

**NEVADA COMMISSION OF APPRAISERS OF REAL ESTATE
MEETING
MAY 25-27, 2021 MINUTES**

VIA TELECONFERENCE
MAY 25, 2021
9:00 A.M.

1-A) Introduction of Commissioners in Attendance

Larry Michael Gandy, Kenneth Cronin, Scott Krueger, Timothy O'Brien and Deputy Attorney General Asheesh Bhalla sitting as Commission Counsel.

1-B) Introduction of Division Staff in Attendance

Sharath Chandra, Administrator; Terilyn Lewis, Administration Section Manager; Jaye Lindsay, Appraisal Program Manager; James Silva, Compliance Audit Investigator; Kelly Valadez, Commission Coordinator; and Evelyn Pattee, Commission Coordinator.

Deputy Attorney General Peter Keegan was present representing the Division.

2) Public Comment

None.

5-A) Discussion regarding the disciplinary report

Terilyn Lewis stated that a disciplinary report was not provided for this meeting, but a report would be provided at the next scheduled meeting.

5-B) Discussion regarding the Administrator's report on Division updates

Sharath Chandra stated that the legislature was currently in session. Mr. Chandra stated that a few bills that the Division is watching are AB-158, which makes appropriations to the Division to enhance technology; SB-276 would add technology fees that would continue the enhancements, and SB-282 that would enable the Division to become self-funded. Mr. Chandra stated that when legislative session is over, any bills affecting appraisal will be recapped during the next meeting.

5-C) Discussion regarding the Appraisal Officer's report on compliance case load

Jaye Lindsay presented this report. The Commission was provided this report in the meeting packet.

5-D) Discussion regarding Appraisal Subcommittee 2020 federal compliance reviews and presentation by Jenny Howard Tidwell

Policy Manager Jenny Howard Tidwell stated that the Appraisal Subcommittee was created from Title XI to oversee State regulatory agencies to ensure the agencies were carrying out their Title XI responsibilities and has grant making authority which allows them to grant money to States for different types of activities that would further their Title XI responsibilities. Ms. Tidwell stated that a responsibility of the Subcommittee is to maintain the national registry of Appraisers that contains all certified and licensed appraisers who are eligible to appraise in federally related transactions. Ms. Tidwell stated that the Subcommittee oversees and give grants to the Appraisal Foundation which is a non-profit organization whose board sets the minimum qualifications for becoming an appraiser and the standards of appraisal practice.

Ms. Tidwell stated that a compliance review was done for Nevada in 2018 and is typically done every two years, but this past year has been different due to the pandemic, and in order to continue providing assistance to the states, instead of doing a compliance review, the Appraisal Subcommittee will be conducting an off-sight assessment for compliance. Ms. Tidwell explained the information that would be requested for the Subcommittee offer recommendations for corrections. Ms. Tidwell stated that the regular compliance review schedule will resume for Nevada in 2023.

5-E) Discussion regarding The Appraisal Foundation’s program “Practical Applications of Real Estate Appraisal” (PAREA) including presentation by Lisa Desmarais.

Lisa Desmarais, Vice President of appraisal issues at the Appraisal Foundation, stated that the Appraisal Qualifications Board passed the Practical Applications of Real Estate Appraisal (PAREA) program that became effective on January 1, 2021. Ms. Desmarais stated that the goal of PAREA is to be an alternative to the barrier of only being able to become an appraiser through apprenticeship with a supervising appraiser. Ms. Desmarais stated that prior to a trainee entering the PAREA program all qualifying education to become an appraiser must be completed so the trainee is ready to begin their experience. Ms. Desmarais stated that PAREA program requires the trainee to complete USPAP compliant reports for all their work, and those reports are reviewed by mentors in the program who have the same qualifications as a supervisory appraiser and inform the trainee if they are ready to advance in the program or needs more work on a certain level. Ms. Desmarais stated that currently the PAREA program is limited and designed for the two credentials, licensed and certified residential. Ms. Desmarais stated that the PAREA program will give an appraiser in training 100% of experience credit, offering as much flexibility as possible and allowing fewer barriers for entry into the appraisal industry.

5-F) Discussion and action to approve the minutes of the January 12-13, 2021 meeting.

President Gandy moved to approve the minutes of the January 12-13, 2021 meeting. Seconded by Commission Krueger. Motion carried.

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

Teralyn Lewis stated that there could be a special meeting scheduled prior, but currently the next Commission meeting is scheduled for October 5-7, 2021.

4-A) Disciplinary and possible action regarding Appraisal Advisory Review Committee informal conference recommendations:

NRED v. Garry K. Bush

Case No. 2019-390 AP19.027.S and 2019-1008 AP20.011.S

License No. A.0001553-CG (Active)

Parties Present

Garry Bush was not present.

Jaye Lindsay, Appraisal Program Manager, was present.

Ms. Lindsay read the Committee report into the record.

President Gandy moved to approve the stipulation for settlement for case numbers 2019-390 AP19.027.S and 2019-1008 AP20.011.S. Seconded by Commissioner O’Brien. Motion carried.

4-B) Disciplinary and possible action regarding Appraisal Advisory Review Committee informal conference recommendations:

NRED v. Leilani M. Fagel, for possible action

Case No. 2019-970 AP20.007.S

License No. A.0007357-CR (Active)

Parties Present

Leilani Fagel was not present.

Jaye Lindsay, Appraisal Program Manager, was present.

Ms. Lindsay read the Committee report into the record.

President Gandy moved to approve the stipulation for settlement for case number 2019-970 AP20.007.S. Seconded by Commissioner Krueger. Motion carried.

4-C) Disciplinary and possible action regarding Appraisal Advisory Review Committee informal conference recommendations:

NRED v. Ossi K. Korkeila, for possible action

Case No. 2019-1160 AP20.012.N

License No. A.0207672-CR (Active)

Parties Present

Ossi Korkeila was not present.

Jaye Lindsay, Appraisal Program Manager, was present.

Ms. Lindsay read the Committee report into the record.

President Gandy moved to approve the stipulation for settlement for case number 2019-1160 AP20.012.N. Seconded by Commissioner O'Brien. Motion carried.

4-D) Disciplinary and possible action regarding Appraisal Advisory Review Committee informal conference recommendations:

NRED v. Jason W. Obed, for possible action

Case No. 2019-1318 AP20.018.S

License No. A.0207696-CR (Active)

Parties Present

Jason Obed was not present.

Jaye Lindsay, Appraisal Program Manager, was present.

Ms. Lindsay read the Committee report into the record.

President Gandy moved to approve the stipulation for settlement for case number 2019-1318 AP20.018.S. Seconded by Commissioner Krueger. Motion carried.

4-E) Disciplinary and possible action regarding Appraisal Advisory Review Committee informal conference recommendations:

NRED v. Richard J. Potter, for possible action

Case No. 2020-55 AP20.028.S

License No. A.0003476-CR (Active)

Parties Present

Richard Potter was not present.

Jaye Lindsay, Appraisal Program Manager, was present.

Ms. Lindsay read the Committee report into the record.

President Gandy moved to approve the stipulation for settlement for case number 2020-55 AP20.028.S. Seconded by Commissioner O'Brien. Motion carried.

3-A) NRED v. Brett J. Pierce

Case No. 2019-316 AP19.026.N

License No. A.0205486-CR (Active)

Parties Present

Brett Pierce was present.

Janeen Isaacson was present representing Mr. Pierce.

Deputy Attorney General Peter Keegan was present representing the Division.

Settlement

Mr. Keegan stated that there was a stipulation for settlement of disciplinary action in case number 2019-316 AP19.026.N.

The Commission was provided a copy of stipulation for settlement.

Mr. Keegan stated that the terms of the settlement are as follows:

1. Respondent agrees to admit to the factual allegations, but the respondent does not admit to the alleged violations.
2. Respondent agrees to pay the Division a total monetary penalty of \$6,389.17 which is comprised of a \$1,400.00 disciplinary fine and \$4,989.17 in administrative costs. The total monetary penalty shall be paid in 24 monthly installments beginning June 1, 2021. The first twenty-three payments shall be in the amount of \$266.22 and the final payment shall be in the amount of \$266.11.
3. If the payment is not timely received by the Division, pursuant to the terms of this Agreement, it shall be construed as an event of default.
4. Respondent further agrees to complete 48 hours of continuing education comprised of the following:
 - a) Not less than 6 hours in ethics, competency, and negligence;
 - b) Not less than 7 hours in scope of work;
 - c) Not less than 14 hours in residential market analysis and highest and best use;
 - d) Not less than 14 hours in residential report writing; and
 - e) Not less than 7 hours in sales comparison approach.

The 48 hours of continuing education must be completed within 18 months of the date of the Appraisal Commission President's signature approving this Agreement. None of the 48 hours of continuing education can be used for renewal purposes. Once the education is completed, the Respondent will submit a full month's appraisal log to the Real Estate Division to select an appraisal for USPAP compliance. Respondent agrees to comply with the Division by providing the work file for the selected appraisal and any other necessary documents to the Division.

5. If proof of completion of the continuing education of the appraisal logs is not timely received by the Division, pursuant to the terms of this Agreement, it shall be construed as an event of default.

6. In the event of default, Respondent agrees that his license shall be immediately suspended, and the Division may rescind this Agreement and pursue a formal complaint and hearing before the Commission.

Mr. Keegan stated that the remaining terms are the standard language regarding what occurs in the event of a default and what the parties have agreed to in terms of attorney's fees and public records nature of this settlement.

Ms. Isaacson stated that Brett Pierce agrees with the settlement. Ms. Isaacson stated that Mr. Pierce inquired and was told it was not possible to make payments through an electronic system, therefore Mr. Pierce will be mailing in a check each month to the Division. Ms. Isaacson stated that Mr. Pierce requests that acknowledgement be provided when payments are received or be notified if a payment is not received.

Teralyn Lewis stated that the Division will provide a receipt when a payment is received, but it is the Respondent's responsibility to make sure his payments are made by the due date.

President Gandy asked the Commission if there were any questions.

No questions were noted.

President Gandy moved to approve the stipulation for settlement for Brett J. Pierce case number 2019-316 AP19.026.N. Seconded by Commissioner Cronin. Motion carried.

3-B) NRED v. Steve Pierce
Case No. 2018-825 AP18.027.N
Type of Respondent: Unlicensed

Parties Present

Steve Pierce was present.

Janeen Isaacson was present representing Mr. Pierce.

Deputy Attorney General Peter Keegan was present representing the Division.

Mr. Keegan stated that there was a stipulation for settlement of disciplinary action in case number 2018-825 AP18.027.N.

The Commission was provided a copy of stipulation for settlement.

Mr. Keegan read the factual allegations and violations of law into the record. Mr. Keegan stated that the terms of the settlement are as follows:

Settlement

1. Respondent agrees to admit to the factual allegations, but the respondent does not admit to the alleged violations.
2. Respondent agrees to pay the Division a total monetary penalty of \$3,493.60, which is comprised of a \$1,000.00 disciplinary fine and \$2,493.60 to cover the Division's administrative investigatory costs. The total penalty shall be paid within 90 days of the Commission's Order accepting this Agreement.
3. If the payment is not timely received by the Division, pursuant to the terms of this Agreement, it shall be construed as an event of default.

4. In the event of a default, Respondent agrees that the Division may rescind this Agreement and pursue a formal complaint and hearing before the Commission.

Mr. Keegan stated that the remaining terms of the agreement are standard boiler plate language regarding attorney's fees, public records, and the Respondent understanding that he is foregoing a hearing in this matter.

Ms. Isaacson stated that Mr. Pierce agrees with and has signed the stipulation for settlement of disciplinary action which was outlined by Mr. Keegan.

President Gandy asked the Commission if there were any questions.

Commissioner O'Brien asked Mr. Pierce if he had signed the appraisal report.

President Gandy swore in Mr. Pierce.

Mr. Pierce stated that he had not signed the appraisal report.

Commissioner O'Brien asked Mr. Pierce if he had done unlicensed practice on other properties in Nevada.

Mr. Pierce stated no.

Ms. Isaacson stated that there are no other pending cases or any history of unlicensed activity against Mr. Pierce. Ms. Isaacson stated that this was not a situation of an individual going against Nevada's policy and procedure, but an inadvertent misunderstanding of the requirements of the State and not intentional.

Commissioner O'Brien stated that he disagreed with the settlement agreement because it was not in-line with the infraction for someone that appraises in Incline regularly and holds licenses in both states. Commissioner O'Brien stated that he was not in favor this settlement agreement.

Ms. Isaacson stated that the fine is reasonable and fair considering Mr. Pierce's lack of intent and any disciplinary history.

President Gandy asked Mr. Pierce if he is currently a licensed intern or appraiser.

Mr. Pierce stated that he was not licensed in Nevada but held a certified residential license in California.

President Gandy moved to approve the stipulation for settlement in the case of Steve Pierce case number 2018-825 AP18.017.N. Seconded by Commissioner Krueger. Motion carried 3 to 1 with Commissioner O'Brien being opposed.

3-C) NRED v. Michael Brunson
Case No. 2018-1366 AP19.008.S
License No. A.0207222-CG (Active)

Parties Present

Michael Brunson was present.

Janeen Isaacson was present representing Mr. Brunson.

Deputy Attorney General Peter Keegan was present representing the Division.

Preliminary Matters

President Gandy stated that in full disclosure that he has known Mr. Brunson over the last twenty years with the first interaction based on Mr. Brunson's continuing education presence with USPAP and other offerings. President Gandy stated that years after initially attending courses with Mr. Brunson, Mr. Gandy stated he was involved with a class action lawsuit with his peers relative to some builder price decreases in the bubble and he did consult, pro-bono, with Mr. Brunson on USPAP work file requirements. President Gandy stated when developing his statistical analysis platform that he sells around the country, and as one of many, Mr. Brunson receives a free subscription for this software service in exchange for being a beta tester and for solicited commentary. President Gandy stated that his relationship with Mr. Brunson is professional and he does not feel the need to abdicate his duties on the Commission.

President Gandy asked Ms. Isaacson if there were any objections by her or Mr. Brunson with him presiding or engaging in this hearing.

Ms. Isaacson stated that she and Mr. Brunson did not have any objection and appreciated President Gandy's candor and disclosure.

President Gandy asked Mr. Keegan if there were any objections to him presiding or participating in this hearing.

Mr. Keegan stated that he would need to consult with the Division Administrator and Jaye Lindsay, the Appraisal Program Manager, if there were any concerns regarding the disclosures. Mr. Keegan asked if the other Commissioners had disclosures of any relationships with Mr. Brunson.

President Gandy swore in the court reporter.

Commissioner Cronin stated that he did not have any disclosure to make or objection to President Gandy presiding over or participating with the hearing.

Commissioner O'Brien stated that he did not have any objection to President Gandy presiding or participating with the hearing. Commissioner O'Brien stated that his disclosure is that he had met Mr. Brunson seven or eight years ago but had not seen Mr. Brunson in several years. Commissioner O'Brien stated that he would describe his relationship with Mr. Brunson as friendly and professional. Commissioner O'Brien stated that he is a member of the National Association of Appraisers and the Coalition of Appraisers in Nevada. Commissioner O'Brien stated that none of his disclosures would bias his ability to deliberate or act on a matter in hearing this case.

Commissioner Krueger stated that he did not have any objection to President Gandy presiding or participating with this hearing. Commissioner Krueger stated that his disclosure is that he also has had personal and professional experiences with Mr. Brunson at various professional events. Commissioner Krueger stated that although it has been several years, there have been a couple of cases where Mr. Brunson and himself have worked for opposing parties of which none are related to this case. Commissioner Krueger stated that none of his disclosures would preclude him from hearing this case in an unbiased manner.

Ms. Isaacson asked Commissioner Krueger if the matters that he and Mr. Brunson had worked against each other were litigation matters.

Commissioner Krueger stated that yes, they were.

Ms. Isaacson asked Commissioner Krueger if in the litigation matters if they were required to prepare a report.

Commissioner Krueger stated that as he recalled, they both prepared reports.

Ms. Isaacson asked Commissioner Krueger if when preparing these reports, if he developed a belief that one expert had to be right, and one had to be wrong.

Commissioner Krueger stated that he did not. Commissioner Krueger stated that they each have their own opinions and develop reports to support those opinions.

Ms. Isaacson asked Commissioner Krueger that in those litigation matters because his opinion is one thing and Mr. Brunson's opinion was something else, is there something necessarily wrong with Mr. Brunson's opinion.

Commissioner Krueger stated no.

Mr. Keegan stated that the Division does not have any objections to the disclosures made by the Commissioners rendering them biased or otherwise unable to proceed over this matter.

The Commission was provided with the complaint and Respondent's answer to the complaint.

Mr. Keegan asked that the State's and Respondent's exhibits be admitted.

President Gandy moved to admit the State's and Respondent's exhibits into evidence. Seconded by Commissioner Cronin. Motion carried.

Opening Statements

Mr. Keegan gave an opening statement.

Ms. Isaacson gave an opening statement.

State's Witness

R. Scott Dugan testified.

Ms. Isaacson cross-examined Mr. Dugan.

Mr. Keegan re-examined Mr. Dugan.

The Commission questioned Mr. Dugan.

The witness was dismissed.

7) PUBLIC COMMENT

None.

8) ADJOURNMENT

The meeting adjourned at 4:20 p.m.

TO BE APPROVED BY COMMISSION

VIA TELECONFERENCE
MAY 26, 2021
9:10 A.M.

1-A) Introduction of Commissioners in Attendance

Larry Michael Gandy, Kenneth Cronin, Scott Krueger, Timothy O'Brien, and Deputy Attorney General Justin Taruc sitting as Commission Counsel.

1-B) Introduction of Division Staff in Attendance

Sharath Chandra, Administrator; Teralyn Lewis, Administration Section Manager; Jaye Lindsay, Appraisal Program Manager; James Silva, Compliance Audit Investigator; Kelly Valadez, Commission Coordinator; and Evelyn Pattee, Commission Coordinator.

Deputy Attorney General Peter Keegan was present representing the Division.

2) Public Comment

None.

3-C) NRED v. Michael Brunson

Case No. 2018-1366 AP19.008.S

License No. A.0207222-CG (Active)

Parties Present

Michael Brunson was present.

Janeen Isaacson was present representing Mr. Brunson.

Deputy Attorney General Peter Keegan was present representing the Division.

State's Witness

Daniel Walsh testified.

Ms. Isaacson cross-examined Mr. Walsh.

Mr. Keegan re-examined Mr. Walsh.

The Commission questioned Mr. Walsh.

The witness was dismissed.

State's Witness

Michael Brunson testified.

7) Public Comment

None

8) Adjournment

The meeting adjourned at 4:50 p.m. on May 26, 2021.

VIA TELECONFERENCE
MAY 27, 2021
9:05 A.M.

1-A) Introduction of Commissioners in Attendance

Larry Michael Gandy, Kenneth Cronin, Scott Krueger, Timothy O'Brien, and Deputy Attorney General Justin Taruc sitting as Commission Counsel.

1-B) Introduction of Division Staff in Attendance

Sharath Chandra, Administrator; Teralyn Lewis, Administration Section Manager; Jaye Lindsay, Appraisal Program Manager; James Silva, Compliance Audit Investigator; Kelly Valadez, Commission Coordinator; and Evelyn Pattee, Commission Coordinator.

2) Public Comment

None.

3-C) NRED v. Michael Brunson

Case No. 2018-1366 AP19.008.S

License No. A.0207222-CG (Active)

Parties Present

Michael Brunson was present.

Janeen Isaacson was present representing Mr. Brunson.

Deputy Attorney General Peter Keegan was present representing the Division.

Respondent's Witness

Randall Bell testified.

Mr. Keegan cross-examined Dr. Bell.

Ms. Isaacson re-examined Dr. Bell.

Mr. Keegan re-cross-examined Dr. Bell.

The Commission questioned Dr. Bell.

The witness was dismissed.

Respondent's Witness

Michael Brunson testified.

Mr. Keegan cross-examined Mr. Brunson.

The Commission questioned Mr. Brunson.

The witness was dismissed.

Closing Statements

Mr. Keegan gave his closing statement.

Ms. Isaacson gave her closing statement.

Factual Allegations

President Gandy moved that factual allegations 1 through 3 have been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy moved that factual allegation 5 and factual allegations 7 through 10 have been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy moved that factual allegations 15 through 19 have been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy moved that factual allegations 21 through 23 have been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy moved that factual allegation 26 has been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy moved that factual allegations 43 through 45 have been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy read factual allegation 4.

President Gandy stated that he can see this is a semantics issue, but Mr. Brunson did admit to the allegation in part.

Commissioners Krueger and Cronin agreed with President Gandy.

Commissioner O'Brien stated that he has hesitation with the quality aspect and agrees that it is a semantics issue at some level and recognizes that Mr. Brunson implied and denied in part.

President Gandy moved that factual allegation 4 has been proven. Seconded by Commissioner Krueger. Motion carried.

President Gandy read factual allegation 6.

President Gandy stated that Mr. Brunson's report clearly states Cascade Research was the client and the Commission could vote on the factual allegation as is or the Commission can amend the structure of the factual allegation.

Commissioner O'Brien stated that this is a misunderstood relationship in the industry, and he fails to see the relevance and would be in favor of voting it down.

Commissioner Krueger stated that he agrees with Commissioner O'Brien.

President Gandy moved that factual allegation 6 has not been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy read factual allegation 11.

Commissioner O'Brien stated that Mr. Brunson had admitted in part and denied in part, but if the factual allegation 11 was amended to say, the Respondent selected the term impaired value as the measure of the value of the property then the Commission would agree.

Commissioner O'Brien stated that he is concerned that there are no accepted values for a 116 foreclosure and agrees with Mr. Brunson's statements in his response. Commissioner O'Brien stated that he would prefer to amend this factual allegation but cannot say that Mr. Brunson disqualified other definitions of value.

Commissioner Krueger stated that he would be in favor of an amendment to the factual allegation.

President Gandy stated that Mr. Brunson admitted in part and denied in part to factual allegation 11, but at the end of the day Mr. Brunson used the term impaired value.

Commissioner O'Brien stated that his suggestion would be to accept the factual allegation and note into the record Mr. Brunson's partial admission and partial denial. Commissioner O'Brien stated that there are parts of Mr. Brunson's report where he talked about other value definitions and they were not utilized.

President Gandy moved that factual allegation 11 has been proven. Seconded by Commissioner O'Brien.

President Gandy read factual allegation 12.

President Gandy stated that he does not see how it is considered borrowing the term impaired value from Dr. Bell's book because Mr. Brunson cited it multiple times throughout his report, and it is published in Real Estate Damages third edition and Mr. Brunson cites the page number in his response.

Commissioner Cronin stated that he agrees.

Commissioner Krueger stated that Mr. Brunson clearly cited the source of the term and it was from Dr. Bell's book.

Commissioner O'Brien stated that he agrees.

President Gandy moved that factual allegation 12 has not been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy read factual allegation 13.

President Gandy stated that Mr. Brunson did define impaired value as the indicated value and that he thought this was a semantics issue.

Commissioner O'Brien stated that he agrees that it was a semantics issue.

Commissioners Krueger and Cronin stated that they agree.

President Gandy moved that factual allegation 13 has been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy read factual allegation 20.

President Gandy stated that other approaches were mentioned but Mr. Brunson did not expand.

Commissioner O'Brien stated that he was aware that Mr. Brunson had stated that the income or cost approaches were not necessary for credible assignment results, but he wished that Mr. Brunson had stated why.

Commissioner Krueger stated that he is questioning if the minimum comment meets the minimum standard of reporting.

Commissioner Cronin stated that Mr. Brunson does mention both in his analysis.

Commissioner O'Brien read the 2018-2019 USPAP definition of Standards Rule 2-2(a)(viii).

President Gandy moved that factual allegation 20 has been proven. Seconded by Commissioner Krueger. Motion carried.

President Gandy read factual allegation 14.

President Gandy stated that he sees impaired value and unimpaired value as independent.

Commissioner O'Brien stated that he does not think that it is factually true that both impaired value and unimpaired value must go together.

Commissioner Krueger stated that Dr. Bell had testified that impaired value and unimpaired value could be independent from one another if your scope of work was to look at that specific condition.

Commissioner Cronin stated that the testimony given by Dr. Bell was precise in addressing that you could have one without the other.

President Gandy moved that factual allegation 14 has not been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy read factual allegation 24.

Commissioner O'Brien stated that Mr. Brunson's report did identify the large variation between the prices prior to the court's decision in the graph showing his data points, but not enough data points that are statistically significant.

Commissioner Krueger stated that he agrees.

President Gandy stated that even though the information could have been expanded, Mr. Brunson explained it, put in a graph, and put in the significant event that changed the course.

Commissioner Cronin stated that he agrees.

President Gandy moved that factual allegation 24 has not been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy read factual allegation 25 and stated that he sees this as a semantics issue.

Commissioner O'Brien stated that he disagrees with President Gandy because Mr. Brunson provided a value range but there no statement in Mr. Brunson's report that states the impaired value of the property is \$91,300. Commissioner O'Brien stated that his scope of work did not answer that question.

Commissioner Krueger stated that it sees it as semantics and that in the conclusion of Mr. Brunson's report, Mr. Brunson states that his professional opinion is that the subject acquisition price which was identified as \$91,300 represents a reasonable retrospective impaired value. Commissioner Krueger stated that he sees that statement as Mr. Brunson stating his opinion of the impaired value is \$91,300.

President Gandy stated that by Mr. Brunson even referencing the \$91,300 as a benchmark is an expression of value in some capacity.

Commissioner Cronin stated that Mr. Brunson addressed the range but did not note the \$91,300 clearly.

President Gandy moved that factual allegation 25 has been proven. Seconded by Commissioner Krueger. Motion carried 3-1 with Commissioner O'Brien being opposed.

President Gandy read factual allegation 27 and stated that after hearing Dr. Bell's testimony that he does not necessarily agree that the unimpaired and impaired value must be cited together.

Commissioner O'Brien stated that a market value was not developed in this report and impaired value was, but Dr. Bell stated in his testimony that there is not 100% correlation in their mutual citing.

Commissioner Krueger stated that with the language of factual allegation 27 as is and Dr. Bell's testimony, this factual allegation has not been proven.

Commissioner Cronin stated that he agrees that factual allegation 27 has not been proven.

President Gandy moved that factual allegation 27 has not been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy read factual allegation 28.

Commissioner O'Brien stated that he does not see Mr. Brunson's report as flawed but sees the report as incomplete. Commissioner O'Brien stated that no one has provided a substitute value definition that would have been better. Commissioner O'Brien stated that he feels Mr. Brunson did the best with what he had in a unique situation.

Commissioner Cronin stated that he agrees with Commissioner O'Brien.

President Gandy stated that he agrees that it was a unique situation.

Commissioner Krueger stated that he agrees with Commissioner O'Brien.

President Gandy moved that factual allegation 28 has not been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy read factual allegation 29.

Commissioner O'Brien stated that he does believe the scope of work is incomplete but not because of an incorrect value definition. Commissioner O'Brien stated that no substitute or better value definition has been presented.

President Gandy and Commissioners Cronin and Krueger stated that they agree.

President Gandy stated that factual allegation 29 has not been proven. Seconded by Commissioner O'Brien. Motion carried.

President Gandy read factual allegation 30.

Commissioner O'Brien stated that Mr. Brunson did not have to do unimpaired market value, but if Mr. Brunson had, it would have strengthened his report.

President Gandy stated that this case will be continued at the next scheduled Commission meeting.

7) Public Comment

None

8) Adjournment

The meeting adjourned at 4:59 p.m. on May 27, 2021.

Minutes Prepared by: _____

Kelly Valadez, Commission Coordinator