

Ken Lawson, Secretary

Rick Scott, Governor

**Minutes of
THE FLORIDA REAL ESTATE APPRAISAL BOARD
June 1, 2015
General Meeting**

Chair Roy Pechillo called the meeting of the Florida Real Estate Appraisal Board to order at approximately 8:35 a.m., in Orlando, Florida, on this Monday, the first day of June, 2015.

The following Board members were present: Chair Roy Pechillo, Vice-Chair Clay Ketcham, Members Benjamin Bush, Armando del Valle, Tamara McKee, Evalyn "Fran" Oreto, Michael Roy, and Matthew Simmons. Member Joshua Harris had an excused absence. Assistant Attorney General Rachel Clark appeared as counsel for the Board. Director Watkins declared a quorum present.

Department and Division staff present at the meeting: Juana Watkins, Director; Denise Johnson, Deputy Director; Andrew Fier, Chief Attorney; Allison McDonald, Deputy Chief Attorney; Al Cheneler, Assistant General Counsel, and by teleconference, Rebecca Hays; Alison Lamont, Assistant General Counsels; Jocelyn Pomaes, OMCII; Johanne Knudson, and Beverly Ridenauer, Government Analysts. American Court Reporting, Inc. (407.896.1813) provided court reporter services.

General Session

Approval of Minutes

The minutes of the April 7, 2015 General meeting were presented. Mr. Ketcham moved, seconded by Ms. Oreto to approve the minutes as amended. The motion carried without dissent.

Reports

Quarterly Financial Reports

Director Watkins presented the Financial Reports for the third quarter of fiscal year 2015. She addressed questions and comments from the Board.

Exam Performance Report

Director Watkins presented the Examination Performance Summary Reports for January and February, 2015. She addressed questions and comments from the Board.

Licensee Count Report

Ms. Watkins presented the Licensee Count Report and addressed questions and comments from the Board. She noted that some renewals are still being completed and those small increases are reflected in this report.

Rules Report

Board Counsel Rachel Clark provided the Rules Report for January 2015 and reported on the status of rules that are being moved through the approval process.

Legal Case Report

Ms. McDonald presented the Year Old Case report to the Board and addressed questions and comments from the Board.

Legal Appearance Docket

The Board addressed the Legal Appearance Docket, hearing five docket items, with the following results:

Item A – Case No. 2014024760, Mary Alyce Clark Webster - Informal

Withdrawn

Item B – Case No. 2010038472, Julio D. Manso – Extension Request

Julio D. Manso was present, but was not represented by counsel. Ms. McDonald represented the Department and presented the case to the Board. The Board discussed the request. Following discussion, Ms. Oreto moved; Mr. Ketcham seconded to grant the request with a split vote of seven to one.

Action Taken: Request granted.

Item C – Case No. 2012034857, Arthur Richard Porcelli III – Modification Request

Withdrawn

Action Taken:

Item D – Case No. 2014022546, Javier Ferrer - Stipulation

Javier Ferrer was present and was represented by counsel, Daniel Villazon. Mr. Ketcham and Ms. McKee were recused due to participation on the probable cause panel.

Ms. Hays represented the Department and presented the case to the Board. The Board discussed the request. Following discussion, Ms. Oreto moved; Mr. Bush seconded; motion carried by split vote of five to one for the following:

Violation: Florida Statute 475.624(15) by failing or refusing to exercise reasonable diligence in developing or preparing his appraisal report, which is further evidenced by his failure to comply with 2014-2015 USPAP.
Penalty imposed: \$3,000.00 fine; \$590.70 costs; 40 hours of appraisal education; attend two (2) - day FREAB general meetings; 18-month probation.

Item E – Case No. 2014027406, Marc Courtney Goggins - Stipulation

Marc Courtney Goggins was present, but was not represented by counsel. Mr. Simmons was recused due to participation on the probable cause panel.

Mr. Cheneler represented the Department and presented the case to the Board. The Board discussed the request. Following discussion, Ms. McKee moved; Ms. Oreto seconded; motion carried by split vote of five to two for the following:

Violation: Florida Statute 475.624(4) and Florida Administrative Rule 61J1-9.001 by failing to comply with 2014-2015 USPAP. **Penalty imposed:** \$1,000.00 fine; \$1,295.25 costs; 15 hours of additional education; attend one 2 - day FREAB general meeting; 12-month probation.

Item F – Case No. 2014027727, Victor J. Lord II – Voluntary Relinquishment of License for Permanent Revocation

Victor J. Lord II was not present and was not represented by counsel. Ms. Parker represented the Department and presented the case to the Board.

The Board entered into discussion. Following discussion, Mr. Ketcham moved; Mr. del Valle seconded; motion carried without dissent to impose the following:

Action taken: Relinquishment.

Item G – Case No. 2014022311, James Edward Frazier, Jr. - Waiver

James Edward Frazier, Jr. was not present and was not represented by counsel. Mr. Simmons and Mr. Roy were recused due to participation on the probable cause panel.

Ms. Parker represented the Department and presented the case to the Board. The Board entered into discussion. Following discussion, Ms. Oreto moved; Mr. Ketcham seconded; motion carried unanimously to impose the following:

Violation: Florida Statutes 475.624(1) and 455.227(1)(m), by representing he had liability insurance and knowingly forwarding the invalid The Declarations Page to the AMC; Violation of Florida Statute 475.624(2) by representing he had liability insurance and knowingly forwarding the invalid Dec Page to the AMC; Violation of Florida Statutes 475.624(3) by representing he had liability insurance and knowingly forwarding the invalid Dec Page to the AMC; Violation of Florida Statutes 475.624(4) by failing to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) 2014-2015. **Penalty imposed: Revocation.**

General Session Continued

Informal Hearing:

Charles Henry Miller, Certified Residential Appraiser by Mutual Recognition (NY) – The applicant was present and addressed the Board. Following discussion, Mr. del Valle moved; Mr. Bush seconded; motion carried by split vote of seven to one to vacate the Notice of Intent to Deny and approve the application.

Summary of Applicants Agenda - New Applicants

ALTUS Group US, Inc., Appraisal Management Company (Canada) and Authorized Representatives: Angelo Bartolini, Stephen K. Howell and Liana L. Turrin

The applicant's representative was not present. Following discussion, Ms. McKee moved; Mr. del Valle seconded; motion passed unanimously to deny the application.

Aaron J. Brown, Certified General Appraiser by mutual recognition (OR) - The applicant was not present. Following discussion, Mr. Simmons moved, Ms. Oreto seconded; motion passed unanimously to approve the application.

Craig Custer, Certified General Appraiser by mutual recognition (OK) – The applicant was present and addressed the Board. Following discussion, Mr. Simmons moved, Ms. Oreto seconded; motion passed unanimously to approve the application.

Jeannie Lin Johnson, Certified Residential Appraiser by mutual recognition (MO) - The applicant was not present but did request a continuance from the Board. Following discussion, Mr. Bush moved, Ms. Oreto seconded; motion passed unanimously to grant the continuance.

James Stewart Rostocki, Certified General Appraiser by mutual recognition (DE) – The applicant was present and addressed the Board. Following discussion, Mr. Simmons moved, Mr. Ketcham seconded; motion passed unanimously to approve the application.

General Session Continued
Petition for Declaratory Statement DS 2015-046

Director Watkins presented the Petition for Declaratory Statement received from Joseph Palumbo on behalf of Weichert Workforce Mobility. Mr. Palumbo was present and addressed the Board.

The board discussed the petition and how the definition of an AMC as it is currently written in Section 475.611, Florida Statute. Following discussion, Mr. Palumbo withdrew the petition with the understanding that future changes to Statute may impact the final determination of his petition.

During discussion, the Board asked Mr. Palumbo if he would be interested in becoming involved in the process of developing an exemption from the current AMC definition. Mr. Palumbo did agree to assist if asked.

Rules Discussion– *Rachel Clark, Board Counsel*

Bi-Annual Rules Review

Board Counsel Clark reported that recently passed legislation has changed the date of submission of the completed report from July 1st to October 1st. The new version of the report is more comprehensive than the previous reporting format. The Board will be required to state why they will be working on a rule. Ms. Clark stated that as she is new to this Board, she is willing to take any rules the Board may feel need to be on the report and move forward with those recommendations.

Director Watkins explained what rules the Board included in the 2014 Rules Review Form and the current status of each of the rules that were on the previous report.

After discussion, the Board asked Staff to bring this information to the August meeting to be addressed in time for completion by the October 1, 2015 required completion date.

61J1-4.001 Education

Director Watkins reported to the Board that this rule was in the process of being updated for the 2015 changes when Ms. Holladay of the Joint Administrative Procedures Committee (JAPC) questioned the language of Subsection 6(c) pertaining to the statutory authority in Chapter 475.617(2).

Board Counsel Clark explained what Ms. Holladay's comments and concerns. She reported that she has drafted a response to Ms. Holladay's comments and is currently awaiting a response from Ms. Holladay. If the response is favorable, the rule will move forward.

The proposed text is as follows:

61J1-4.001 Education

(1) through (5) No change

(6)(a) through (b) No change

(c) A copy of the distance education course materials and a copy of each form of the course examination that will be administered to students shall be submitted to the Board for evaluation and approval at least 90 days prior to use. A minimum of 2 course examinations for each course shall be submitted for approval. The Board will issue a status report to the course provider within 60 days after submission of the course and examinations. Approval must be granted before the course and examinations may be offered. Thereafter, the course and examinations shall be maintained by each institution, school, or entity offering the distance education course(s) in accordance with the Board rules and AQB criteria ~~approved standard as subsequently modified by changing times, standards and laws~~. It is the responsibility of the institution, school or entity offering the Board approved distance education courses to keep the course material current and accurate, and notify the Board at least 90 days before implementing any significant changes to the course during its approval period.

(d) through (h) No change.

61J1-4.003 Continuing education

The Board discussed the language of Subsection (3) as it pertains to the standards for approval of continuing education courses for appraiser. Mr. Ketcham explained that currently, the Florida Real Estate Commission (FREC) is in the process of looking at their continuing education (CE) rule with the intent of reducing the number of minimum hours required to qualify a course as CE. He also noted that the minimum requirement for a CE course in the Appraiser Qualifications Board (AQB) guidelines is two hours. Currently, the language of Rule 61J1-4.003(3) states three (3) hours is required for course approval.

Mr. Ketcham has proposed reducing the minimum number of hours required for course approval to two (2) hours to:

- mimic the AQB minimum criteria
- allow for a faster processing time for CE courses
- allow the use of "lunch and learn" courses or dinner meetings that include a CE course
- creates a wider variety of industry information for appraisers around Florida and the country
- provides ease of access to trending information for the appraisal industry
- provide credit for attendance at the meeting where education has been provided

Following the discussion, Ms. Oreto moved; seconded by Ms. McKee; motion carried unanimously to open the rule for development.

During discussion of the above rule, Mr. Roy questioned the difference in pass score requirements between Rule 61J1-4.001 and 61J1-4.003. Ms. Watkins said it will be researched and the response will be provided at the August meeting.

61J1-4.007 Renewal of Inactive Registrations, Licenses and Certifications

Ms. Watkins presented the rule to the Board and explained that it was included on this agenda at the Board's request so the Board could address the language of the rule that pertains to ABI, ABII, and ABIII education courses.

Following discussion, Ms. Oreto moved; Mr. Ketcham seconded; motion carried unanimously to open the rule for development.

During the discussion of the post licensing education rule, Ms. Oreto spoke to the issue of creating provision to retire a license, rather than the current options of voluntary surrender or non-renewal to the eventual status of Null and Void. She commented that neither of the existing status terms is correct when a licensee has made the decision to retire from the profession and there is no discipline or lack of renewal involved.

Director Watkins explained that the Department has been considering this topic for some time, but it will require a statutory change. She said she will include it in the Legislative Request for 2016.

61J1-4.010 Supervision and Training of Registered Trainee Appraisers

Director Watkins presented the rule, and reminded the Board of a request their discussion to determine if there is a need to require a registered trainee appraiser to retake the Supervisor / Trainee Course (S & T) after a certain period of time.

Member Roy suggested language be amended in Subsection (1)(d) to include a need to retake the course after a period of four years should the trainee decide to become a certified appraiser and that a certified appraiser who has not supervised a trainee for a period of four years or greater be required to take the course.

Ms. Watkins also addressed text in Subsection (2)(f) that contains an invalid form number that will need to be revised to the update form number. The Board asked that the work experience log form be reviewed at the August meeting.

Following discussion, Ms. Oreto moved; Mr. Simmons seconded; motion carried unanimously to open the rule for development.

Real Estate Appraisal Education Courses for Approval or Denial

Financial Analysis for Commercial Investment Real Estate – CCIM Institute, Madeline Williams – New Course (30- Hr. Specialty Classroom CE), Application No. 5509

Market Analysis for Commercial Investment Real Estate – CCIM Institute, Madeline Williams – New Course (30- Hr. Specialty Classroom CE), Application No. 5510

Investment Analysis for Commercial Investment Real Estate – CCIM Institute, Madeline Williams – New Course (30- Hr. Specialty Classroom CE), Application No. 5511

Ms. Williams was not present. The Board entered into discussion. Following discussion Mr. Ketcham moved; Mr. Roy seconded; the motion carried unanimously to approve the three courses.

2-Day Advanced Income Capitalization / A – Appraisal Institute, Dan Doepke – New Course (15 Hr. Specialty CE Course), Application No. 5515

2-Day Advanced Income Capitalization / A – Appraisal Institute, Dan Doepke – New Course (14 Hr. Specialty CE Course), Application No. 5516

Mr. Doepke was not present. The Board entered into discussion. Following discussion Mr. Roy moved; Mr. Ketcham seconded; the motion carried unanimously to approve the two courses.

2-Day Advanced Income Capitalization / B – Appraisal Institute, Dan Doepke – New Course (14 Hr. Specialty CE Course), Application No. 5517

2-Day Advanced Income Capitalization / B – Appraisal Institute, Dan Doepke – New Course (15 Hr. Specialty CE Course), Application No. 5518

Mr. Doepke was not present. The Board entered into discussion. Following discussion Mr. Ketcham moved; Mr. Roy seconded; the motion carried unanimously to approve the two courses.

Appraisals of Industrial Incubators – McKissock, LP, Jackie Vincent – New Course (7 Hr. Specialty Distance CE), Application No. 5584

Ms. Vincent was not present. The Board entered into discussion. Following discussion Ms. Oreto moved; Mr. Ketcham seconded; the motion carried unanimously to approve the course.

Appraisals of Owner-Occupied Commercial Properties – McKissock, LP, Jackie Vincent – New Course (7 Hr. Specialty Distance CE), Application No. 5585

Ms. Vincent was not present. The Board entered into discussion. Following discussion Mr. Simmons moved; Mr. Ketcham seconded; the motion carried unanimously to approve the course.

Special Agenda

Board Business

Appraisal Standards Board (ASB) Meeting Notice for June 26, 2015 – We are hoping to have in hand a copy of the 2016-2017 USPAP in September this year, which would be very helpful in updating the current rule for compliance.

AARO Report and Remedial Education Survey – This is a concept to aid State Regulators with the use of education courses that could be used for remedial education courses when imposing discipline for enforcement issues. This survey was taken to determine what type of courses would be beneficial to licensees who need guidance in specific areas of the appraisal process.

- These will be non-state specific and will use online delivery
- The Appraisal Standards Board will develop the course(s).
- Director Watkins will research the matter of the fee for a person to take the course and to inquire of our Policy Manager to see if State Regulators will be able to log in to the site and test the courses
- These courses will not be considered continuing education and will not be reported to our licensing system so there is no chance of confusion with continuing education

The Final Rules for AMC Regulation – Chair Pechillo presented a summarization of the Final Rules. Director Watkins stated that she has conveyed to her leadership that we have three years from 60 days of the publication to comply with the Rules.

For Florida, this means there are two Legislative Sessions to complete all the necessary changes. Legislative Session begins early next year and we will have one Session after that to resolve any issues.

Member Simmons presented questions to the Board that it discussed in detail, including the impact of changes made to the final version of the Rules and how Florida's existing program will need to be modified.

Following the discussion, Chair Pechillo asked the Department to reach out to industry stakeholders for the purpose of determining if a workgroup or committee could be created from all areas of the industry to discuss and establish a plan to implement revisions to the program.

Member Oreto suggested that the Board members provide recommendations of individuals who may be interested in participating in such a committee. Director Watkins asked that the information be provided directly to her. This will be a public meeting to provide the opportunity to anyone who may have an interest in the actions of the committee.

Chair Pechillo asked that Mr. Simmons to chair this committee, which Mr. Simmons accepted. Director Watkins will move forward to make contact to any individual whose name is provided to her.

Director's Comments

Director Watkins comments included the following:

- Legislative Update – Ms. Watkins reported that Senate Bill 608 was approved by the Legislature and signed by Governor Scott on May 21, 2015. The amendments will become effective on July 1, 2015. The following Florida Statutes were impacted by the amendments:
 - Section 475.631 Nonresident license and registrations
 - Section 475.629 Retention of records
 - Section 475.6295 Authority to Inspect
- Director Watkins asked the Board to consider Legislative proposals for the 2016 Legislative Session, which are due on July 15, 2016.

Chair's Comments

Chair Pechillo's comments included the following:

- Welcome to Ms. Clark. He's looking forward to having her work with the Board.
- Thanked everyone for their participation on the Board.

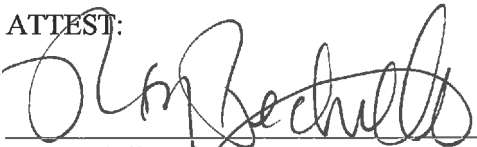
Public Comments

The Board heard comments from the public.

Adjournment

There being no other business, the Chair adjourned the meeting at approximately 3:50 pm. The next meeting of the Florida Real Estate Appraisal Board will held August 3 and 4, 2015 in Orlando.

ATTEST:



Roy Pechillo, Chair
Florida Real Estate Appraisal Board



Juana Watkins, Executive Director
Florida Real Estate Appraisal Board