keegan asked Ms. Williams if the total cost of \$7,156.58 was for both Case# 2016-4145 and Case# 2016-4146 cases.

Ms. Williams stated that the total cost of \$7,156.58 was for both Case# 2016-4145 and Case# 2016-4146 because the two cases were heard together.

President Lauger suggested the following recommended discipline:

- \$500.00 fine per violation
- Suspension of appraiser license A.0002330-CG for 12 months
- Complete 15 hours of Uniform Standard Professional Appraisal Practices course
- Complete 30 hours of Basic Appraisal Practices
- Complete 30 hours of Basic Appraisal Procedures
- Education must be completed within 12 months and before the suspension can be lifted
- No continuing education credits will be given for the courses taken
- Half of the costs of the hearing and investigation
- Fine and costs to be payable within 30 days of the effective date of the order

President Lauger moved that a fine of \$2,500.00 be imposed plus the costs of \$3,578.29 payable within 3 months of the effective date of the order, Mr. Jiu's appraiser license be suspended for a period of one year and 75 hours of continuing education be completed within 12 months not to be used as continuing education credits. Seconded by Commissioner Cronin. Motion passed.

3-1) NRED v. Michael Brunson, Case No. 2016-4146, AP17.020.S

Division Recommendation for Discipline

Jaye Lindsay stated the Division's recommendation for discipline:

- \$5,000 fine per violation
- Revocation of Uniform Standards of Professional Appraisal Practices teaching credential
- Revocation of appraiser license A.00020722-CG for 36 months
- Costs of the hearing and investigation

- Fine and costs to be payable within 30 days of the effective date of the order

President Lauger suggested the following recommended discipline:

- \$500.00 fine per violation
- Revocation of USPAP and all teaching credential
- Suspension of appraiser license A.0002330-CG for 12 months
- Complete 30 hours of Basic Appraisal Practices
- Complete 30 hours of Basic Appraisal Procedures
- Education must be completed within 12 months and before the suspension can be lifted
- No continuing education credits will be given for the courses taken
- Half of the costs of the hearing and investigation
- Fine and costs to be payable within 90 days of the effective date of the order

President Lauger moved that a fine of \$3,500.00 be imposed plus the costs of \$3,578.29 payable within 3 months of the effective date of the order, Mr. Brunson's appraiser license be suspended for a period of one year, all teaching credentials be revoked, and 60 hours of education be completed within 12 months not to be used as continuing education credits. Seconded by Commissioner Cronin. Motion passed.

6-A) Discussion regarding Disciplinary Report

Sharath Chandra presented this report. Mr. Chandra summarized the report.

Commissioner Huber stated her concern regarding respondent paying for the cost of the investigation.

Mr. Chandra explained how the Commission fines are assessed.

Commissioner Huber commented on the benefits of a paperless environment.

Mr. Chandra explained how the Commission meeting packets are built.

President Lauger commented on benefits of downloading files via link and password.

Mr. Chandra stated that the Division is considering laptops for the Commission.

President Lauger stated the Commission does not need laptops.

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

Sharath Chandra stated that the Division is in the budget season. Mr. Chandra stated that legislative session begins February 4, 2019. Mr. Chandra stated that the Division has sustained the same budget for the past eight years.

Mr. Chandra stated that the Division has hired a new appraisal investigator.

Mr. Chandra stated that the Appraisal section went through an audit and was given a clean bill of health.

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

Jaye Lindsay presented this report.

6-D) Discussion regarding automated value models used to establish an opinion of value.

This matter was tabled.

6-E) Discussion regarding Customary and Reasonable fees in regard to the Dodd-Frank Act.

This matter was tabled.

6-F) Discussion and possible action regarding the Appraiser Qualification Board education changes.

Commissioner Huber stated that the Appraiser Qualification Board (AQB) requirements were amended May 1, 2018. Commissioner Huber presented this report.

Commissioner Stefan commented on the report.

Asheesh Bhalla stated that this issue can be discussed but any proposed changes needs to be done in a legislative and regulations committee.

Sharath Chandra stated that after legislative session, the Division will conduct a regulation workshop. Mr. Chandra stated that changes to the education portion can be made at that time. Mr. Chandra stated that the Division will appreciate as much feedback as possible before July.

6-G) Discussion regarding 2019 legislative bills and bill draft requests (“BDR”) related to NRS 645C which may impact the Commission and/or Division including Senate Bill 39 relating to appraiser; incorporating various requirements provided in section 1473 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that govern appraisers who are certified or licensed in this State and appraisal management companies that are registered in this State; and providing other matters properly relating thereto.

Sharath Chandra stated that Senate Bill 39 contains the minimum language required to be in compliance with Dodd- Frank. Mr. Chandra stated that this language will codify statutory requirements for appraisal management companies. Mr. Chandra stated that the Division will conduct regulation workshops to adopt the new requirements.

6-H) Discussion regarding necessary disclosures when commissioners testify during legislative session and any speaking engagements.

Asheesh Bhalla stated that commissioners are permitted to speak in public and at education training sessions but must be careful to clarify that they are representing themselves or their company and not the Commission. Mr. Bhalla stated that if a commissioner would like to represent the Commission at any event or function, request that it be placed on the next meeting agenda and have a brief discussion with the Commission.

6-I) Discussion and possible action to approve the minutes of the October 9-11, 2018 meeting.

President Lauger moved to approve October 9-11, 2018 minutes. Seconded by Commissioner Huber. Motion passed.

7) Discussion and decision on date, time, place, and agenda items for upcoming meeting(s).

The next meeting is scheduled for May 21-23, 2019 in the North.

8) Public Comment

Robert Steffan, Las Vegas resident, commented on virtual appraisal inspections.

9) **Adjournment**

The meeting adjourned at 11:05 a.m. on January 30, 2019.

NOT APPROVED BY COMMISSION