

**NEVADA COMMISSION OF APPRAISERS OF REAL ESTATE
MEETING
OCTOBER 5, 2021 MINUTES**

**VIA IN PERSON AND WEBEX VIRTUAL MEETING
OCTOBER 5, 2021**

Nevada State Business Center
3300 W. Sahara Avenue
4th Floor, Nevada Room
Las Vegas, Nevada 89102

1-A) Introduction of Commissioners in Attendance

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

1-B) Introduction of Division Staff in Attendance

Sharath Chandra, Administrator; Charvez Foger, Deputy Administrator; Shareece Bates, Administration Section Manager; Jaye Lindsay, Appraisal Program Manager; Kelly Valadez, Commission Coordinator; and Evelyn Pattee, Commission Coordinator.

Chief Deputy Attorney General Michelle Briggs and Deputy Attorney General Susan Valladolid were present representing the Division.

2) Public Comment

None.

3) For Possible Action: Limited Evidentiary Hearing:

NRED v. Michael L. Brunson

Case No. 2016-4146 AP17.020.S

License No. A.0207222-CG (Active)

Eighth Judicial District Court Consolidated Case # A-19-791147-J

District Court remand to the Commission on the limited basis of determining what evidence, if any, supports Conclusion of Law 6 and re-evaluate the discipline ordered based the Commission's assessment of Conclusion of Law 6.

Parties Present

Michael Brunson was present.

Janeen Isaacson was present representing Mr. Brunson.

Chief Deputy Attorney General Michelle Briggs was present representing the Division.

Deputy Attorney General Susan Valladolid was present representing the Division.

President Gandy swore in the court reporter.

Preliminary Matters

President Gandy stated that in full disclosure, he has known and interacted with Mr. Brunson over the prior twenty years with the first interaction being based on Mr. Brunson's continuing education presence with USPAP and other offerings. President Gandy stated that years after attending courses offered by Mr. Brunson, he consulted with Mr. Brunson on USPAP work file requirements based on a litigation

case President Gandy was involved with over a decade ago. President Gandy stated that later when developing his statistical analysis platform, President Gandy reached out and engaged Mr. Brunson, as well as many others, as a beta tester to provide feedback. President Gandy stated that he would describe his relationship with Mr. Brunson as friendly and professional peers. President Gandy stated that he attended a concert with Mr. Brunson through a mutual friend and at some point, had a sandwich with Mr. Brunson after a USPAP course. President Gandy stated that he and Mr. Brunson do not have any direct business relationships. President Gandy stated that he believes he can sit on this case fairly and deliberately. President Gandy asked if there was any objection to him participating in this hearing.

Janeen Isaacson stated that the respondent had no objection to President Gandy participating in this hearing.

Commissioner O'Brien stated that he met Mr. Brunson approximately ten years ago. Commissioner O'Brien stated that he has not done any appraisal work with Mr. Brunson. Commissioner O'Brien stated that he is a member of the Coalition of Appraiser in Nevada, as well as The National Association of Appraisers and has met Mr. Brunson at a couple of conferences over the years. Commissioner O'Brien stated that he would describe his relationship with Mr. Brunson as social and friendly. Commissioner O'Brien stated that he can be fair and neutral in the hearing of this matter.

Commissioner Krueger stated that he has had interactions with Mr. Brunson at various appraisal functions. Commissioner Krueger stated that he and Mr. Brunson have not worked together but have worked on opposite sides of cases. Commissioner Krueger stated that he does not believe that there is anything that would preclude him from acting in an unbiased manner in this hearing.

President Gandy stated that he had reviewed and digested all the audio transcripts, text transcripts, and all of the exhibits provided by the Division relative to case number 2016-4145 and 2016-4146 consolidated, also stated as AP17.021.S and AP17.020.S, also known as Eighth Judicial District Court consolidated case # A-19-791147-J. President Gandy stated that he is fully apprised of the cases mention and has the full context necessary to participate in this hearing.

President Gandy asked Commissioner O'Brien and Commissioner Krueger to attest to the following statement; I have reviewed and digested all of the audio transcripts, text transcripts, and all of the exhibits provided by the Division relative to case numbers 2016-4145 and 2016-4146 consolidated, also stated as AP17.021.S and AP17.020.S, also known as Eighth Judicial District Court consolidated case # A-19-791147-J. President Gandy asked Commissioner O'Brien and Commissioner Krueger if they were fully apprised of the cases mention and if they had the full context necessary to participate in this hearing.

Commissioners Krueger and O'Brien stated yes.

President Gandy swore in Mr. Brunson.

Opening Statements

Ms. Valladolid gave her opening statement.

Ms. Isaacson gave her opening statement.

President Gandy stated that this is tailored to conclusion of law 6 which is difficult because the Commission is being asked to review what the prior Commission was considering by reviewing the evidence. President Gandy stated that there is no question that Mr. Brunson was involved with the B case 590 appraisal damages file and takes as much ownership even without a signature. President Gandy

stated that the prior Commission was trying to say that allegation 19 and conclusion of law 6 were proven. President Gandy stated that the problem with that is that the 590 case contained a timeline document that was completed before Mr. Brunson's A case in which the Division's counsel Mr. Keegan withdrew allegation 11 which is the same as allegation 19. President Gandy stated that if they are going to hold Mr. Brunson to the standard that Mr. Brunson is just as copiable, and allegation 11 was kicked out, then that should extend because there is the timeline that includes the 594 and 598 parcels. President Gandy stated that Mr. Brunson answered the question denied and admit but Mr. Brunson was not charged with the violation of standards 2-2(a)(b)(viii) which is reporting but only with the development.

Commissioner O'Brien stated that he does not understand why standards rule 2 was not charged in this matter because standards rule 1 is development and standards rule 2 is reporting. Commissioner O'Brien stated that he read through the A appraisals of 594 and 598 and did not see the required disclosures. Commissioner O'Brien stated that he can understand what the prior Commission was thinking around this and did, but 1-5(a) and 1-5(b) does not appear to be tied to any of the relevant reports with a proven violation. Commissioner O'Brien stated that he believes the violation does not stand and should be dismissed and that the fine should be reduced by five hundred dollars.

Commissioner Krueger stated that he agrees with the reporting versus the development. Commissioner Krueger stated that the concern of the court order was that conclusion of law 6 fails to specify which appraisal report of the Lairmont properties supports the violation and that refers to standards rule 1-5(a)(b) which is development and not reporting. Commissioner Krueger stated that after reading the transcripts he believes the confusion came from the overlapping of the two cases. Commissioner Krueger stated that there were several times through the transcripts when the prior Commission was discussing and indicating 11, it was unclear whether the Commission was referring to factual allegation 11 for the Jiu report or violation 11 in the Brunson report. Commissioner Krueger stated that it is clear and goes back to President Gandy referencing allegation 11, which was stated incorrectly and is factual allegation 7, and with Mr. Keegan withdrawing that allegation, the Commission was only considering 19 which pertained to the restricted report.

Commissioner O'Brien stated that if answering the question of the remanded issue, the Commission's finding in conclusion 6 because it fails to specify which appraisal report of the Lairmont properties support the violation of 1-5(a) and 1-5(b), his contention is none of the three appraisals have a violation of 1-5(a) and 1-5(b).

President Gandy moved that there is insufficient evidence to support conclusion of law 6 in the case of NRED v. Michael L. Brunson, License No. A.0207222-CG, Case No. 2016-4146 AP17.020.S, Eighth Judicial District Court Consolidated Case # A-19-791147-J as remanded. Seconded by Commissioner O'Brien. Motion carried.

President Gandy stated that he is redescent to change any of the discipline ordered by the prior Commission other than the fine because of the merit of the case.

Commissioner O'Brien moved that Mr. Brunson's fine be reduced by \$500 because one of the elements has been proven to be incorrect. Seconded by President Gandy. Motion carried.

4) For Possible Action: Discussion and Decision Regarding Amended Fees for the Findings of Fact and Conclusions of Law Filed July 2, 2021:

NRED v. Michael L. Brunson, for possible action

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.

Chief Deputy Attorney General Michelle Briggs was present representing the Division.

Deputy Attorney General Susan Valladolid was present representing the Division.

President Gandy stated that a letter from Ms. Briggs to Ms. Valadez regarding amending the fees for case 2018-1366 dated September 15, 2021 was provided in the meeting packet.

Ms. Briggs stated that the pre-hearing attorney fees were high in this case and were reviewed after Ms. Isaacson filed a motion for rehearing. Ms. Briggs stated that after reviewing Deputy Attorney General Peter Keegan's time for case number 2018-1366, it included litigation matters regarding remanded consolidated case A-19-791147-J and 2016-4146 and when she removed that time from this case it reduced the fees as provided in the letter. Ms. Briggs stated that she is requesting that the Commission reduce the pre-hearing attorney's fees to \$8,150.

President Gandy moved to reduce the pre-hearing attorney fees from \$12,858.19 to \$8,150 in the case of NRED vs Michael Brunson, case number 2018-1366 AP19.008.S, License number A.0207222-CG (Active). Seconded by Commissioner O'Brien. Motion carried.

Commissioner O'Brien moved that for NRED v. Michael Brunson case number 2018-1366 AP19.008.S, license number A.0207222-CG (Active), the pre-hearing attorney's fees are revised from \$12,858.19 to \$8,150 bringing the total cost to \$17,475.72 which is reduced from \$22,183.91 and is due by August 2, 2022 in accordance with the order filed on July 2, 2021. Seconded by President Gandy. Motion carried.

5) For Possible Action: Discussion and Decision Regarding Respondent's Petition for Rehearing Pursuant to NAC 645C.505:

NRED v. Michael L. Brunson, for possible action

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.

Chief Deputy Attorney General Michelle Briggs was present representing the Division.

Deputy Attorney General Susan Valladolid was present representing the Division.

President Gandy asked Commissioners O'Brien and Krueger if they had read the respondent's petition for rehearing and the State's response.

Commissioners Krueger and O'Brien both stated yes.

President Gandy stated that this Commission heard the case, and he did not see any irregularities in the hearing in which there were no professional sanctions other than fines for the violations committed and consideration of the higher cost. President Gandy stated that this case was still fresh in his mind and he does not have a different opinion.

Commissioner Krueger stated that extensive testimony was heard over three or four days in this case and there was adequate and thorough deliberation by the Commission. Commissioner Krueger stated that he had not seen anything presented that would change any of the decisions by the Commission.

Commissioner O'Brien stated that there were a couple of items mentioned in the respondent's petition for rehearing that have been addressed with the payment of fees and costs being due in one year and the attorney's fees being reduced. Commissioner O'Brien stated that this was a complicated case with a lot of testimony, but nothing has been presented that a rehearing is warranted.

President Gandy moved that the petition for rehearing for NRED v. Michael L. Brunson case number 2018-1366 AP19.008.S, license number A.0207222-CG (Active) be denied. Seconded by Commissioner Krueger. Motion carried.

Ms. Isaacson stated that she wanted to put on the record that regarding the revision in fees there was no billing provided to the respondent or written explanation identifying which fees were removed.

6-A) Discussion and Possible Action Regarding Advisory Review Committee Informal Conference

Recommendations:

NRED v. Artak Hovhannisyan, for possible action

Case No. 2019-1401 AP20.022.S

License No. A.0007853-CR (Active)

Parties Present

Artak Hovhannisyan 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 of disciplinary action for case number 2016-1401 AP20.022.S. Seconded by Commissioner O'Brien. Motion carried.

6-C) Discussion and Possible Action Regarding Advisory Review Committee Informal Conference

Recommendations:

NRED v. Christine Brown, for possible action

Case No. 2020-174 AP20.031.N

License No. A.0002561-CR (Active)

Parties Present

Christine Brown 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 of disciplinary action for case number 2020-174 AP20.031.N. Seconded by Commissioner Krueger. Motion carried.

6-B) Discussion and Possible Action Regarding Advisory Review Committee Informal Conference

Recommendations:

NRED v. Ian Bayne, for possible action

Case No. 2020-349 AP20.036.S

License No. A.0207538-CR (Active)

Parties Present

Ian Bayne 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 of disciplinary action for case number 2020-349 AP20.036.S. Seconded by Commissioner Krueger. Motion carried.

6-D) Discussion and Possible Action Regarding Advisory Review Committee Informal Conference

Recommendations:

NRED v. Mark Perkes, for possible action

Case No. 2020-88 AP20.029.S

License No. A.0206823-CR (Active)

Parties Present

Mark Perkes 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 of disciplinary action for case number 2020-88 AP20.029.S. Seconded by Commissioner Krueger. Motion carried.

7-A) Discussion Regarding the Disciplinary Report.

Shareece Bates presented this report. The Commission was provided with the report in the meeting packet.

7-B) Discussion Regarding the Administrator's Report on Division Updates.

Mr. Chandra stated that there are currently two vacancies on the Commission that Deputy Administrator Charvez Foger is working with the Governor's office to have appointed. Mr. Chandra stated that during the last legislative session the Division was granted the resources of a one-time appropriation and the permission to charge a technology fee to licensees to assist with modernizing the Division's software. Mr. Chandra stated that another goal of the Division is to try and reestablish a licensing presence in the North again that was shut down during the 2008 financial crisis to provide services to the licensees. Mr. Chandra stated that prior to the next legislative session he is considering bringing some regulation changes before the Commission to consider regarding experience to help increase the licensing pool for appraisal.

7-C) Discussion Regarding the Appraisal Officer's Report on Compliance Case Load.

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

7-D) Discussion and Action to Approve the Minutes of the May 25-27, 2021 Meeting.

Commissioner Krueger moved to approve the minutes from the May 25-27, 2021 meeting. Seconded by President Gandy. Motion carried.

7-E) Discussion and Action to Approve the Minutes of the June 23, 2021 Meeting.

President Gandy moved to approve the minutes from the June 23, 2021 meeting. Seconded by Commissioner O'Brien. Motion carried.

7-F) Discussion and Action to Nominate and Elect Officers for FY22 Pursuant to NAC 645C.200.
President Gandy moved to nominate Commissioner Krueger for President. Seconded by Commissioner O'Brien. Motion carried.

President Gandy moved to nominate Commissioner O'Brien for Vice President. Seconded by Commissioner Krueger. Motion carried.

Commissioner Krueger moved to nominate Commissioner Gandy for Secretary. Seconded by Commissioner O'Brien. Motion carried.

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

- January 4-6, 2022
- April 26-28, 2022
- July 12-14, 2022
- October 18-20, 2022

9) Public Comment

None.

10) ADJOURNMENT

The meeting adjourned at 12:15 p.m.

Minutes Prepared by: _____
Kelly Valadez, Commission Coordinator