

KENTUCKY REAL ESTATE APPRAISERS BOARD

TYPE OF MEETING

Regular Meeting

DATE AND LOCATION

October 26, 2007

PRESIDING OFFICER

J.W. Grabeel, Chair

ROLL CALL

Present:

J.W. Grabeel, Chair
Loren C. Huff, Vice Chair
Theresa Marshall, Board Member
Paul Moore, Board Member

Present Also:

Larry Disney, Executive Director
Angie Thomas, Staff Assistant
James Grawe, Board Counsel
Dennis Badger, Investigator

Absent:

Dorsey Hall, Board Member

Executive Director Larry Disney opened the meeting by welcoming all the guest.

NEW BOARD MEMBER OATH

Angie Thomas, Notary Public performed the Oath of Office for new Board Member Paul Moore, Versailles, KY on Thursday, October 25, 2007 prior to a Board hearing.

ELECTION OF OFFICERS

Per KRS 324A.025 an election of officers will be held after appointment of new members. Nomination by Paul Moore to elect J.W. Grabeel as Chair and Loren Huff as Vice Chair, a second by Theresa Marshall and the vote was unanimous.

Motion by Theresa Marshall, second by Loren Huff and the Board unanimously approved the September 17, 2007 minutes.

EDUCATION

Motion by Theresa Marshall second by Paul Moore and the Board unanimously agreed to approve the following education course for fiscal year 2007-08.

A. Courses for fiscal year 2007-08

- (1) American Society of Farm Managers & Rural Appraisers – Two QE course:
 - a. A-360 Introduction of Appraisal Review – 16 hours QE/14 hours CE
 - b. A-300 Advanced Approaches to Value for Rural Appraisal – 45.50 hours QE/41.50 hours CE
- (2) McKissock, LP – Two QE Virtual Classroom courses:
 - a. Appraisal Subject Matter Elective – Virtual Classroom – 20 hours QE/18 hours CE
 - b. Statistics, Modeling & Finance – Virtual Classroom - 15 hours QE online
- (3) Dennis Badger & Associates – Nine continuing education and two qualifying education courses:
 - a. Manufactured Housing Appraisal as it Applies to Real Property – 7 hours CE
 - b. Common Deficiencies in the Scope of Work – 7 hours CE
 - c. National USPAP Update – 7 hours CE
 - d. Basic Income Capitalization Part A – 7 hours CE
 - e. Basic Income Capitalization Part B – 7 hours CE
 - f. FNMA 2006 – 7 hours CE
 - g. Fraud and Flipping – 7 hours CE
 - h. Residential Design and Construction – 3.5 hours CE
 - i. ANSI Square Foot Method Z765 – 3.5 hours CE
 - j. Basic Income Capitalization A & B – 15 hours QE
 - k. National USPAP – 15 hours QE
- (4) Appraisal Institute – Two online continuing education courses:
 - a. Online Cool Tools: New Technology for Real Estate Appraisers – 7 hours CE
 - b. Online Condominiums, Co-Ops & PUD's – 7 hours CE
- (5) A Pass Weikel – One qualifying education course:
 - a. Residential Report Writing and Case Studies – 15 hours QE

EXPERIENCE

Motion by Loren Huff, second by Paul Moore and the Board unanimously agreed to approve the following:

- (1) Stephen L. Best – Approve for Certified General
- (2) Frank Brown, Jr. – Approve for Certified Residential
- (3) Jennifer Dehn – Approve for Certified Residential
- (4) Scott Hogan – Approve experience. Approve for Certified General subject to passing the Certified General exam.
- (5) Christy Jones – Approve for Certified Residential

- (6) Sarah Jones – Approve experience. Approve for Certified General subject to passing the Certified General exam.
- (7) William Lane – Approve for Certified Residential
- (8) David Madison – Approve for Certified General
- (9) Deborah Morrison – Approve for Certified Residential
- (10) Shannon Skelley – Approve for Certified Residential
- (11) Kimberly Thomas- Approve experience. Approve for Certified Residential submit to passing the Certified Residential exam.
- (12) Clay Wells – Approve for Certified General

Motion by Theresa Marshall, second by Paul Moore and the Board unanimously agreed to reject the following:

- (1) Angel Johnson – Request to submit two additional residential reports.
- (2) Stephen Miller – Request to submit one additional residential report.
- (3) Dean Pettit – Request to submit one additional residential report. Must pass the Certified Residential exam.

CERTIFICATION/LICENSURE

Motion by Paul Moore, second by Theresa Marshall and the Board voted to approve a total of 26 individuals for certification/licensure.

- (1) Nicholas Bagnoli – Certified Residential – Reciprocal with Ohio
- (2) Mark E. Barrs – Certified General – Reciprocal with Alabama
- (3) Stephen L. Best – Certified General
- (4) Frank Brown, Jr. – Certified Residential
- (5) Jonathan D. Chapman – Certified General – Reciprocal with North Carolina
- (6) Billy J. Curry – Certified Residential
- (7) Jennifer Dehn – Certified Residential
- (8) Deborah C. Donnelly – Certified Residential – Reciprocal with Tennessee
- (9) Jana Dunn – Certified Residential
- (10) John E. Hamilton – Certified Residential – Reciprocal with North Carolina
- (11) Richard K. Hamilton – Certified Residential – Reciprocal with Ohio
- (12) Kathryn Harkins – Certified General – Reciprocal with Illinois
- (13) Michael B. Hill - Associate
- (14) Derik W. Hughes – Certified Residential – Reciprocal with Ohio
- (15) Seth Johns – Certified Residential
- (16) Christy Jones – Certified Residential
- (17) William Lane – Certified Residential
- (18) David Madison – Certified General
- (19) George R. Mann – Certified General – Reciprocal with Ohio
- (20) Deborah Morrison – Certified Residential
- (21) Molly J. Mullen – Certified Residential – Reciprocal with North Carolina
- (22) Sally J. Pike – Certified Residential
- (23) Lance E. Shore – Associate
- (24) Shannon Skelley – Certified Residential
- (25) Clay Wells – Certified General
- (26) Dan Whitworth – Certified Residential

- (a) Richard K. Hamilton – Applicant applying for Certified Residential by reciprocity with prior conviction – Motion by Theresa Marshall, second by Loren Huff and the Board unanimously agreed to accept the application.
- (b) Martin T. Rueve – Applicant applying for Certified Residential by reciprocity with prior conviction – Motion by Theresa Marshall, second by Paul Moore and the Board unanimously agreed that Mr. Rueve may proceed with the application for Certified Residential.
- (c) Mark E. Barrs – Application applying for Certified General by reciprocity with prior conviction - Motion by Paul Moore, second by Theresa Marshall and the Board unanimously agreed to accept the application.

COMPLAINT

- A. Dennis Badger – Report on the contractor activities for the preceding month.
- B. The Board was advised there have been a total of 61 cases for 2007.
- C. Case No. 06-50 – Grievant: KREAB
Respondent: Michael Shepherd
Motion by Loren Huff, second by Theresa Marshall and the Board unanimously accepted the agreed order whereby:
 - (a) **Shepherd** certification shall be suspended for one year, effective upon the entry of this Order by the Board from practicing any real property appraiser service in Kentucky. Shepherd shall actively serve 30 days from October 1, 2007 through October 30, 2007, with the remainder of suspension probated upon compliance with the terms of this Order.
 - (b) After the 30 day active suspension, the remainder of the suspension shall be probated upon the following terms:
 - (1) **Shepherd** agrees to pay a \$350.00 fine with the total amount due with the signed agreed order.
 - (2) **Shepherd** shall complete a **30** hour Basic Appraisal Principles course, including successful completion of the final examination, a **30** hour Basic Appraisal Procedures course, including successful completion of the final examination, a **15** hour Sales Comparison Course, including successful completion of the final examination, and a **15** hour Basic Report Writing Course, including successful completion of the final examination. Said **90** hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required here in shall be completed by June 30, 2008.
 - (3) **Shepherd** shall have no Associates appraisers for a period of three (3) years from the date of the agreed order, and then only if he completes the Board Supervisor/Trainee course and makes a formal request of the Board to supervise appraisers.
 - (4) **Shepherd** shall limit his scope of practice to 1-4 family residential for three (3) years from the date of the agreed order.
 - (5) **Shepherd** shall submit a log of appraisal activity to the Board every six months for a period of two years from the date of the agreed order.
 - (6) **Shepherd shall** agree that with a 24-hour notice, the Board, the staff, or the designee can visit the appraiser's office and at random select and review files listed on the log of appraisal activity for two (2) years from the date of the agreed order.

D. Case No. 04-14 – Grievant: KREAB

Respondent: Steven Wade

Motion by Paul Moore, second by Loren Huff and the Board unanimously accepted the agreed order whereby,

- (a) **Wade** shall agree to not appraise agricultural properties requiring an income approach to value, until he successfully completes a 15 hour course with an examination, in either Basic Income Property Appraising or Advanced Highest and Best Use.
- (b) **Wade** shall have not additional Associate appraisers, other than the two currently listed, until he successfully completes the KREAB Supervisor/Trainee Course that will be available after July 1, 2007.
- (c) **Wade** agrees to let the Board review his files upon request for a period of two years from the date of agreed order.

E. Case No. 07-11 – Grievant: KREAB

Respondent: David Waterman

Motion by Paul Moore, second by Loren Huff and the Board unanimously accepted the agreed order whereby,

- (a) Waterman agrees to pay a \$500.00 fine with the total amount due with the signed agreed order.
- (b) Waterman shall complete a 15 hour National USPAP course with successful completion of the examination. Said 15 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by the April 1, 2008.
- (c) Waterman shall not obtain any additional associate for a period of two years from the date of the agreed order.
- (d) Waterman agrees that the Board shall have the right to review his files for a period of two years from the date of the agreed order.

F. Case No. 07-12 – Grievant: KREAB

Respondent: Margaret Fadeley

Motion by Loren Huff, second by Paul E Moore and the unanimously accepted the agreed order whereby,

- (a) Fadeley agrees to pay a \$350.00 fine with the total amount due with the signed agreed order.
- (b) Fadeley shall complete a 7 hour Sales Comparison course. Said 7 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by February 29, 2008.
- (c) Fadeley agrees that the Board shall have the right to review her files for a period of two years from the date of the agreed order.

G. Case No. 07-18 – Grievant: KREAB

Respondent: Jane E. Dyer

Motion by Paul Moore, second by Theresa Marshall and the unanimously accepted the agreed order whereby,

- (a) Dyer agrees to pay a \$350.00 fine with the total amount due with the signed agreed order.
- (b) Dyer shall complete a 15 hour Sales Comparison Course with successful completion of

the examination. Said 15 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by the June 30, 2008.

- (c) Dyer shall have no additional associates for a period of two years from the date of the agreed order.

H. Case No. 07-08 – Grievant: KREAB

Respondent: Byron W. Heil

Motion by Theresa Marshall, second by Loren Huff and the unanimously accepted the agreed order whereby,

- (a) Heil certification shall be suspended for one year, effective upon the entry of this Order by the Board from practicing any real property appraiser service in Kentucky. Heil shall actively serve 30 days from December 15, 2007 through January 14, 2008, with the remainder of suspension probated upon compliance with the terms of this Order.
- (b) After the 30 day active suspension, the remainder of the suspension shall be probated upon the following terms:
 - (1) Heil shall pay a FINE in the sum of \$1,000.00, with the total amount due by June 30, 2008.
 - (2) Heil shall complete a 15 hour Sales Comparison and Cost Approach course with successful completion of the final examination. Said 15 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by June 30, 2008.
 - (3) Heil shall maintain a log and submit a log to the Board every six months for a period of two years from the date of the agreed order. Said log shall be provided to the Board upon request within 48-hour notice and the Board staff or designee will select at random assignments from that log for evaluation.
 - (4) Heil agrees that the Board shall have to right to review files for a period of two years from the date of the agreed order.
 - (5) Heil shall have no associates for a period of two years from the date of the signed agreed order. After the two years, Heil may petition to the Board for consideration of supervisory privileges to be reinstated.

I. Case No. 07-01 – Grievant: KREAB

Respondent; Casey Gamero

Motion by Theresa Marshall, second by Paul Moore and the unanimously accepted the agreed order whereby,

- (a) Gamero license shall be suspended for 365 days with said suspension probated with successful completion of the agreed order requirements.
- (b) Gamero agrees to pay a \$350.00 fine with the total amount due with the signed agreed order.
- (c) Gamero shall complete a 30 hour Basic Appraisal Procedures course with successful completion of the examination, a 15 hour Sales Comparison course with successful completion of the examination, a 15 hour Residential Highest & Best Use course with successful completion of the examination and a 15 hour National USPAP course with successful completion of the examination. Said 75 hours of education shall be in addition to the regular continuing education requirement of 201 KAR 30:050 Section 7. The course work required herein shall be completed by the June 30, 2008.
- (d) Gamero shall not obtain any associates for a period of two years from the date of the agreed order.
- (e) Gamero agrees the Board shall have the right to review her files for a period of two

years from the date of the agreed order.

- J. Case No. 07-19
Grievant: KREAB
Respondent: Willoughby C. Blocker
Motion by Loren Huff, second by Paul Moore and the Board agreed to file a formal complaint and set for a hearing.
- K. Case No. 06-46
Grievant: Marie Frances Hulse
Respondent: G. Herbert Pritchett
Motion by Paul Moore, second by Loren Huff and the Board agreed to dismiss the case.
- L. Case No. 07-16
Grievant: Craig Williams
Respondent: Shelby Kindred
Motion by Theresa Marshall, second by Loren Huff and the Board agreed to file a formal complaint and set for a hearing.
- M. Case No. 07-53 – James L. Johnson – Motion by Loren Huff, second by Theresa Marshall and the Board denied the request of Mr. Johnson attorney to delay any action against him until his civil case has been settled. The Board also agreed that Mr. James Grawe will submit a letter to Mr. Johnson giving him the opportunity to sign an agreed order requesting Mr. Johnson to surrender his license for three years. If Mr. Johnson does not agree the Board will not extend this matter.
- N. Case No. 07-02 – Grievant: KREAB
Respondent: Stacey Shipley Wells
Motion by Theresa Marshall, second by Loren Huff and the Board agreed to dismiss the case with a letter of caution.
- O. Case No. 07-03 – Grievant: KREAB
Respondent: Dwight Akers
Motion by Paul Moore, second by Theresa Marshall and the board agreed to dismiss the case with a letter of caution.
- P. Hearings to be set:

APPRAISER	CASE NO(S).	
Elnoria Wyatt	05-73	Hearing scheduled in January 2008
Clemon Demus	License Revoked	Hearing November 16, 2007
Sean Woody	License – Denied renewal	
Kenneth Ingram	License Denied Application	
Lynn Prichard	Rejected an agreed order	

MISCELLANEOUS

The Board reviewed:

- A. August 2007 Test Results
- B. Request for an extension from David Edwards to complete the agreed order requirements – Motion by Paul Moore, second by Loren Huff and the Board granted an extension until February 2008 for Mr. Edwards to obtain the required education per his agreed order.
- C. Letter of request from Larry Chesser – The ASC views the five year education requirement for new applicants to be applicable for individuals applying for a trainee credential. Motion by Theresa Marshall, second by Paul Moore and the Board agreed that all the education taken by Mr. Chesser, excluding the USPAP, will apply. Mr. Chesser will be notified that he will need to complete the 15 hour National USPAP course, submit log and sample reports and pass the Certified Residential examination.
- D. Education provider fee for Government Agencies and Non-Profits – Motion by Paul Moore, second by Loren Huff and the Board agreed to take on a case by case basis whether to waive the provider fee for Governmental Agencies and non-profit agencies. The Board also agreed to waive the fee for HUD.
- E. Email from Vincent Owghoso concerning the Real Estate Principles course
- F. Email from Lisa Saunders concerning Conservation Easement course
- G. September 2007 Test Results
- H. November – December 2007 and 2008 Board Meeting Dates
- I. 2008-2010 Budget Proposal
- J. Information on the 2008 Examination Administration
- K. 2008 KREAB Seminar Dates
- L. James Grawe and Larry Disney reported on the following regulations changes. Larry Disney also expressed urgency of regulations being filed and approved prior to December 31, 2007. Mr. Grawe reported the regulation language changing 2008 implementation from a firm date to segmented with experience component extending 2 years from date individual passes last examination attempt will be requested as an emergency regulation. Mr. Grawe reported this could be completed no later than December 1, 2007.
 - 1) Firm - Segmented date change
 - 2) Supervisor/Associate course
 - 3) Other regulation changes that need to be made
- M. The Board viewed the percentage of appraisers either lost or gained since renewal and the percentage for the test results.
- N. The Board discussed the experience for individuals appraising specialty work
- O. The Board discussed a development program for experience reviews.
- P. Motion by Loren Huff, second by Paul Moore and the Board agreed to give Russell Sloan a plaque for his service on the Kentucky Real Estate Appraisers Board.
- Q. The Board requested that an April or May 2008 Board meeting be held at a state park.

The next Board meeting is scheduled for Friday, November 16, 2007 immediately following a hearing at the Board office.

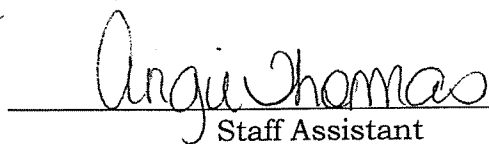
The Board was notified that a hearing will be held for Clemon Demus on November 16, 2007 at 9:00 a.m. at the Board office.

The Board agreed to change the January 2008 Board meeting date to January 29, 2008.

The Board agreed to change the February 2008 Board meeting date to February 28, 2008 which will be held the day before the Board seminar in Bowling Green, KY.

Motion by Theresa Marshall, second by Loren Huff and the Board voted unanimously to adjourn the meeting.


Chair


Staff Assistant