



American Society of Appraisers
Minutes
Board of Governors Teleconference
February 17, 2009

International President Ronald M. Seaman called the meeting to order at 1:02 p.m. Eastern time.

International Secretary/Treasurer Robert C. Schlegel called the roll.

International President	Ronald M. Seaman, FASA
International Senior Vice President	Michael H. Evans, FASA
International Secretary/Treasurer	Robert C. Schlegel, ASA
International Past President	John D. Willey, FASA
Governor, Region 1	Timothy A. Griffith, ASA
Governor, Region 2	James R. Tisch, ASA
Governor, Region 3	Bradford James Southern, ASA - absent
Governor, Region 4	Edward G. Detwiler, ASA
Governor, Region 5	James O. Brown, ASA
Business Valuation Governor	James M. Hill Jr., ASA
Business Valuation Governor	Daniel R. Van Vleet, ASA
Gems & Jewelry Governor	Jennifer J. Thornton-Davis, ASA*
Gems & Jewelry Governor	Gary L. Smith, ASA*
Machinery & Technical Specialties Governor	Jack Washbourn, ASA
Machinery & Technical Specialties Governor	Alan C. Iannacito, ASA
Personal Property Governor	Nelson O. Clayton, ASA
Personal Property Governor	Edith (Edie) M. Yeomans, ASA
Real Property Governor	Richard W. Gilmore, FASA
Real Property Governor	William P. Wilson III, ASA
Executive Vice President	Laurie M. Saunders
Legal Counsel	Jerome C. Schaefer, Esq.
Parliamentarian	H. Edward Morris Jr., ASA
Chief Finance and Operations Officer	Harriet S. Cutshall, CPA
Recorder	Susan R. Fischer

Guest

Chair, ASA Ethics Committee	J. Mark Penny, ASA
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*Master Gemologist Appraiser®

A quorum was established and President Seaman asked the board members for any changes or additions to the minutes from the January 17-18, 2009 Midterm meeting. None were given and the minutes were approved as written.

Discipline Committee comments on the discipline centric proposal outlined at the January 2009 Midterm meeting (re-write of Resolution No. 01-09-02)

President Seaman asked Governor Clayton to begin the discussion with comments from the Personal Property Committee. Governor Clayton said that the re-write of Resolution 01-09-02 was adequate to the

extent that it covered Administrative Rule XVII but that questions could be raised regarding other changes that will need to be made to the ASA Bylaws and Administrative Rules.

Governor Clayton continued by asking two additional questions; (1) what does a Discipline Committee do if it cannot field two candidates to run for a seat on the Board of Governors and (2) do mergers require full approval of both the Board of Governors and the full membership. Counsel Schaefer explained that a merger will require a vote of both the Board of Governors and the full membership.

Governor Clayton asked if a Discipline Committee wants to add an unplanned event to their budget, can the committee get the approval of the Budget and Finance Committee and bypass the Board of Governors. President Seaman responded and said that it depends on the size of the event; if the event exceeds the committee's budget, approval is needed from the Budget and Finance Committee. President Seaman said that approval of the board is not always needed and that the common practice has been that, if a major event is involved, then the board's approval is needed. If the event is not a major one, then the board's approval is not needed. Governor Clayton said that, if this is common practice, then Section 2, J. of Resolution 02-09-01 needs further comment. At President Seaman's suggestion, Governor Clayton agreed to raise this question again when Resolution 02-09-01 is discussed later in the call.

President Seaman asked if the Business Valuation Governors would like to add anything to the documents they presented. Governor Van Vleet said that he had spent time reviewing the ASA Bylaws and Administrative Rules and felt that any decision that the board makes during today's call would only fix a minor part of the whole problem. He strongly suggested taking a fresh look at the ASA Constitution, Bylaws and Administrative Rules and doing a major re-write of these documents. Governor Van Vleet said he came to the conclusion that fourteen different elements of the Bylaws and Administrative Rules need revisions and that this resolution deals with only one Administrative Rule. He stressed that this is a relatively complex issue and cannot be dealt with in one resolution.

President Seaman asked Governor Van Vleet how he would solve the problem of completely re-writing the Bylaws and Administrative Rules. Governor Van Vleet said he envisioned a group of a limited number of people tackling the existing documents and, within thirty days, distributing their work to the board and the various committees and allowing a thirty day comment period. Following the comment period the group, within an additional thirty days, would produce a resolution that would modify and simplify the rules that govern the Society.

Parliamentarian Morris said that he did not disagree with Governor Van Vleet that the ASA Bylaws and Administrative Rules need an extensive revision. He said that the Constitution and Bylaws Committee discussed a major revision of these documents last July and had obtained from Legal Counsel, samples of bylaws from other associations. He added that the committee felt that the discipline centric revisions and the revisions to the Constitution, Bylaws and Administrative Rules should be done in concert with each other.

Governor Van Vleet said that discipline centric concepts are defined by the Constitution, Bylaws and Administrative Rules. He said that they are interwoven with each other and have to be done at the same time.

Governor Wilson said that this resolution can begin the process of cleaning up the Bylaws and Administrative Rules. Governor Clayton said that the board was told that the International Education Committee is not able to move forward with their programs and that the Real Property Committee's negotiations with NAIFA are on hold and asked if approval of this resolution would help those two committees to move forward. Governor Wilson said that passage of this resolution would help the Real Property Committee.

Governor Hill said that the resolution changes only one of the Administrative Rules and that we need to make changes to the overall document. He said that if the resolution only changes one piece of the whole document, then it is a little premature. He added that he does not want to slow the process but that it should be done right.

Resolution No. 02-09-01 (revision of Resolution 01-09-02)

Therefore be it resolved that Administrative Rule XVII, Section 2 of the Administrative Rules of the American Society of Appraisers be changed to read as follows:

ADMINISTRATIVE RULE XVII—Standing and Other Committees

SECTION 2—Discipline Committees

As authorized by the Society's bylaws, the Board of Governors has deemed it to be appropriate to departmentalize the membership of the Society into sections covering specialized fields of appraising. Said sections are entitled *disciplines*. Each discipline has a committee.

Each committee has delegated authorities and responsibilities as set forth herein. Under this delegation of authorities and responsibilities the Board of Governors retains oversight authority for the society. Those authorities and responsibilities which are not specifically granted to the Discipline Committees are reserved for the Board of Governors.

A. The discipline committees are the:

Appraisal Review and Management Committee
Business Valuation Committee
Gems and Jewelry Committee
Machinery and Technical Specialties Committee
Personal Property Committee
Real Property Committee

B. The membership of a discipline shall comprise all Candidate Members, all Accredited Members, Accredited Senior Appraisers and Fellows of the Society who seek or hold a designation in that discipline.

C. The objective and purpose of each Discipline Committee shall be to function as operational management centers for their membership of the discipline and to foster, develop, and define sound appraisal practices, standards, and techniques on which valuation in the specialized field should be based.

D. The Discipline Committees shall be responsible for providing the following:

1. discipline-specific education, training, and other support in accordance with their members' needs and demand in the market for educational services. When education materials or services involve multi-disciplinary aspects, the respective Discipline Committees shall cooperate and coordinate the development of the educational materials and scheduling/presentation of the education. The Board of Governors shall have authority to review and resolve any conflicts between the respective disciplines' materials with respect to the content and/or valuation theory and methodology involved.
2. discipline-specific publications, including textbooks, articles and/or products. When published material involves multi-disciplinary aspects, the Board of Governors shall have authority to review and resolve any conflicts between the respective discipline's materials with respect to the content and/or valuation theory and methodology involved.
3. discipline-specific marketing and promotion, including conferences, symposia or forum events. When such efforts/activities involve multi-disciplinary aspects, the Board of Governors shall have the authority to review and resolve any conflicts between the respective disciplines' materials with respect to the content and coordination of the event with other events by other disciplines and/or the entire Society.

- E. The Discipline Committees shall provide to the Board of Examiners technical examinations in their disciplines.
- F. Each Discipline Committee shall include in its reports to the Board of Governors copies of the Discipline Committee minutes and budget.
- G. Each Discipline Committee may establish its own organizational structure and rules of procedure subject to the approval of the Board of Governors and subject to the articles of incorporation, constitution, and bylaws of the American Society of Appraisers to facilitate accomplishment of its objectives and the performance of its functions. Such rules and procedures shall ensure that the committees reflect regional representation, with such regions being determined by them in accordance with their members' needs.
- H. The disciplines of Business Valuation, Gems and Jewelry, Machinery and Technical Specialties, Personal Property and Real Property are each provided with two seats on the Board of Governors, to be selected by procedures set out in the discipline organizational structures and rules of procedure. The discipline governors shall be nominated by the appropriate discipline committee or by a petition signed by any group of fifty (50) or more accredited members of the discipline. There shall be at least two candidates submitted to the discipline members as nominees for the election of each discipline governor.
- I. Merger and consolidation discussions are to originate and be conducted at the Discipline Committee level by the Discipline Committee or Committees that would receive the new members. The Discipline Committee(s) shall consider and recommend mergers, consolidations and other affiliations unique to the discipline to their members for approval and, subsequent to that approval, to the Board of Governors for their concurrence, and the concurrence of the membership of the society.
- J. Each Discipline Committee shall:
 - 1. Prepare, in accordance with the ASA International Budget and Finance Committee's schedule, content requirements and for their approval, an annual operating business plan and budget, which shall include a strategic plan for development of membership and delivery of services and benefits to the discipline's members according to their needs.
 - 2. Provide for funding of the discipline's operation through revenue generation, ASA International membership dues apportionment, and service/product revenues.

Each Discipline Committee's authorities and responsibilities are granted by the Board of Governors. Each discipline may contract on behalf of ASA International under delegated contracting authority that is evidenced by the Budget and Finance Committee's approval and subsequent Board of Governors acceptance of the Society's Business Plan and Budget (which incorporates each Discipline Committee's individual approved business plan and budget). However, any such contract must be signed by the Executive Vice President. Discipline-related activities that extend beyond the approved Business Plan and Budget require specific prior approval by the Budget and Finance Committee and final approval of the Board of Governors.

Resolved by John D. Willey, FASA and seconded by Robert C. Schlegel, ASA and William P. Wilson III, ASA

Past President Willey said that the Board of Governors has reserved certain authorities for itself and that this resolution transfers those powers and authorities to the Discipline Committees. The resolution focuses on the powers that the board now wants to give to the Discipline Committees.

Secretary Schlegel said that the board is turning these powers over to the Discipline Committees and that this resolution will be a capstone to get everything else in sync and will also give progress to the Real Property Committee's negotiations with NAIFA. Governor Wilson added that the resolution is a starting point for the rest of the work that needs to be done. Senior Vice President Evans commented that the Education

Committee, the Long Range Planning Committee, the Constitution and Bylaws Committee and others are also waiting for this resolution to start their work.

Since not all Candidate Members seek a designation, Governor Hill and Governor Detwiler proposed a “friendly” to section B. to read:

B The membership of a discipline shall comprise all Candidate Members, all Accredited Members, Accredited Senior Appraisers and Fellows of the Society ~~who seek or hold a designation~~ in that discipline. The maker and seconders of the resolution agreed to the change.

Governor Detwiler raised a question regarding section D. that gives the Board of Governors authority to resolve disputes between the disciplines. He asked; if the disciplines are acting independently of each other, how will they know what each other is doing and who will identify a dispute? President Willey said that the Leadership calls will provide an opportunity for interdisciplinary discussion and Governor Wilson said that section F. of the resolution requires the Discipline Committees to send copies of their meeting minutes and budgets to the Board of Governors.

Governor Detwiler still disagreed and also asked about the numbers stated in section H. of the resolution saying that some disciplines have very few members and that nominations by 10% of the members of a discipline is a more realistic figure. Governor Iannacito agreed and proposed a “friendly” to add “10% of the members of the discipline” to section H. of the resolution. The maker and seconders agreed to amend section H. to read:

“H. The disciplines of Business Valuation, Gems and Jewelry, Machinery and Technical Specialties, Personal Property and Real Property are each provided with two seats on the Board of Governors, to be selected by procedures set out in the discipline organizational structures and rules of procedure. The discipline governors shall be nominated by the appropriate discipline committee or by a petition signed by any group of fifty (50) or more accredited members of the discipline or ten per-cent (10%) of the accredited members of the discipline, whichever is the lesser number. There shall be at least two candidates submitted to the discipline members as nominees for the election of each discipline governor.

Governor Yeomans asked if section C. would bring us into conflict with our non-profit status and Counsel Schaefer said that this will not cause us to lose our tax exempt status.

Governor Clayton expressed a concern about Section J. 2., asking that a specific amount of money be provided for discipline related activities that extend beyond the discipline’s approved budget. On the advice of Legal Counsel and Parliamentarian Morris, all agreed to add a specific dollar amount to this section of the resolution. Section J. 2. was amended to read:

J. 2. “Provide for funding of the discipline’s operation through revenue generation, ASA International membership dues apportionment, and service/product revenues.

Each Discipline Committee’s authorities and responsibilities are granted by the Board of Governors. Each discipline may contract on behalf of ASA International under delegated contracting authority that is evidenced by the Budget and Finance Committee’s approval and subsequent Board of Governors acceptance of the Society’s Business Plan and Budget (which incorporates each Discipline Committee’s individual approved business plan and budget). However, any such contract must be signed by the Executive Vice President. Discipline-related activities that extend \$15,000 beyond the approved Business Plan and Budget require specific prior approval by the Budget and Finance Committee and final approval of the Board of Governors.”

President Seaman called the question and asked for a roll call vote.

International President
International Senior Vice President

Ronald M. Seaman, FASA - yes
Michael H. Evans, FASA - yes

International Secretary/Treasurer
 International Past President
 Governor, Region 1
 Governor, Region 2
 Governor, Region 3
 Governor, Region 4
 Governor, Region 5
 Business Valuation Governor
 Business Valuation Governor
 Gems & Jewelry Governor
 Gems & Jewelry Governor
 Machinery & Technical Specialties Governor
 Machinery & Technical Specialties Governor
 Personal Property Governor
 Personal Property Governor
 Real Property Governor
 Real Property Governor

Robert C. Schlegel, ASA – *yes*
 John D. Willey, FASA - *yes*
 Timothy A. Griffith, ASA - *yes*
 James R. Tisch, ASA - *yes*
 Bradford James Southern, ASA - *absent*
 Edward G. Detwiler, ASA - *yes*
 James O. Brown, ASA - *no*
 James M. Hill Jr., ASA - *no*
 Daniel R. Van Vleet, ASA - *no*
 Jennifer J. Thornton-Davis, ASA* - *abstain*
 Gary L. Smith, ASA* - *yes*
 Jack Washbourn, ASA - *yes*
 Alan C. Iannacito, ASA - *yes*
 Nelson O. Clayton, ASA - *yes*
 Edith (Edie) M. Yeomans, ASA - *yes*
 Richard W. Gilmore, FASA - *yes*
 William P. Wilson III, ASA - *yes*

Resolution No. 02-01-09 passed with fourteen “yes” votes, three “no” votes and one abstention.

Resolution No. 02-01-09 (Final)

Whereas, the American Society of Appraisers has been working on its discipline-centric governance model for some time, and

Whereas, ASA President Seaman formed a governance task force to develop a recommendation to be submitted to the Society’s Board of Governors at the 2009 Mid-Term Meeting. One of the recommendations submitted by this task force was to modify the discipline committees’ responsibilities, duties and authorities.

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Resolved by John D. Willey, FASA and seconded by Robert C. Schlegel, ASA and William P. Wilson III, ASA.

Old Business

IT Report

Secretary/Treasurer Schlegel and Chief Finance and Operations Officer Cutshall said that the IT staff has been working with the representatives from Aptify and are in the middle of the implementation of the AMS system.

Audit Fees Update

Secretary/Treasurer Schlegel said that the audit firm will bill us for \$45,000, which was the amount budgeted for the 2007-08 Fiscal Year. He added that the audit firm still has a couple of tax forms (990's) in process and if additional work needs to be done, we will be billed for that extra work.

Update on RateSearch

Counsel Schaefer said that Mr. Schultz and Mr. Luster have both plead guilty in federal court and that Mr. Schultz's sentencing is set for March 5, 2009. Counsel Schaefer explained that, in federal court, we have the opportunity to file a victim impact statement and a restitution request, which he will do with the assistance of Chief Finance and Operations Officer Cutshall. Counsel Schaefer said that he does not have a firm feeling as to what restitution we may receive.

Governor Yeomans asked if we can expect to receive any measurable restitution. Counsel Schaefer further explained that each individual defendant will be standing on his own and it will be difficult for the court to look at assets that they own individually. The only assets that are accessible are those that are individually owned. Counsel Schaefer said that the court will order some restitution but they may look at us as an institution, not as an individual, and that there are individual victims involved.

Other Business

ASA Election/Campaigning Policy

President Seaman explained that the Ethics Committee had been asked to draw up recommendations for campaigning during the ASA elections for the Board to consider as a policy change.

Mark Penny, Chair of the Ethics Committee, gave a summary of the committee's consideration of three areas of campaigning during the elections; (1) content of the communication, (2) access to ASA officers' blast email lists, and (3) endorsements of candidates. In response to several questions asking why a timeline was not specified in the policy, Mr. Penny said that the committee did not see a specific need to define a time period. Recorder Susan Fischer explained that ASA Headquarters will be providing the candidates' bios and pictures on the ASA Web Site in mid March and that the ballots will go out by April 15th and will close within thirty days.

President Seaman asked for a voice vote of all those in favor of accepting the Ethics Committee recommendations as ASA policy. There was no opposition and the ASA Election/Campaign Policy was approved.

ASA Election/Campaign Policy Recommendations

Campaign communication shall be in accordance with the following guidelines:

Regarding communications sent by ASA Headquarters

- In addition to the posting of each candidate's authorized biography form on the ASA Web Site, ASA Headquarters will provide up to two opportunities to each candidate to communicate to their electorate, 250 words or less. ASA will facilitate delivery of those communications. These communications will clearly indicate that they are promotional communications from the candidate.

Regarding communications outside of those sent by ASA Headquarters:

- Communications must not be untruthful.
- Communications must be civil in tone and promote civility and be in compliance with Section 5 of the ASA Principles of Appraisal Practice and Code of Ethics.
- To the extent that opinions are expressed, these opinions must be the personal opinions of the candidate and must be clearly identified as such.
- An ASA official(s) who has (have) access to an ASA proprietary email list or blast email capability can express his or her or their own opinion in an email endorsing a candidate provided that such endorsement must be clearly identified as the opinion of those transmitting the endorsing communication.
- If access to a proprietary email list or use of ASA provided blast email capability is provided to one candidate by an ASA official(s) for purpose of direct communication by that candidate, equal access to the same proprietary list or blast email capability must be provided to the other candidates as well. If the ASA official(s) who grants access to one candidate refuses to offer equal access, ASA may take remedial action and provide equal access. The ASA official(s) violating this "equal access" policy can be subject to sanction.

President Seaman formally asked the Constitution and Bylaws Committee to undertake the task of rewriting and revising ASA's governing documents. He asked Parliamentary Morris to provide to the board, by next month's call, a work plan for this project and to also provide a list of the committee members to ensure a democratic review of the governing documents. Parliamentary Morris agreed.

The Board of Governors' meeting adjourned at 2:30 p.m. EST.

Respectfully submitted by Susan Fischer on behalf of



Robert C. Schlegel, ASA
International Secretary / Treasurer