August 11th, 2014

Minutes

First Floor Conference Room (1-A)
Davy Crockett Tower

The Tennessee Real Estate Appraiser Commission met on August 11th, 2014, in Nashville, Tennessee, at the Davy Crockett Tower in the first floor conference room. Chairman Johnstone called the meeting to order at 10:00 a.m. and the following business was transacted.

COMMISSION MEMBERS PRESENT
Mark Johnstone
Tim Walton
Norman Hall
Nancy Point
Rosemary Johnson
Eric Collinsonworth
Dr. Warren F. Mackara

COMMISSION MEMBERS ABSENT
Michael Green
Gary Standifer

STAFF MEMBERS PRESENT
Nikole Avers,
Keeling Gamber
Adrian Chick
Dennis O’Brien

COURT PERSONNEL
Judge Joyce Ball
Kathy Elmore

Chairman Johnstone read the public meeting statement into the record which indicated the agenda was posted to the Real Estate Appraiser Commission website on July 28th, 2014.

ADOPT AGENDA
Ms. Point made a motion to adopt the agenda. It was seconded by Mr. Walton. The motion carried unopposed.

MINUTES
The July 14th, 2014 minutes were reviewed. Dr. Mackara made the motion to accept the minutes as written. The motion was seconded by Ms. Point. The motion carried unopposed.

REPORT OF EXPERIENCE INTERVIEWS

Matthew Stevens Meyers made an application to upgrade from a registered trainee to a certified residential real estate appraiser. Mr. Johnstone was the reviewer and recommended that his
experience request be granted. Mr. Hall made a motion to approve the request. This was seconded by Mr. Collinsworth. The motion carried unopposed.

**Barry Neal Montgomery** made an application to upgrade from a certified residential real estate appraiser to a certified general real estate appraiser. Mr. Hall was the reviewer and recommended that he turn in one more income property report for review; no second experience interview required. Mr. Collinsworth made a motion to accept this recommendation. This was seconded by Mr. Walton. The motion carried unopposed.

**Kerry Wayne Risley** made an application to upgrade from a registered trainee to a certified general real estate appraiser. Ms. Point was the reviewer and recommended that his experience request be granted. Mr. Hall made a motion to approve the recommendation. This was seconded by Mr. Johnstone. The motion carried unopposed.

**Cody Daniel Powell** made an application to upgrade from a registered trainee to a certified residential real estate appraiser. Mr. Walton was the reviewer and recommended that his experience request be granted. Mr. Collinsworth made a motion to approve the request. This was seconded by Dr. Mackara. The motion carried unopposed.

**Timothy Michael Herman** made an application to upgrade from a registered trainee to a certified residential real estate appraiser. Mr. Collinsworth was the reviewer and recommended that his experience request be granted. Mr. Walton made a motion to approve the request. This was seconded by Mr. Hall. The motion carried unopposed.

**LEGAL REPORT**

1. **2013023731**

   This complaint was filed according to a letter that was sent by the FHA of HUD’s removal with education sanction imposed against Respondent for violations of FHA guidelines and/or USPAP.

   Respondent sent a response to the complaint stating that the issue has been concentrated on the subject’s property acreage. HUD Handbook specifically states, “Excess land is another area in which to exercise caution. Land is considered to be excess if it is: larger than what is typical in the neighborhood and capable of a separate use.” Data was provided to show that, although predominate site size in the community is one acre or less, the typical size farm is comprised of 65 acres and the county population is 40% rural. As the subject size is typical for the neighborhood, it does not meet the first criteria for excess land. In addition, survey maps were provided showing a .34 portion that was sectioned off of the front of the subject site on which a manufactured home occupied by a family member is located. Leaving sufficient road frontage for the subject property, there is little road frontage for access to the remaining acreage for any future development limiting its capability for separate use. As the subject’s property does not meet either of HUD’s criteria for excess land, it is Respondent’s opinion that the subject’s acreage is a readily marketable real estate entity with value.

**REVIEWER CONCLUSIONS [alleged violations included within brackets]:**

- Highest and Best Use: The appraisal report reflects the present use is the subject’s highest and best use but offers no support for this conclusion. A summary and rationale of the appraiser’s opinion of highest and best use would offer clarity to the specific allegations made by the Complainant regarding excess land. [SR 1-3(b); SR 2-2(b)(ix)]
- Sales Comparison Approach: The report is marked as comparable sales did not have prior transfers; however, there have been transfers. The report has a contradictory statement regarding prior sales of the comparable sales. [SR 2-1(a)(b)]
Summary of Sales Comparison Approach: On page 11 of the report it indicates that in arriving at the final opinion all comparable sales were given equal consideration. It is unclear how the adjusted sales priced were reconciled in the opinion of value stated. Equal weight or consideration was not utilized with any grouping of sales. [SR 1-6(a); SR 2-2(b)(viii)]

Reconciliation: The reconciliation does not indicate how the final value opinion was developed from the wide range of adjusted sales and list prices of the comparable sales used in the sales comparison approach. Adjust sale prices ranged from $131,700 to $162,100 in the report. The reconciliation does reflect the “market approach is the best indicator of the subject’s value but there is no rationale or recognized technique indicated in how the final opinion was arrived. [SR 1-6(b); SR 2-2(b)(viii)]

Licensing History:  
Registered Trainee 8/20/2001-3/10/2004  
Certified Residential 10/11/2004-Present

Disciplinary History:  
(2009000015-Closed with a Consent Order for corrective education)

Reasoning and Recommendation: Respondent has been a certified residential appraiser for almost 10 years with corrective education as the only disciplinary action. As this matter has been address by the FHA corrective education and would only have merited a letter of instruction regarding the reviewer’s conclusions noted above on its own, it is Counsel’s recommendation this matter be Closed with no further action.

Vote: Mr. Walton made the motion to accept counsel’s recommendation. This was seconded by Mr. Collinsworth. The vote carried unanimously.

2. 2014007581
This complaint was filed anonymously and alleged the Respondent violated USPAP in a residential report that was performed on April 22, 2012. Such alleged violations included the neighborhood analysis, sales analysis, cost approach, and reconciliation.

Respondent sent a response, agreeing that he conducted the appraisal on April 22, 2012. Respondent stated that nine verified closed sales on the subject street and less than a mile away were supportive of the predominant value of the immediate neighborhood. None of the closed home sales used in the report were identified as non-arm’s length transactions by the courthouse records and none of the sales listed show the same seller. The report states in the reconciliation section that, “Market data reflects the active market. Cost data is reliable but more weight should be given to the market approach.”

REVIEWER CONCLUSIONS [alleged violations included within brackets]:

- The appraisal does not offer analysis or support for market conditions or for the one-unit housing trends. [SR 1-1(a); SR 1-3(a); SR 2-1(a)(b)]
- The appraisal states some of the interior features, i.e. bamboo hardwood flooring and ceramic tile flooring in the bathrooms. Based on the interior picture observed in the appraisal and the 4 square designs, the subject property does not have the quality of features, exterior appointments, nor offsets typical of properties in this price range. The appraisal also shows the condition of materials in both the exterior and interior as average, and the subject is new construction. [SR 1-1(a)(b)(c); SR 1-4(a); SR 1-6(a); SR 2-1(a)(b); SR 2-2(b)(viii)]
- The appraisal has a lot adjustment for comparable listing 5, but does not explain why sales 3 or 4 or listing 6 were not adjusted for lot size differences when they exceeded the subject’s lot size by approximately 10,000 square feet. Sale 3 does not exist in the current tax records. The Register of Deeds has no information on this sale, and the 911 Federal Address Verification Office does not acknowledge this sale. The exhibits provided by the appraiser
for sale 8 and sale 9 are of the same property, being stated as two different comparable sales. [SR 1-1(b)(c); SR 1-4(a); SR 1-6(a)(b); SR 2-1(a)(b); SR 2-2(b)(viii)]

- The appraisal states under comments of the cost approach that the modified economic age life method was used to calculate depreciation. The appraisal does not support this method in cost approach and since the subject is new construction there would not be curable physical depreciation or typically functional depreciation. The land value was not supported. There is no summary of the land sales or other methods used for estimating site value. [SR 1-1(a); SR 1-4(b)(i); SR 1-6(a); SR 2-1(a)(b); SR 2-2(b)(viii)]

- The reconciliation of three approaches was not provided. The appraisal did not discuss the income approach in the reconciliation section. The appraisal does not reconcile or explain the cost approach not supporting the opinion of market value. The appraiser states that “cost data” is reliable but does not discuss or explain the rationale for the $84,200 cost difference as compared to the opinion of value in the sales comparison approach. [SR 1-6(a)(b); SR 2-1(a)(b); SR 2-2(b)(viii)]

**Respondent’s Response to Reviewer’s Conclusions:**

Respondent sent a response to the reviewer’s conclusions, addressing each of the bullet points above. With regard to the appraisal not offering analysis for market conditions or for one-unit housing trends, Respondent state the appraisal report shows marketing time is 3-6 months. The market conditions addendum shows data of total number of comparable sales, total number of active listings, median comparable list price, median days on market of comparable sales, median comparable list price, median sales to list price in each period going back one year. The Respondent indicated the support for market conditions is present. Respondent stated, going forward, he realizes a summary needs to be made of the data presented and the predicted trends based on past history, and he has begun to provide that summary. With regard to the interior features in the subject, Respondent stated all of the comparable sales have the same 4 square designs and lack of offsets as noted by the reviewer. Based on the MLS briefs (attached to response) and a visual inspection from the street of the comparable sales, they had been constructed with similar materials, had similar features both interior and exterior, similar layouts, and were built in the same immediate neighborhood. For the reviewer to make the statement that “the subject does not have the quality of features or offsets typical of properties in this price range” is an absolute unfair statement when there are valid and legitimate comparable sales from the immediate neighborhood that support the value. The condition is reported as average because, in Respondent’s opinion, the condition is average for new construction. With regard to lot adjustments, Respondent stated that in the summary of sales comparison approach, the statement was made that “each comparable sale was researched to determine the value of each lot and adjustments were made for the difference in value and not necessarily for the difference in size,” which does explain why no adjustments were made to comparable sales #1, #2, #3, #4, or #6. The size does not directly create value. The market reaction to size difference is what creates the value difference and only comparable #5 had a marketable difference. Respondent stated his information came from Realtrac MLS, and apparently his verification source in the report was inaccurate. With regard to the modified economic age life method, Respondent stated this type of depreciation is used for existing construction. That statement was included in the cost approach section and technically did not need to be there, but it explained depreciation typically used in an appraisal report. However, with the subject being new construction and all of the comparable sales also being new construction, there was no need to calculate depreciation. The land value was taken from the vacant land sales in the workfile that were furnished in the complaint response. These sales should have been listed in the report as supporting data for how the land value was determined. Finally, with regard to the reconciliation, Respondent admitted that this section should have contained more explanation that the market data represents the market reaction. Cost does not always create value and is typically not given as much weight as the market approach. Typically, for single family residences, income data is too sparse to be valid. That statement and explanation should have been included. In conclusion, valid sales of similar size, similar quality of
construction, similar materials and finishes, similar age, and similar location were used in the report to support the final opinion of value.

**Licensing History:**  
Suspended: 2/15/2012-2/27/2012  
Active: 2/28/2012-Present

**Disciplinary History:**  
(937640-Closed with Consent Order for corrective education; 941775-Closed with Letter of Warning; 941784-Closed with Letter of Warning; 941876($250 Civil Penalty and Letter of Instruction); 945311-Dismissed; 200501674-Closed with Consent Order with $500 civil penalty; 200502460-Closed with Consent Order with $1,000 civil penalty; 201000360 & 201001311-Closed with Consent Order for 30 day suspension, 1 year probation, and a 75 hours of education; Formal Charges pending on 2013017571); 201401610 (open)

**Reasoning and Recommendation:** The reviewer found multiple USPAP deficiencies within the appraisal report that warrant disciplinary action. The Respondent currently has three open complaint matters alleging over-valuation which are in the same development area. Due to the excessive nature of Respondent’s past disciplinary history, Counsel recommends authorization of a consent order for the voluntary surrender of Respondent’s credential. Such terms are to be settled by Consent Order or Formal Hearing.

**Vote:** Ms. Point made the motion to accept counsel’s recommendation. This was seconded by Dr. Mackara. The vote carried unanimously.

3. 2014012221

This complaint was filed by a consumer and alleged the under-valuing of a residential property by using inaccurate comparable sales data.

Respondent sent a response to the complaint, stating that while he sympathizes with homeowners who find out their homes are not worth what they thought, but indicates he did complete the appraisal with due diligence. Respondent stated that the Complainant did not have a complaint with incorrect information about their home, rather only the value. Respondent stated that he felt the complaint was filed because they were upset they could not get the loan and just wanted their money back.

**REVIEWER CONCLUSIONS [alleged violations included within brackets]:**

- **Land Value:** Land value is stated. However, the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analysis, opinions, and conclusions were not summarized in the report. No analysis was found in the workfile indicating that no analysis was performed. [SR 2-2(a)(viii)(Lines 726-727, 729-731]

- **Cost New:** Unable to determine because the appraiser did not include the cost manual sheets or the "builder’s data" referred to in the report. The supporting data was not found in the workfile indicating the analysis was not supported. [SR 2-2(a)(vii)(Lines 726-727, 729-731)]

- **Direct Comparison Approach:** The appraiser stated the adjustment amounts for most of the line-item adjustments. However, gave no explanation or support for any of the adjustment rates. The supporting data was not found in the workfile indicating the analysis was not supported. [SR 2-2(a)(viii)(Lines 726-727, 729-731)]
Reconciliation: The quality and quantity of data was not discussed in the report. [SR1-6(a)(Lines 637-638)]

Licensing History:
- Certified Residential: 8/18/2004-Present

Disciplinary History:
- (200900124-Closed with a Consent Order with a $750 civil penalty and 30 hours of education)

Reasoning and Recommendation: The potential violations found by the reviewer seem to revolve around a lack of supporting data/explanation. As such, Counsel recommends that this matter be **Closed with a Letter of Instruction**.

Vote: Mr. Hall made the motion to accept counsel’s recommendation. This was seconded by Mr. Walton. The vote carried unanimously.

4. 2014012701

This complaint was filed by a consumer and alleged the Respondent under-valued a residential investment property in an appraisal report completed in October of 2013. Complainant alleged that the results of the appraisal cost her several hundred dollars. The subject property is a furnished model home in a new subdivision. Complainant alleged Respondent refused to do a re-evaluation for the lender.

Respondent sent a response to the complaint, indicating the complaint appeared to mostly reflect concerns with the loan process. Respondent indicated he had not had any contact from the Complainant or the lender to complete a “re-evaluation” of the appraisal. The instructions in the engagement letter were to complete an appraisal for a refinance transaction for the above referenced property on the SFR 1004 form with rental comparable and operating income statement forms. These items were included in the delivered report. The documents/statements included in the complaint suggest that the Complainant supplied comparable sales to the lender. Respondent stated he was not provided any comparable sales and not requested to complete a “re-evaluation”. Respondent stated the Complainant has not provided documents to support concerns with the appraisal. The majority of the concerns appear to be directed at the client’s loan process. Respondent stated he is independent of this process.

REVIEWER CONCLUSIONS [alleged violations included within brackets]:
- The appraiser has identified the property rights appraised as “Fee Simple”. The market value of the fee simple estate assumes that the property has no leases or tenants and could be leased at the prevailing market rate. Clarification should be made as to why the property rights valued are “Fee Simple” and not “Leased Fee”. [SR 1-2(e)(ii)]
- The appraiser does not specify the extent of data researched with regard to search parameters for comparable sales (size, age, garage, etc.). This is confusing in the Sales Comparison Approach. It is unclear as to whether the appraiser is comparing sales of properties with similar size (GLA) or smaller size with garage. [SR 1-2(h); SR 2-1(b)]
- The appraiser is engaged to complete an appraisal for a refinance transaction for the subject property on a 1004 form and to include a rent schedule and an operating income statement. The appraiser completed the appraisal as instructed but does not clearly explain the assignment conditions in the appraisal report, the details of the lease or why he is including the income statement. A copy of the lease is not provided nor discussed. An income approach is not processed. [SR 2-1(h)]
- The subject property transferred to the current owner on April 28, 2011 for a sale price of $219,990 as referenced on the property tax record and in the warranty deed. The appraiser did not disclose or analyze the prior sale of the subject property. The reviewer found no listing of the subject property in the 12 months prior to the effective date. However, a prior
listing describes property as 3 bedrooms, 2.5 baths and 2,688 square feet of GLA. The current floor plan and finish differs from the listing description. The listing was on the market for 0 days with an original list price of $219,990. Given that the home has appraised 41 months later for $255,000, it would be prudent to research and explain the value difference. [SR 1-5(b)]

- The appraiser describes the subject as having a “standard” floor plan, however, the property is “the model home for the development with the garage currently enclosed and used as a sales office,” which seems contradictory. The finished area (GLA) is reported as 3,338 square feet and a two-car, built-in garage is checked. This is also contradictory. The sketch included in the addendum reflects a total of 3,338 square feet of GLA, including the enclosed garage. [SR 2-1(a)]
- The appraiser uses three sales and one listing. The comparable sales are all located within the subject neighborhood. They range from 8 to 16 years old and are similar in design by number of bedrooms and baths and are considered to have similar condition. A comment should be made to clarify the reasons why no sales are used within the subject subdivision; no sales are used with similar age compared to the subject; no sales are used with GLA greater than the subject 3,338 square feet. [SR 2-1(b)]
- The report states that Sale 1 transacted for $234,900 in February 2013. The deed indicates that the sale transacted for $223,000 in May 2013. [SR 1-1(b)]
- For Sale 2, based on a review of the property record and tax map on CRS, the reported site size is overstated. [SR 1-1(c)]
- For Sale 3, based on a review of the property record and tax map on CRS, the reported site size is understated. [SR 1-1(c)]
- No adjustment is made for the subject enclosed garage compared to the two-car garage for the comparable sales. No hypothetical conditions or extraordinary assumptions are made or described within the report regarding the subject property. An adjustment is made for size based on the difference in GLA of the subject compared to sales and listing with no adjustment made for the absence of a two-car garage. This may overstate the value of the property. [SR 2-1(a)]
- A comment should be made to clarify the reasons why no adjustments are made for age compared to the subject and no adjustments are made for two-car garage. [SR 2-1(b)]
- The appraiser stated the adjustment amounts for the line-item adjustments; however, gave no explanation or support for any of the adjustment rates. The supporting data was not found in the workfile indicating the analysis was not performed. [SR 2-1(b); SR 2-2(b)(viii); SR 1-4(a)]
- The age of the subject is described as two years, however, in the reconciliation the subject is misreported as “more than five years old”. This is stated as the reason the cost approach was not developed. The appraiser has not provided an adequate explanation for his omission of the cost approach from the analysis. Given the age of the property, and its unique characteristics it would be prudent to process the cost approach in support of value and/or support adjustments in the sales comparison approach. [SR 1-1(c); SR 2-2(b)(vii)]
- It is likely that sufficient data was available to process the income approach. Since the property is an investment property, it would be prudent to process the income approach and to consider the relevance or applicability of the approach in the reconciliation of value. [SR 2-2(b)(viii)]
- The appraiser states that “comparable 1 is most like the subject and was given greater weight in the final estimate of value.” However, the value estimate from the Sales Comparison Approach is reconciled higher near the average of sale 1 and sale 3. [SR 2-2(b)(viii)]
- In the sales comparison approach, the quantity of data available is not specifically discussed. [SR 1-6(a); SR 2-1(b); SR 2-2(b)(viii)]
- The report states that “…concessions are uncommon and have no apparent impact on the subject or its market area.” However, adjustments are made for closing costs for two of
three sales in the market data grid. Adjustments are not explained. [SR 2-1(b); SR 2-2(b)(viii)]

Licensing History: Certified Residential 8/18/2005-Present

Disciplinary History: (201002903 & 201003117-Consent Order with $1,000 civil penalty and 15 hour Residential Report Writing Course and 15 hour Residential Site Valuation and Cost Approach Course)

Reasoning and Recommendation: The Respondent has been disciplined in a previous consent order for failing to adequately summarize relevant information in his appraisal report and support the site value and cost approach. The above noted violations occurred after the corrective education was completed in June of 2011. Because the Respondent has not improved in report writing, specifically, and the requirements to report the support for value indications within the appraisal, Counsel recommends the authorization of a consent order in the amount of One Thousand Five Hundred Dollars ($1,500) and a fifteen (15) hour USPAP course. No continuing education can be obtained for the (15) hour USPAP course. Such terms are to be settled by Consent Order or Formal Hearing.

Vote: Dr. Mackara made the motion to accept counsel's recommendation. This was seconded by Mr. Collinsworth. The vote carried unanimously.

5. 2014012431

This complaint was filed by the administrative staff for the Tennessee Real Estate Appraiser Commission, as a result of a letter that was sent by Respondent AMC, indicating that the company that owned the AMC pled guilty to conspiracy to violate section 7206(2) of the Internal Revenue Code by assisting in the preparation of false income tax returns and other documents. Each of the Plea Agreements and Consent Orders resolved the respective investigation into the conduct.

Counsel for Respondent sent a response to the complaint stating the company that owned the AMC entered into a detailed Plea Agreement with the United States Department of Justice on May 19, 2014. The Plea detailed the terms of settlement, and related only to violations of Title 26, United States Code Section 7206(2), the aiding, assisting, procuring, counseling, and advising of the preparation and presentation of false income tax returns to the IRS. Respondent stated none of the conduct subject to the Plea is attributable to or involved any affiliate engaged in activities in Tennessee. The copy of the Plea was sent to the Tennessee Real Estate Commission in the spirit of full disclosure and not as an indication of any violation or guilt. The Plea did not impact the company's charter or licensing with any of its regulators. There is no identity of management either in officers or directors between the owning company and Respondent AMC. Respondent expressed appreciation for the opportunity to respond, however, stated that Respondent has not violated any provision in spirit or the letter of the law.

Licensing History: Registered AMC 8/4/2011-Present

Disciplinary History: None

Reasoning and Recommendation: It appears that this matter has been resolved with the proper authorities through the details of the above mentioned Plea Agreement. This matter revolves around Federal issues, with no direct connection to the state of Tennessee. Thus, Counsel recommends that this matter be Closed with no further action.

Vote: Ms. Johnson made the motion to accept counsel's recommendation. This was seconded by Mr. Hall. The vote carried unanimously.
This complaint is being re-presented from the January 2014 Commission meeting, during which the Commission voted to authorize a voluntary surrender of Respondent’s AMC registration for failure to maintain a valid surety bond with the State as required by the laws and rules of the Tennessee Real Estate Appraiser Commission. Respondent did not respond to the State’s attempts to contact Respondent regarding the bond.

The facts of the matter were presented as follows at the January 2014 Commission meeting:

These two complaints were filed against the same Respondent Appraisal Management Company. The first complaint was filed by the administrative staff of the Tennessee Real Estate Appraiser Commission for failure to maintain a valid surety bond, after receiving notice of a cancellation of Respondent’s surety bond. The second complaint was filed by an appraiser and alleged that Respondent did not pay appraisal fees for services rendered within the requisite sixty (60) days and that emails to Respondent, as of late, have not been responded to.

Respondent has not submitted a response to the first complaint, regarding the surety bond that was cancelled, effective 9/26/2013. The certified mail that was sent from this office was returned marked “Not Deliverable”. When staff called Respondent's number, the operator answered with a different company name and informed staff that Respondent was leasing this office, and it is no longer at this location. Staff also called Respondent owner and left a message. Staff did receive email correspondence from an individual associated with Respondent, who stated he was passing the information from staff along to the President of the company. However, no response was received. No valid surety bond was ever received after this communication.

With regard to the second complaint, concerning Respondent’s failure to make payment within sixty (60) days, Respondent controlling person sent a response stating that he had resigned, as of October 17, 2013, and he asked if staff could please remove him as the contact and compliance officer for this Respondent AMC. Respondent controlling person stated that his resignation was due to the extreme lack of payment from the AMC and President. The controlling person chose not to be associated with the Respondent AMC any longer. The President of Respondent AMC sent written correspondence stating that the Complainant’s accusation in non-payment for a property completed through Respondent Company is unknown. Any reports completed have been paid in full. Respondent stated that if this company was not paid for any service completed the appraisal company did not follow Respondent’s engagement letter that is provided on all appraisal requests. Respondent President stated that at no time was Respondent not fulfilling its obligations to any appraiser.

Licensing History: Registered AMC 8/21/2012-8/20/2014

Disciplinary History: None.

Reasoning and Recommendation: Respondent did not respond to the Consent Order presented for Voluntary Surrender of its AMC registration and was subsequently turned over to Litigation for a formal hearing. The formal hearing has not yet been set, and Respondent’s registration expires on August 20, 2014, which is 9 days from today. Since Respondent will no longer hold a valid registration after this date, Counsel recommends that this matter be Closed and Flagged on August 21, 2014, in case Respondent applies for registration in the future. If Respondent does re-apply in the future, this matter will be re-opened and processed, accordingly.

Vote: Mr. Hall made the motion to accept counsel’s recommendation. This was seconded by Mr. Collinsworth. The vote carried unanimously.
This matter is being re-presented from the April 2014 Commission meeting, during which the Commission voted to authorize a voluntary surrender of Respondent’s AMC registration for failure to maintain a valid surety bond. Notice of cancellation of the bond was effective February 14, 2014.

The facts of the matter were presented as follows at the April 2014 Commission meeting:

This complaint was filed by the administrative staff of the Tennessee Real Estate Appraiser Commission for failure to provide a valid surety bond. Notice of cancellation of the bond was effective February 14, 2014.

This office has evidence via a certified mail return receipt card that the Respondent received notice of the cancellation from this office. This return receipt card was signed by Respondent on March 6, 2014. However, Respondent failed to provide a valid surety bond, subsequent to being put on notice.

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<th>Licensing History</th>
<th>Registered AMC</th>
<th>8/28/2012-Present</th>
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Disciplinary History: None

Reasoning and Recommendation: Respondent did not respond to the Consent Order presented for Voluntary Surrender of its AMC registration and was subsequently turned over to Litigation for a formal hearing. The formal hearing has not yet been set, and Respondent’s registration expires on August 27, 2014, which is 16 days from today. Since Respondent will no longer hold a valid registration after this date, Counsel recommends that this matter be Closed and Flagged on August 27, 2014, in case Respondent applies for registration in the future. If Respondent does re-apply in the future, this matter will be re-opened and processed, accordingly.

Vote: Mr. Hall made the motion to accept counsel’s recommendation. This was seconded by Ms. Johnson. The vote carried unanimously.

8. 2014016541

This complaint was filed by the administrative staff for the Tennessee Real Estate Appraiser Commission, after receiving notice of cancellation of Respondent’s surety bond.

On July 30, 2014, the administrative office received written correspondence from Respondent stating that it was giving official notice of its intent to surrender its AMC registration.

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<th>7/1/2011-7/30/2014</th>
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Disciplinary History: (201201701-Closed with no further action)

Reasoning and Recommendation: Respondent surrendered its AMC registration, thus, Counsel recommends that this matter be Closed with no further action.

Vote: Mr. Hall made the motion to accept counsel’s recommendation. This was seconded by Mr. Collinsworth. The vote carried unanimously.

AUGUST 2014 - EDUCATION COMMITTEE REPORT

Dr. Mackara reviewed the submissions and read his recommendations into the record as below:

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<th>Course Provider</th>
<th>Course Number</th>
<th>Course Name</th>
<th>Instructor</th>
<th>Hours</th>
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<td>American Society of Appraisers</td>
<td>1772</td>
<td>2014 International Appraisers Conference</td>
<td>E. Demba, R. Durkin, D. Wilson,</td>
<td>18</td>
<td>CE</td>
<td>Approve</td>
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</table>
Ms. Point made a motion to accept the recommendations. This was seconded by Mr. Hall. The motion carried unopposed.

**FORMAL HEARING**
The Commission held a formal hearing in the case of Roger Cameron before Judge Joyce Ball, attended by court reporter Kathy Elmore.
DIRECTOR’S REPORT
Director Avers reported that the Association of Appraiser Regulatory Officials (AARO) would be meeting in Washington, D.C. on October 17-20, 2014. Given that it would be critical toward preparing for the upcoming implementation of the fingerprint/background check requirements and to get the recent federal updates from the ASC, the Appraisal Foundation and those on the AMC regulation by other jurisdictions, she recommended the Commission send the executive director, the litigation attorney, the AMC member and one other member who was able to travel on those dates, to the meeting.

**Vote:** Mr. Hall made the recommendation to get travel approval for Director Avers, Mr. Chick, Mr. Collinsworth and Mr. Johnstone to attend. If Mr. Johnstone was unable to attend then he should choose another member to attend in his place. This was seconded by Mr. Walton. The vote passed unanimously.

Since the Appraisal Qualification Meeting would be held in Memphis, September 19th, 2014 and there were formal hearings planned for that month on September 15th, it would be impractical to hold the Commission meeting in Memphis on that date. As such, she recommended that travel approval be sought for the executive director, the board attorney, and two other board members who could travel to the meeting on that date.

**Vote:** Mr. Hall made the recommendation to get travel approval for Director Avers, Mr. Chick, Mr. Johnstone and Mr. Walton or Ms. Johnson travel, based on their availability. This was seconded by Mr. Collinsworth. The vote passed unanimously.

To conclude she informed the board that the rules proposed during the rulemaking hearing in 2012 had been posted to the Secretary of State’s website and voted through the Government Operations committee. These rules would become effective on August 21, 2014. Ms. Gamber shared that the 2015 rules for the upcoming rule making hearing had been prepared and sent to the Attorney Generals’ office for pre-review at the end of June, and was on schedule so far. Director Avers ended the report with the current budget information and licensing numbers.

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Having no further business, Chairman Johnstone adjourned the meeting at 3:45p.m.