



American Society of Appraisers
Minutes
Board of Governors Teleconference
June 16, 2009

International President Ronald M. Seaman called the meeting to order at 1:00 p.m. EDT.

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 - absent
Governor, Region 3	Bradford James Southern, ASA
Governor, Region 4	Edward G. Detwiler, ASA - absent
Governor, Region 5	James O. Brown, ASA
Business Valuation Governor	J. Michael 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 - absent
Chief Finance and Operations Officer	Harriet S. Cutshall, CPA
Recorder	Susan R. Fischer

Guests

Chair, RICS Exploratory Unification Committee	Donna J. Walker, FASA
College of Fellows	Lee P. Hackett, FASA
Region 2 Governor-Elect	Sharon Moore Bettius, ASA
Region 4 Governor-Elect	Mary A. O'Connor, ASA
Region 5 Governor-Elect	Gregory S. Ansel, ASA

*Master Gemologist Appraiser®

A quorum was established and President Seaman asked the board members for any changes or additions to the minutes from the May 19, 2009 teleconference. No comments were given and the minutes were approved as submitted.

Approval of MTS Governor Replacement

Executive Vice President Saunders explained that since Governor Washbourn was elected to the position of International Secretary/Treasurer, his seat on the board as MTS Governor needs to be filled effective July 11, 2009. Executive Vice President Saunders said that it is the privilege of the board to approve someone other than the person nominated by the MTS Committee and added that the MTS Committee has nominated Charles C. Dixon, ASA to complete Governor Washbourn's term. President Seaman opened the floor for additional nominations; none were given. Senior Vice President Evans made a motion to accept the nomination of the MTS Committee of Charles C. Dixon, ASA for MTS Governor. Past President Willey seconded the motion. The motion passed by a unanimous vote.

Financial Reports

Secretary/Treasurer Schlegel said that he is more optimistic now than he has been in the past nine months and added that he is confident that the reports will show over \$150,000 to the good by June 30, 2009. He said that additional revenue has come in stronger than anticipated.

Chief Finance and Operations Officer Cutshall said that she expects net activity of a positive \$167,000 on the consolidated report at the end of May. She said that she is still rounding up some education charges but that dues revenue is on target and that education revenue is running 20% below projections but that this drop in education was expected. She added that she expects to have year end projections by the end of this month.

Old Business

RICS Exploratory Unification Task Force Update

Chair Donna Walker said that the task force is in the process of revising their draft report and that she expects to release the final report soon. In response to a question asked by Governor Van Vleet, Ms. Walker said that the report will be ready to be delivered to the Board of Governors in advance of their meeting in Orlando.

President Seaman commented that a Webinar has been scheduled for June 30, 2009 to (1) explain to attendees how RICS Americas operates and (2) provide a question and answer period after the presentation. Tom Justin, the President of RICS Americas will be giving the presentation and that the registration for the Webinar is open to all ASA members.

IT Progress Report

Secretary/Treasurer Schlegel said that he sensed some discord about the availability of cost information for the new IT system, but that this should be a "non-issue" with forthcoming detailed information to the Governors at the Annual Meeting. He said that we intend to capitalize \$338,000 for spending on Aptify implementation made during the 08-09 fiscal year. Secretary/Treasurer Schlegel said that membership, education, accreditation/reaccreditation elements, sales, publications processes and key website interactions will go live on July 1. He said that he does not feel that this information is inconsistent with anything that has been shared in the past. He said that there are always unanticipated "bugs" in the installation of any software system.

Chief Finance and Operations Officer Cutshall said that two key IT team members will be in Orlando to demonstrate the new system and that she will have the financial data available to the leadership group prior to the Board meetings in Orlando.

Secretary/Treasurer Schlegel also commented that the BV Committee selected Cool Life as their marketing and web based service and that work is in progress to give Cool Life access to BV members' demographic data in the Aptify database.

Governor Clayton asked a question about the type and amount of access to the system that will be allowed to the discipline committees and said that there is some confusion as to what the disciplines can and cannot do.

Chief Finance and Operations Officer Cutshall said that the content management system can be open to outside users to be able to edit web content and, to some degree, to be able to set up events. She added that we will offer what can be done without purchasing additional licenses. Secretary/Treasurer Schlegel said that governors and other leadership will be able to run reports at their own desks and Chief Finance and Operations Officer Cutshall said that certain functions, such as the membership processes, will be done at Headquarters but that more data will be available to others in a more user friendly format.

Executive Vice President Saunders asked Governor Clayton for an example of the type of information about which he is concerned. Governor Clayton said that the Personal Property Committee would like to get member feedback on reciprocity with RICS. Chief Finance and Operations Officer Cutshall said that this type of communication will still be available and will not be limited or restricted.

Governor Clayton asked what processes will be done by Headquarters. Chief Finance and Operations Officer Cutshall answered and said that Headquarters will run education courses, the application process and the accreditation and reaccreditation processes and added that members will be encouraged to update their profile so that the disciplines will have current and useful data in the reports. Executive Vice President Saunders added that members will be able to update their own reaccreditation records.

President Seaman said that this is an important topic that needs to be aired for all of the governors. He asked Governor Clayton to work with Chief Finance and Operations Officer Cutshall and Secretary/Treasurer Schlegel on these issues and report to the Board in Orlando as to who will be capable of doing what, once the Aptify system goes live. Governor Clayton agreed.

CICBV Proposal

Secretary/Treasurer Schlegel said that the task force anticipates developing a draft report by the end of June and will present a final report to the Board during their meeting in Orlando.

Resolution No. 05-09-01

Therefore be it resolved that the Executive Committee will prepare a written report (the “Report”) that will disclose the following: (1) a description of the nature and overall direction of the current discussions of the relevant topics with RICS by any member of the ASA Committees; (2) any professional designations or positions offered, granted, or promised to be granted by RICS to any member of the ASA Committees; (3) any actual or perceived conflicts of interest that any member of the ASA Committees may have related to RICS; (4) a detailed description of all requests by RICS for any documents, financial information, or intellectual property of the ASA; and (5) a detailed description of all documents provided, or expected to be provided, by the ASA to RICS related to any discussions regarding the relevant topics.

Furthermore, the Executive Committee will prepare and disseminate the Report to all ASA members in good standing prior to (1) the transfer of any further documents, financial information, or intellectual property of the ASA to RICS and (2) any further discussions of the relevant topics by any member of the ASA Committees with RICS.

Furthermore, the Executive Committee will update the contents of the Report and disseminate it to all ASA members in good standing every 90 days after the issuance of the first Report until such time that all discussions involving the relevant topics by any member of the ASA Committees with RICS are officially terminated.

Resolved by Daniel R. Van Vleet, ASA and seconded by James O. Brown, ASA

Resolution No. 05-09-01 was tabled during the May Board of Governors call. Governor Van Vleet, the maker of the resolution, said that he is interested in Donna Walker’s report from the RICS Exploratory Task Force and is also interested in the RICS informational Webinar scheduled for June 30, but he still expressed concern about RICS’ recruitment of prominent ASA members for their Valuation Council and other activities that are going on. Governor Brown, the seconder of the resolution had no additional comments.

Governor Iannacito asked if we are talking about providing financial documents to RICS now. Governor Van Vleet answered and said that there have been multiple inquiries by RICS to the BV Committee to provide educational information and financial documents. Governor Iannacito said that education is public information on the ASA Website and asked why we would give anything else to RICS. Governor Van Vleet said that we did not give them anything else but that they are asking.

Governor Clayton said that we don't know the extent of contacts made by RICS and added that the Personal Property Committee was contacted by RICS as well. In response to Governor Wilson's comment that he has been solicited by AI many times for membership, Governor Van Vleet said that this is not the same thing; that RICS is going through the back door. Senior Vice President Evans said that he doesn't know that we can, and doesn't know that we should, police RICS' recruitment of members. He added that RICS was asking a lot of questions and we weren't comfortable with some of the questions they were asking and we said "no".

Past President Willey said that we are not able to control the actions of individuals. He said that this resolution has many negatives and that the report from the RICS Exploratory Task Force and the RICS informational Webinar may answer a lot of these questions.

Governor Yeomans commented that this resolution is a reminder to us of our fiduciary responsibilities. She said that she thinks that RICS is going around the back door and that she was asked to help them plan events. She said that it seems, on the part of RICS, to be an aggressive movement to bring us in without respect to process. Governor Yeomans said that this is a reminder that we have fiduciary responsibilities and that our organizations are in negotiations and we should make it clear that we feel that this is not appropriate or proper.

Lee Hackett said that he received a RICS designation approximately two years ago and added that, if there is this much concern then President Seaman and Ms. Walker should have a chat with their counterparts at RICS. President Seaman said that he had this discussion with Tom Justin and Matthew Bruck at RICS approximately three weeks ago.

Governor Brown said that he was also approached by RICS to become a member of their Valuation Council. He said that he spoke to Brian Glanville of RICS and that Mr. Glanville referred to Donna Walker's committee as a "transition" committee when it is actually an exploratory committee. He said that we need to ask "how do I benefit from this merger?" He said that a process has been set up but that some people are going around it.

Governor Smith said that he has been unable to get information on how Gems & Jewelry fits into RICS. Ms. Walker said that her group addresses this in their report.

Governor Iannacito asked why the word merger was being used and Governor Van Vleet said that no matter what it is called, when RICS has done this with other organizations, the other organizations have disappeared.

Ms. Walker said that the ASA Exploratory Task Force addresses all of these concerns in their report. She said that our task force was told to look at the merger of our two organizations and that our discussions with RICS came out of our efforts to bring about unification of the entire profession. Ms. Walker said that the last time we talked about unification, we tried to establish a new organization. She said that we need to know what we are talking about.

Both Past President Willey and President Seaman agreed that this resolution is premature. Secretary/Treasurer Schlegel said that he understands Governor Van Vleet's desire for transparency and asked that he leave the resolution on the table and bring it up in Orlando. Governor Van Vleet said that he is sympathetic to the thought of getting more information but that he felt that something should be done. He added that he is willing to wait until the RICS report but that people need to know that we are watching.

Past President Willey called the question.

Governor Van Vleet said that he is willing to withdraw the resolution until after Ms. Walker's report and the discussion in Orlando. Governor Brown agreed. The resolution was withdrawn.

Resolution No. 06-09-01

Therefore be it resolved that the requirement for an applicant for the Affiliate (Student) grade of membership be enrolled full or part time in an accrediting college or university as stated in Administrative Rule VIII, Section 1. B., Affiliate (Student), 1. be changed to: "...be enrolled full or part time in a trade or professional certificate school or college or university."

Be it further resolved that the requirements for the Affiliate (Student) grade of membership include the following and will be added to Administrative Rule VIII, Section 1, B., Affiliate (Student) 3.: "The Affiliate (Student) member may enroll in any ASA Principal of Valuation course provided that the individual is not a designated member of another appraisal society, is not a practicing appraiser or apprentice appraiser, and does not intend to practice as an appraiser or apprentice appraiser while in the grade of Affiliate (Student)."

Be it further resolved that all other requirements for the Affiliate (Student) grade of membership remain intact.

Resolved by Jennifer J. Thornton-Davis, ASA and seconded by Timothy A. Griffith, ASA

Resolution passed unanimously.

Reports from Discipline Governors on reciprocity with RICS

President Seaman said that he had received two written reports, one from the Personal Property Committee and one from Machinery and Technical Specialties. After a brief discussion of the recommendations for RICS member reciprocity with ASA Personal Property accreditation requirements, Donna Walker explained that the Board of Examiners does not have the final say on reciprocity agreements; the Board of Governors has the final authority. President Seaman asked Governor Clayton to prepare a resolution for the Board of Governors meeting in Orlando.

Governor Iannacito said that MTS has no platform for reciprocity of designations with RICS at this time, but that the committee will address this issue at their next meeting in Orlando and will prepare a plan. The committee expects to have a resolution for the Board's August conference call.

Governor Smith said that he was having trouble finding information about RICS that relates to Gems & Jewelry. President Seaman asked Governor Smith to contact Donna Walker for this information.

President Seaman said that he is under the impression that RICS reciprocity with Real Property is already covered in their PEECP resolution. Governor Wilson said that this is correct and that Real Property has a report that matches RICS requirements and ASA requirements. Executive Vice President Saunders said that Headquarters has information that was published by Real Property in June and added that she will find this information and report back to the Board.

Update on inactive chapters

Governor Southern said that he felt that the process was worthwhile and said that one branch in Region 3 is being resurrected and that a few other inactive chapters will be moved into active chapters. President Seaman asked Governor Southern to prepare a resolution for the Orlando Board meeting to resolve the status of these inactive chapters.

Chapter dues

Executive Vice President Saunders explained that both the Budget and Finance Committee and the Board of Governors agreed to charge the chapters a \$10 per member fee to help cover Headquarters administrative costs. This fee would come out of the chapter rebates. She said that a letter to chapter presidents was developed, then reviewed by legal counsel, who suggested that it would be much more efficient, transparent

and straightforward to change Administrative Rule X to reflect an increase in base dues of \$10 and a decrease in chapter dues by \$10 resulting in a net effect of “0” for members.

Counsel Schaefer said that Administrative Rule X provides for international dues and chapter dues that were long ago established by the Board. Chapter dues are collected by Headquarters along with ASA dues payments and held in trust by HQ for the chapters. Changing the amount of chapter dues could be legally done in the way it was proposed by the Budget and Finance Committee but that it is a complicated way of making the change. The Board of Governors has full authority to change international dues and chapter dues and should act in this way to collect the additional funds necessary for HQ operations to support chapters.

Region 4 Governor-Elect Mary O’Connor asked why reallocation of funds is necessary and said that it sends a negative message to the chapters.

Secretary/Treasurer Schlegel said that there is a great deal of activity and support for the chapters by Headquarters and that the cost per member for these services was determined to be \$15.00 per member. He added that this was a solution that was proposed in an effort to balance the budget for the 2009-10 fiscal year and to also appropriately fund HQ for its service to chapters.

Counsel Schaefer asked if this charge to the chapters is intended to be for this year only, or for successive years. If it is meant for one year only, then another resolution would simply need to be made for next fiscal year to change the dues again.

President Seaman asked Secretary/Treasurer Schlegel and Governor Washbourn to draw up a resolution to facilitate this chapter fee in time for the Board meeting in Orlando. Secretary/Treasurer Schlegel and Governor Washbourn agreed.

Nominations for Budget & Finance Committee members and Nominating & Awards Committee member

Executive Vice President Saunders explained that the Board appoints two members to the Budget and Finance Committee and one member to the Nominating and Awards Committee each year. She said that the Budget and Finance Committee members must be members of the Board of Governors and that the member of the Nominating and Awards Committee must be from the Real Property Discipline. The Budget and Finance Committee members serve a one year term and Nominating and Awards Committee members serve three year terms. She said that the approval of these nominations will be made during the 2009-10 Board of Governors meeting in Orlando and asked the board members to think about possible nominees for these positions. She noted that a list of potential candidates for the Nominating and Awards Committee were included with the board materials.

Discussion

Governor Yeomans initiated discussion regarding the requirement that beginning on January 1, 2010, Canadian appraisers must comply with IVSC standards instead of USPAP standards. She said that this is a major concern for Personal Property appraisers who want to work with USPAP standards but, if they do, they will not be in compliance with international standards beginning in 2010. Governor Yeomans added that she is a member of an ad hoc committee of the Toronto chapter that has been appointed to deal with these issues and that a resolution may be written to propose to the board so Canadian ASA’s can continue to work under a set of standards. She said that AIC is the only one that has been very proactive in developing and changing USPAP so that they comply with IVSC and so their members comply with IFRS.

Governor Yeomans said that the Madison Agreement was signed in 2006 to enable The Appraisal Foundation and the IVSC to work together to amalgamate standards to allow appraisers to work under standards that comply with both organizations. She said that this agreement was not followed to completion and she expressed concern that the AIC is all real estate and that there are not many standards that relate to Personal Property. President Seaman asked Governor Yeomans to keep the Board abreast of the developments. Governor Yeomans said that she will be making a report to the Board in Orlando.

Lee Hackett said that he had been a signatory of the Madison Agreement and that it did go dead for about a year. He said the two groups, the IVSC and The Appraisal Foundation, are getting back together to address the standards issues and added that The Appraisal Foundation has assigned a task force to address valuation on financial reporting with FASB and IVSC and that we should look for something to come from this group.

The Board of Governors' meeting adjourned at 2:20 p.m. EDT.

Respectfully submitted by Susan Fischer on behalf of

A handwritten signature in black ink, appearing to read "Robert C. Schlegel". The signature is fluid and cursive, with the first name "Robert" and last name "Schlegel" clearly distinguishable.

Robert C. Schlegel, ASA
International Secretary / Treasurer