



The International  
Society of  
Professional  
Valuers



American Society  
of Appraisers  
  
NorCal Chapter  
Newsletter

March 2010

"Best Large Chapter Newsletter 2008-2009"

Volume 3, Number

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## Links to Info:

### ASA

#### International

- [ASA Home Page](#)
- [Site Map](#)
- [Events Calendar](#)

#### ASA HQ Staff Liaisons:

- ARM & RP – Bonny Price
- BV - Jane Grimm
- MTS – Bonny Price
- PP & GJ – Christy

## Program Meeting

**Thursday, February 11**

**6:30 pm (mixer) 7:00 (dinner)**

**Board Meeting 4:30** all members are welcome to attend

**Place: L'Olivier Restaurant, 465 Davis Court, San Francisco** in the Club Room. (415-981-7824) The restaurant is easily accessible via BART (Embarcadero Station) and \$5 valet parking is available.

**NOTE:** The dinner is being partly subsidized by the chapter, so the cost is a low \$37 for members and spouses; \$50 for guests (includes tax, tip and wine!)

**RSVP NOW** please to Secretary Jack Young at [jack@norcalvaluation.com](mailto:jack@norcalvaluation.com) and let him know you are coming. Do not reply to the Newsletter address—Jack is the one who needs to know!

## American Quilts in the Marketplace

**Joe Cunningham** began making quilts professionally in 1979, after a ten-year career as a musician in Michigan. His early mentors were steeped in the history and traditions of quilts, leading Cunningham to a life of study in quilt history and a love of traditional technique.

Over the years his work has evolved into a unique personal style both original and shaped by the tradition. Cunningham travels throughout the country to give lectures and workshops on quilt making. He has two new books coming out with AQS in 2010, one on men who make quilts and one on his own life and work.

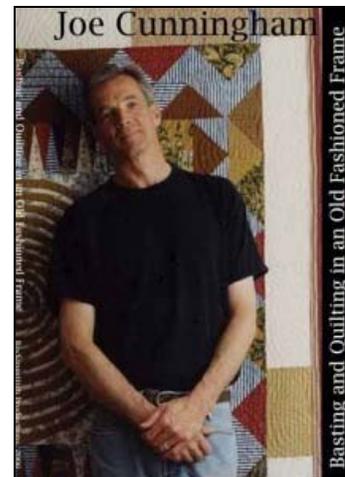
He has been seen on the HGTV series "Simply Quilts with Alex Anderson," as well as "The Quilt Show" with Ricky Tims and Alex Anderson. Cunningham has performed his musical quilt show, "Joe the Quilter," for guilds and theaters nationwide. The musical quilt show has been made into a DVD, "Joe the Quilter," and Joe's methods of basting and quilting are also available on DVD.

Joe will give us a brief history of the quilt in America, discuss some of the factors that led to the rise of a market for quilts in the early 1970's, and show examples of some quilts that would demonstrate the high end of the antique market, the low end of the quilt market, and the modern quilts that represent an entirely different market. He will especially explain the difference between the markets for old quilts and new quilts.

## TELEVISION APPEARANCES

**The Quilt Show** with Ricky Tims and Alex Anderson, internet TV show: always available @ [www.thequiltshow.com](http://www.thequiltshow.com), episode 101

**Simply Quilts** with Alex Anderson, "Amish Quilting Designs", HGTV SERIES #620



Jones

## Accreditation Issues

BV & ARM – Sabri Math

PP & GJ – Rshida Meth

MTS & RP - Nicole Cruz

## Reaccreditation

- Bonny F. Price
- BV, PP & GJ – Rshida Math
- RP, MTS & ARM – Joy Brown

## NorCal Website

- [ASA-Norcal.org](http://ASA-Norcal.org)

## Links to Photos

- Last meeting

## BV Website

## G&J Website

## Contact Us

President  
Douglas S. Baxter , ASA

Vice-President  
Robert P. Lentz III, ASA

Secretary  
Jack Young

Treasurer  
Gil Mitchell, ASA

Past President  
Robin J. Erdmann, MAI  
ASA

BV Director – Jack  
Barnet

G&J Director-  
Nancy Stacy

MTS Director -

RP Director – Ray  
Mattison

PP Director-Roger  
Rapport

*Simply Quilts* with Alex Anderson, “Freehand Quilting”, HGTV SERIES #739 DVD

*Joe the Quilter* Joe Cunningham, quilts, guitar and vocals. One-man musical, recorded live February 13, 2007, Rockingstitch Productions

Basting and Quilting in an Old Fashioned Frame, Rockingstitch Productions, 2006



## President's Message

By Doug Baxter

President's message:

The ASA San Francisco Chapter #041 Board unanimously approved the new chapter name as The American Society of Appraisers NorCal Chapter. (ASA-NorCal for short.) This name will also be reflected in our new website addresses that have been secured. The new domain names will be [www.ASA-NorCal.org](http://www.ASA-NorCal.org), [www.ASA-NorCal.com](http://www.ASA-NorCal.com) and [www.Appraisers-NorCal.org](http://www.Appraisers-NorCal.org). The chapter name will now better reflect the extensive geographic scope of our membership from San Jose to Nevada to Sacramento northward to Eureka. Nancy Stacy, ASA and Jack Young, ASA continue to work on developing content for our updated website.

Important legislative changes are in the works for the entire state as the California Coalition Association director Abel Morales will be stepping down and we seek effective ways to maintain a presence in Sacramento. International president Mike Evans is working on this transition and clarifying chapter responsibilities in regards to lobbying and proper dues allocation.

Considering expanding your appraisal practice? Need educational reaccreditation points? The ASA ME208 Vessel Survey course to be held in San Francisco on March 11-14<sup>th</sup> is a worthwhile investment. I personally took this course when it was offered in New Orleans in 2008 and found an interesting and challenging subject geared toward the non-maritime appraiser as well as surveyors and boat owners.

Our last month's speaker, Betty Sue King gave a fascinating talk on the international pearl market as well as a hands on demonstration of what to look for when purchasing or evaluating pearls. Technology combined with careful farming has raised this business to a new level!

On the personal property front, I am excited to hear speaker Joe Cunningham speak to our chapter on February 11<sup>th</sup> at L'Olivier restaurant about the marketplace for quilts. Please RSVP soon to [jack@norcalvaluation.com](mailto:jack@norcalvaluation.com) and bring a guest or spouse to enjoy the evening with a complimentary glass of wine from the chapter.

Doug Baxter, ASA

Northern California Chapter President

## Upcoming Events

### ASA ME208 March 11-14

This course is filling up very satisfactorily. If you know someone who owns a boat or a ship, finances them, brokers them, appraises them or just wishes he/she had a vessel and wants to learn more about how they are valued, please refer them to this course! The registration form is available at [www.ASA-NorCal.org](http://www.ASA-NorCal.org).

### Valuation for Financial Reporting

## Newsletter:

Volunteers to  
contribute articles  
or edit newsletter  
please contact:

Nancy Stacy, ASA

## NorCal Website:

[www.ASA-NorCal.org](http://www.ASA-NorCal.org)

Financial Reporting to be hosted by our chapter in San Francisco. It will be presented by an all-star team of educators, and you won't want to miss it. We'll have more information on this in next month's newsletter.

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## Membership Matters

By Robin Erdmann

Welcome New Members

This month, the Northern California Chapter of ASA welcomes Liza Hickey as a new member in the Personal Property Discipline.

Liza is a graduate of UC-Santa Barbara (BA) with a major in psychology and a minor in fine arts. She followed this up attending University of Glasgow (MA), where her concentration was in European Fine and Decorative Art History. She is currently employed by Hobart Associates in San Francisco as a research assistant. She can be reached at "ehickey01@gmail.com.

**Welcome, Liza!**

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## Perspectives

By John Barnet, AM

### Thoughts on ASA–NorCal From a New Board Member

One of the most famous movie lines is from Top Gun. "You are the best of the best. We will make you better." That is what ASA membership does for us. From a professional perspective, we are Top Gun.

**First, what is it that ASA has that is valuable?** Three items:

1. It is the most difficult and prestigious certification to receive.
  - a. The education is the best of the best
  - b. The certification process is the most difficult and demanding
  - c. It holds its members accountable for integrity and professional work products.
2. It is multidiscipline.
  - a. Some believe this is distracting as the disciplines vary in markets, in economics, and in leadership. Quite the contrary. It offers the competitive advantage to offer full service for all appraisal needs to our clients.
  - b. The common denominator is ASA
  - c. We may have varying size, price points, and markets. They work together because they reinforce established basic professional standards.
  - d. The focus should be on what we have in common and that we personally know others in different ASA disciplines and respect their earning of accreditation and actively promote this. It helps build relationships and expands market exposure.
3. We have the ability and opportunity to create understanding and offer client solving concerns in a chaotic environment.
  - a. We are the core of professional appraisals and should promote it.
  - b. Recognize that we are in a very rapidly changing environment. To illustrate:
    - i. In the BV world, since 2004 there have been major changes. Section 409A of the IRS code was adopted and 123R for financial reporting has been adopted. These are now approaching full implementation. Standards are being revised and expanded.
    - ii. IFRS is in process where ASA is truly an insider on this transition
    - iii. The approaches are being redefined. Only last year were courses

- beginning to be taught on valuing intellectual property. The AICPA published its book, Valuation of Privately-Held-Company Equity Securities Issued as Compensation in 2004. It was 210 pages. Their next revision is coming out early this year and will be 400+ pages.
- iv. The IRS is beginning to focus on deferred compensation as a source for raising tax income.
  - c. Look at the emails we receive from different firms promoting webinars, conferences, books, and software programs.
    - i. I receive on the average 3 promotional emails a day!
    - ii. ASA has the ability to take the lead. We should work to have these sources be certified by us. If these offerings are not certified by the ASA they should have little meaning
  - d. Other than real estate, valuations do not require certification. Here is another avenue to differentiate because we already have our own certification in all disciplines
  - e. There are many definitions of value and perhaps the most valuable is USPAP. If the IRS sanctions USPAP then it will really clear the playing field.
  - f. Publishing position papers such as the reasons behind DLOC from an SEC perspective or DLDM to provide logical briefings for our clients. For example: Why doesn't the SEC accept DLOC and why are S Corporations pretax income treated as after tax income by courts and what does that mean for them?

### **Second, chapter dinners.**

1. What is the function of a chapter dinner? What attracts members to attend a chapter meeting?
  - a. The ability to network. That means setting some time and space, and round tables to get to know one another – a friendly environment and introducing people to one another. To ask and share common issues (but not of a technical nature)
  - b. Having speakers that have something to say of value to the attendees.
    - i. This can include economics; it can include presentation skills; but most important famous or recognizable named speakers. It is very clear in appraisals, that what we think is not important. What is important are the reference sources we cite. Good speakers give us authority for citing information to our clients.
  - c. The ability to advance in leadership in our fields. Each director should have his own committee and the board is in a review capacity for these reports. It should be the place where professionals go in the process of becoming a board member, president, past president or regional or national officer.
  - d. Senior members need to be present to elevate the prestige of the meetings.
  - e. Educational seminars or technical discussions should not be a part of the chapter dinners. They are events of their own.
2. I do not believe we should have experts speak on boat appraisals, gems, quilts, pipelines, etc. at chapter dinners. It is a commitment to attend these meetings and we need to respect why individuals will give their evenings to a chapter dinner. (more on this below)
3. Invite spouses to attend.

### **Third, seminars.**

1. Seminars and webinars are very important and we need to do them. And continuing education credit for all professions should be recognized and advertised when we

- promote a seminar and invite others outside of our organization to attend.
2. A second type of seminar is one we give to referral sources which we sponsor and are more like infomercials. This is where we advise others to help them be better informed on issues that impact them. Each of us should develop a referral list of recommenders. It need not be a master list but one which we contribute as suggested invitees to a specific seminar.
  3. As an alternative to having speakers on specific topics such as boat appraisals, gems, etc., we should ask for the opportunity to speak at groups that meet as authorities on valuation.

#### **Fourth, board meetings.**

1. The agenda should be reports given by the respective directors. The work should be done outside of the meeting not at the meeting. And the agenda should include regional and national input.
2. Each board member should have his or her staff.

#### **Fifth, the national organization**

1. The people are very nice and polite. But there is missing a culture of being marketing oriented, enthusiastic in being supportive and responsive.
  - a. In recent calls, I have been told on a voice recorder that no one is available because we are all in a staff meeting.
  - b. The person with authority is out of town.
  - c. It appears very bureaucratic and impersonal
  - d. It is slow to respond
2. Our elected regional and national representatives should give us feedback at board meetings. This is one of the types of inputs that give the rest of us knowledge of what is going on and gives our chapter leadership advantages and would encourage attendance.

#### **Sixth, the younger generation**

1. The biggest comment I have heard is that the dinner meetings and seminars are filled with older people. Where are the younger people?
2. This requires a change in mindset.
  - a. We might consider encouraging people who want to pursue an appraisal career to join a chapter. We would then need to offer mentoring, counsel, having them serve on committees, and helping them through the process.
  - b. Let's look at what is.
    - i. In the BV arena, we have two established organizations where professionals meet. Both are by invitation only and one requires you be an appraiser for a minimum of 7 years.
    - ii. CPA's in the larger firms do not look at appraisals as a ticket to partnership. It is a form of education.
    - iii. In the smaller appraisal firms with high volume production, they are paid well, work long hours, but do not see a career in it and defer ASA certification.
    - iv. So, a big question to be promoted is why seek a profession as an ASA appraiser. What is the market and what is the potential for being an ASA appraiser?

#### **Marketing**

1. The biggest comment and source from my recommenders is that appraisers do not recommend clients to them. It is a one way street.

2. Established appraisers get business by word of mouth and reputation. As such, marketing is not high on a list. It is a question that needs to be addressed. As a rule of thumb, I have heard that one day a week should be devoted to marketing. Or, have every day lunch devoted to marketing.
3. This marketing is really an open issue. How big is the market, where is it going, who are the players, a Porter analysis, etc. We do it for our clients. Maybe we should do it for our chapter or ASA should do it for us.

### Concluding remarks

I lack perspective on issues we address. I am confident that most of you know these objectives by your length of time and interest in ASA. For the new guy, I lack an understanding of the objectives and how the detail fits in. The correspondence, the surveys, the discussions, appear to be reacting to an external event driven by someone else. We have the best training in the world to work from the top down to the appraisal value. I would like to see us identify what we want and why and then how our actions fit in.

I mentioned at the beginning – Top Gun. There are not very many of them and there are a lot of airplane pilots. But being in Top Gun carries a lot of weight. A friend of mine was Top Gun and I always mention it when talking about him. That is what I see in ASA and is why I joined this organization rather than others.

**Please send us your ideas! Address them to [ASA.NorCal@gmail.com](mailto:ASA.NorCal@gmail.com), with “Perspectives” in the subject line.**

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## Notices

### New Options for USPAP

The Admissions Committee of the Appraisal Foundation has approved ASA's request to allow the American Society of Appraisers' Business Valuation,

Gems and Jewelry, Machine and Technical Specialties, and Personal Property appraisers subject to USPAP the following options for meeting USPAP continuing education requirements

- Successful completion of the 15-Hour *National USPAP Course* and pass the associated 15-Hour National USPAP

Course Examination every five calendar years, or

- Successful completion of the 7-Hour *National USPAP Update Course* every two calendar years, or

- Successful completion of a 7-Hour *National USPAP Update Course* specific to Business Valuation, Gems and

Jewelry, Machine and Technical Specialties, or Personal Property every two calendar years. A 7-Hour discipline specific USPAP Course will need approval from the AQB Course Approval Program.

This approval is effective immediately and will remain in effect until the AQB adopts new Personal Property Appraiser Qualification Criteria or The Appraisal Foundation Board of Trustees adopts new *Criteria for Appraisal Sponsorship*.

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## Web Update

Each of our Disciplines will have an area on our new NorCal chapter website (accessible at [www.ASA-NorCal.org](http://www.ASA-NorCal.org), [www.ASA-NorCal.com](http://www.ASA-NorCal.com) and [www.appraisers-NorCal.org](http://www.appraisers-NorCal.org)).

The Discipline Directors will be making decisions on what content to include for their discipline. I'm sure all directors would welcome input from their respective members. Give it

some thought, and then send your ideas to your Director (listed below). Currently you can access our newsletter and other material on the website, and you can watch us grow.

## Events Calendar

	<b>FEBRUARY 2010</b> • 11 <sup>th</sup> (Thur) Chapter Meeting, <b>Joe Cunningham - American Quilts in the Marketplace</b>	<b>MARCH 2010</b> • 11-14 MTS 208, <b>Marine Vessel Survey</b> - SF • 11 <sup>th</sup> (Thur) Chapter Meeting
<b>APRIL 2010</b> • 8 <sup>th</sup> (Thur) Chapter Meeting, <b>International &amp; Fair Value Accounting</b> • TBA: <b>VFR (Valuation for Financial Reporting</b> 1-day seminar	<b>MAY 2010</b> • 13 <sup>th</sup> (Thur) Chapter Meeting, Bill Mulligan: <b>"Alternative Energy Outlook"</b>	<b>JUNE 2010</b> • 10 <sup>th</sup> (Thur) Chapter Meeting, Stephen Braitman: <b>"Music Appraisal"</b>
<b>JULY 2010</b> • 8 <sup>th</sup> (Thur) No chapter meeting • 26 <sup>th</sup> -28 <sup>th</sup> International Conf. Las Vegas	<b>AUGUST 2010</b> • 6 <sup>th</sup> (Fri) tentative - <b>Chapter Retreat</b> • 12 <sup>th</sup> (Thur) Chapter meeting, Installation of new officers TBA	<b>SEPTEMBER 2010</b> • 9 <sup>th</sup> (Thur) <b>Annual Meeting/Candidate's Night</b>
<b>October 2010</b> 14 <sup>th</sup> (Thur)	<b>November 2010</b> 11 <sup>th</sup> (Thur)	<b>December 2010</b> 9 <sup>th</sup> (Thur)

## NorCal Officers & Directors



**L to R:**, Gil Mitchell, ASA, Treasurer; Robin Erdmann ASA, Past President, Doug Baxter ASA, President; Bob Lentz, ASA, Vice President; Jack Young ASA, Secretary (not pictured)



**L to R:** Gil Mitchell ASA, Treasurer; Doug Schnitzer, ASA; Nancy Stacy ASA, G&J Director & Newsletter Editor; Robin Erdmann ASA, Past President; Doug Baxter ASA, President; Roger Rapport ASA, PP Director, Bob Lentz ASA, Vice-President; Directors not pictured: John Barnet AM, BV Director

### Chapter Officers

<b>Chapter President</b>	Douglas S. Baxter ASA (PP)
<b>Chapter Vice President</b>	Robert P. Lentz III ASA (BV)
<b>Chapter Secretary</b>	Jack Young ASA (MTS)
<b>Chapter Treasurer</b>	Gil Mitchell ASA (MTS)
<b>Chapter Past Chair</b>	Robin J. Erdmann ASA (RP)

### Discipline Directors

<b>Business Valuation</b>	John Barnet AM
<b>Gems &amp; Jewelry</b>	Nancy Stacy ASA*
<b>Machinery &amp; Technical</b>	(Orphan - Need a volunteer Jack Young ASA filling in)
<b>Real Property</b>	Ray Mattison ASA
<b>Personal Property</b>	Roger Rapport ASA

### International Officers

International President Mike Evans ASA  
Region 5 Governor Greg Ansel ASA

Anyone interested in being an active participant in the chapter should contact Doug Baxter at [DBaxter@hobartappraisals.com](mailto:DBaxter@hobartappraisals.com) and attend a BOD meeting.

## Images:

