



American Society of Appraisers
Minutes
Board of Governors Teleconference
June 30, 2011

International President Robert C. Schlegel called the meeting to order at 1:02 PM EDT.

Governance Manager Susan Fischer called the roll of the 2010-2011 Board of Governors.

International President	Robert C. Schlegel, ASA
International Senior Vice President	Jack Washbourn, ASA
International Secretary/Treasurer	Daniel R. Van Vleet, ASA
Governor, Region 1	Timothy A. Griffith, ASA
Governor, Region 2	Sharon Moore Bettius, ASA
Governor, Region 3	Bradford James Southern, ASA - absent
Governor, Region 4	Mary A. O'Connor, ASA
Governor, Region 5	Gregory S. Ansel, ASA - absent
Business Valuation Governor	J. Michael Hill Jr., ASA
Business Valuation Governor	Terry J. Allen, ASA
Gems & Jewelry Governor	Mona L. Miller, FASA*
Gems & Jewelry Governor	Gary L. Smith, ASA*
Machinery & Technical Specialties Governor	Daniel L. Lagace, ASA
Machinery & Technical Specialties Governor	Charles C. Dixon, ASA
Personal Property Governor	Nelson O. Clayton, ASA
Personal Property Governor	Sheryl Gillett, ASA
Real Property Governor	Paul D. Roberts, ASA
Real Property Governor	William P. Wilson III, ASA

Executive Vice President	Jane S. Grimm
Legal Counsel	Jerome C. Schaefer, Esq.
Parliamentarian	Edith M. Yeomans, ASA
Chief Operations Officer	Bonny F. Price
Governance Manager, Recorder	Susan R. Fischer

College of Fellows Observer	Lee P. Hackett, FASA
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*Master Gemologist Appraiser®

Guests	
International Secretary/Treasurer-Elect	J. Mark Penny, ASA
Business Valuation Governor-Elect	Scott A. Nammacher, ASA
Gems & Jewelry Governor-Elect	Nancy Stacy, ASA
Machinery & Technical Specialties Governor-Elect	Sharon A. Desfor, ASA
Real Property Governor-Elect	Lorrie Beaumont, ASA
Chief Financial Officer	David Villani

Director of Information Technology
Director of Marketing & Communications
Director of Education & Accreditation
Associate Director of Membership & Reaccreditation

Sharlyne Tsai
Christy Jones, MBA
Sabri Math
Susan Houchins

A quorum was established and President Schlegel asked for any additions or corrections to the minutes from the May 24, 2011 Board of Governors teleconference. Governor Smith made a motion to approve the minutes as submitted. The motion was seconded. Motion passed.

Budget and Finance Committee Update

Secretary/Treasurer Van Vleet provided a summary of last week's Budget and Finance Committee teleconference.

- A new expense reimbursement policy for ASA was discussed and suggestions for revisions were subsequently provided. Those suggestions will be reviewed and may be incorporated in the new policy, which is expected to be approved during the next committee meeting.
- An issue with Cool Life (the web company that is currently hosting the BV Committee website) is being reviewed and the Executive Committee is moving forward with an internal strategy to resolve the issue.
- ASA's financial performance to date looks good showing net revenue of approximately \$200,000 for the 2010-2011 fiscal year. The net revenue budgeted for the fiscal year was zero.
- The committee approved a FY12 budget adjustment of \$10,500, the amount requested from ASA by the MTS Committee to complete their new textbook.
- The hiring of an education coordinator at Headquarters to consolidate and coordinate ASA's education structure and delivery was briefly discussed by the committee. Headquarters is currently putting together a list of qualifications and is researching salary requirements in order to be able to make a recommendation to the Board of Governors.
- The committee felt it was premature to address the proposal of the Healthcare Special Interest Group. The planning committee will meet and continue their work and will give a presentation to the BV Committee during their meeting at the annual conference.

Mr. Mark Penny, Chair of the planning group, commented that the proposal is intriguing and merits further discussion. He said concerns have been expressed that the concept of certification/designation of specialties has negative connotations to those who don't have the certification. An additional concern is the multidiscipline quality of the proposal. On the positive side, he noted that healthcare is an expanding industry and offering advanced courses in this area could attract new members. Mr. Penny recommended further review of the proposal by the planning group and the discipline committees.

Governor Smith made a motion to direct the planning group to continue their work reviewing both the proposal and the input from the Board of Examiners. The motion was seconded. Motion passed.

Old Business

Update on Japan Activities

President Schlegel noted that new member applications have been received from forty plus Japanese appraisers, but that receipt of the application fees is still pending. The membership applications will not be processed until full payment is received. He added that Mr. Wakayama plans to attend the annual conference in Washington, DC in August 2011.

Constitution and Bylaws Committee Update

Parliamentarian Yeomans noted a change requested by the Ethics Committee to the revised Administrative Rules, adding the words “or is terminated” to Administrative Rule 4, Section 8, F. Parliamentarian Yeomans said she had no objection to this change.

Governor Wilson asked if the revised Administrative Rules state that chapter membership is required. Parliamentarian Yeomans said that yes, Administrative Rule II, Section 2, Chapters, states “members shall form geographic, discipline or virtual chapters” so all members of ASA must belong to a chapter.

ICBC Task Force Update

Governor Gillett said the task force looked at a merger between the ICBC and the ASA but quickly determined that a merger was not going to happen. She said that members of the ICBC do want to become members of the ASA and that Roger Durkin, Chair of the ARM Committee, proposed that these certified business counselors, the majority of whom are not appraisers, could be incorporated into the ARM discipline.

Governor Gillett expressed concern and asked if non appraisers could be members of the ARM discipline and questioned if it is enough to be a reviewer of appraisals. Sr. Vice President Washbourn said that these are legitimate concerns and that the Executive Committee intends to create a committee to further study the requirements of ARM.

Governor Griffith commented that this sounds like an opportunity to bring in new members and said that not every ASA is necessarily an appraiser and suggested developing a route for these individuals to follow to become designated.

Chapter Issues Update

Governor O’Connor said that the chapter committee (Secretary/Treasurer Van Vleet, Governor Ansel, and Governor O’Connor) all agreed that geographic chapters provide excellent grass roots participation that is beneficial to the Society and that these chapters should be encouraged to do the job they should be doing. The group is determining (1) what a chapter is, (2) the functions a chapter is to perform, (3) the necessity to assist the chapters and provide them with educational content, and (4) committing the necessary resources to the chapters so they are able to do their jobs.

Governor O’Connor said the group is revising the chapter officer manual to define a geographic chapter structure and a virtual chapter structure and will be adding more stringent requirements to the way chapters operate. She added that each region governor is closely reviewing the non functioning chapters in their region.

Regarding individual participation, the group is considering the possibility of everyone being a member of one large virtual chapter and those living within the boundaries of a functioning geographic chapter belonging to that geographic chapter as well. Governor Bettius questioned the structure of the dues payment for those members that belong to both a virtual and geographic chapter and commented that this is not clearly defined in the revised Administrative Rules. Secretary/Treasurer Van Vleet said that a clear definition does make sense but that these concepts are preliminary and still need to be worked out and that the Administrative Rules can be amended to reflect a final plan.

Governor Allen said it is not clear who will develop the education to be provided to the chapters and added that she is concerned if there will be adequate financial and people resources to assist the chapters. Secretary/Treasurer Van Vleet said that these issues will be addressed by the Budget and Finance Committee.

IVSC Update

Governor Allen said that ASA has had a consistent presence at the IIBV meetings with attendance by herself, Mr. Berkemeier, and Mr. Mercer. They have been asked questions and have been given the opportunity to speak on various topics. She said she has participated in promoting the IIBV courses and ASA international courses and that the IVSC supports the IIBV endorsement of International Standards.

Governor Allen said that IVSC is looking for people to participate in their working groups and encouraged the Board members to participate in these groups. She said that the standards release is coming out in July with no substantive changes from the last exposure draft. She noted that future changes to the standards are expected. Governor Allen added that the IVSC expects a Fall exposure of its definitions/glossary and expressed concern that Mr. Chris Thorne is doing the job of revising and adding the definitions by himself. Mr. Lee Hackett, a member of the IVSC Board of Trustees, explained that although Mr. Thorne is doing the work, he does not have the authority to publish anything and added that there is oversight of Mr. Thorne's work.

In response to Sr. Vice President Washbourn's question about Governor Allen's reference to the financial status of the IVSC, Mr. Hackett said that the IVSC has positive reserves and a positive cash flow and has an ongoing effort of seriously contacting groups all over the world for funding. He added that IVSC has received very strong support from the G-20 but that appropriate funding is always of concern.

President Schlegel noted that he, Governor Griffith, and Mr. William Quackenbush attended the recent IVSC meeting in New York and that a Webinar on the revised Standards, in English, will be offered soon.

President Schlegel asked Governor Griffith to report on his attendance at the recent conference of the Appraisal Institute of Canada (AIC). Governor Griffith said the conference was a positive experience and that he met with both the outgoing and incoming presidents of AIC who are interested in collaborating with ASA on education offerings. Governor Griffith explained that AIC utilizes the University of British Columbia for their Real Property education courses.

New Business

Resolution No. 06-11-01

Therefore be it resolved that the Administrative Rules of the American Society of Appraisers, as attached to this Resolution, be and are hereby adopted by the Board of Governors as the Administrative Rules of the Society;

Therefore be it resolved that these Administrative Rules become effectively immediately; and

Therefore be it resolved that the Constitution and Bylaws Committee continue its review of all other governing instruments, with the exception of the Constitution of the Society to ensure conformity and clarity with the Bylaws and Administrative Rules of the Society.

Resolved by Daniel R. Van Vleet, ASA and seconded by Jack Washbourn, ASA.

Parliamentarian Yeomans noted the addition of the words “or is terminated” to Administrative Rule 4, Section 8, F. discussed earlier during today’s call.

Resolution passed, as amended, with one negative vote.

Resolution No. 06-11-01

Therefore be it resolved that Sections 6.4 and 6.5 of the Code of Ethics of the American Society of Appraisers be and are hereby stricken in their entirety from the Code of Ethics;

Therefore be it resolved that the new and amended Sections 6.4 and 6.5, as attached to this Resolution, be and are hereby adopted in their entirety into the Code of Ethics of the American Society of Appraisers by the Board of Governors;

Therefore be it resolved that the new and amended Sections 6.4 and 6.5 of the Code of Ethics become effective immediately;

Therefore be it resolved that Questions 10 and 36, of the USPAP exam be amended immediately to reflect these changes; and

Therefore be it resolved that International Headquarters inform the Membership of the new and amended Sections 6.4 and 6.5 at its earliest convenience.

Resolved by Daniel R. Van Vleet, ASA and seconded by Nelson O. Clayton, ASA.

Resolution was withdrawn and referred to the ASA Ethics Committee for comment and to Sandra Tropper, ASA, Chair of The Appraisal Foundation Advisory Council.

President’s Update

President Schlegel reported that Madam Liu Ping, ASA and Madam Liu Hong Wei plan to attend the ASA Conference and would like to attend the Gems & Jewelry program. Madam Liu Ping plans to speak to the Board of Governors during the annual meeting and has indicated that she is interested in developing a Memorandum of Understanding to be signed during the conference. Madam Liu Ping and Madam Liu Hong Wei would also like to visit the ASA Headquarters office and The Appraisal Foundation office. President Schlegel added that the Chinese have a desire to pursue the Intangible Assets course offering and are interested in being a part of the IIBV.

President Schlegel concluded his remarks by thanking the outgoing governors for their hard work during the past year. The outgoing governors are Governor Hill, Governor Miller, Governor Dixon, and Governor Wilson.

Governor Smith made a motion to close the 2010 – 2011 ASA Board of Governors. Governor Miller seconded the motion. Motion passed.

Parliamentarian Yeomans administered the oath of office to the new members of the 2011-2012 Board of Governors – President Washbourn, Vice President Van Vleet, Secretary/Treasurer Penny, Past President Schlegel, Governor Nammacher, Governor Stacy, Governor Desfor, Governor Clayton, and Governor Beaumont.

President Washbourn thanked former Past President Evans for his guidance and welcomed outgoing President Schlegel as Immediate Past President. He also welcomed the new members of the Board of Governors and new Secretary/Treasurer Mark Penny.

Governance Manager Susan Fischer called the roll of the 2011-2012 Board of Governors.

International President	Jack Washbourn, ASA
International Senior Vice President	Daniel R. Van Vleet, ASA
International Secretary/Treasurer	J. Mark Penny, ASA
International Immediate Past President	Robert C. Schlegel, ASA
Governor, Region 1	Timothy A. Griffith, ASA
Governor, Region 2	Sharon Moore Bettius, ASA
Governor, Region 3	Bradford James Southern, ASA - absent
Governor, Region 4	Mary A. O'Connor, ASA
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Director of Education & Accreditation	Sabri Math
Associate Director of Membership & Reaccreditation	Susan Houchins

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A motion was made and seconded to adopt the Board of Governors Meeting Rules for the 2011-2012 administrative/fiscal year. Motion passed.

Nominations/Appointment of Budget and Finance Committee Member

President Schlegel nominated Governor Clayton to serve as a member of the ASA Budget and Finance Committee for a two year term. The nomination was seconded. The Board unanimously approved the appointment of Governor Clayton as a member of the ASA Budget and Finance Committee for a two year term.

Nominations/Appointment of Nominating and Awards Committee Member

President Washbourn nominated Mr. Lee Hackett, FASA as a member of the Nominating and Awards Committee. The nomination was seconded. The Board unanimously approved the appointment of Mr. Lee Hackett, FASA as a member of the ASA Nominating and Awards Committee for a three year term.

ASA Educational Foundation

Governor Gillett made a motion to adjourn as the ASA Board of Governors and convene as members of the ASA Educational Foundation. Governor Clayton seconded the motion. Motion carried.

Governor Smith made a motion to accept the written report from Mr. Richard Gilmore, Chair of the ASA Educational Foundation. Governor Desfor seconded the motion. Motion passed.

A motion was made and seconded to adjourn as members of the ASA Educational Foundation and reconvene as the ASA Board of Governors. Motion passed.

President's Introduction to the 2011-2012 Year

President Washbourn noted the following accomplishments during the past year:

- The revision of the ASA Bylaws and Administrative Rules which has been a tremendous undertaking.
- The formation of the Chapter Committee which will continue to address the issues of ASA's chapter structure and to identify functioning and non-functioning chapters.
- A new Chief Financial Officer was hired who has made substantial improvements in our financial reporting system.
- Increased outreach in international education.

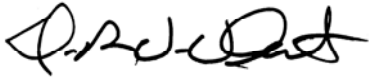
President Washbourn noted the following goals for the coming year:

- Further consolidation of the financial management system.
- Website development and consolidation of the IT system.
- Strengthen ASA's governance structure and reduce the cost of ASA Governance.
- Improve communication between the Executive Committee, the Board of Governors and the Discipline Committees and recognition of Headquarters and its functions.
- Continue ASA's world class Government Relations program.
- Restructure the chapter system.
- Ensure that leadership is functioning properly.

Governor Smith made a motion to adjourn. Governor Gillett seconded the motion. Motion passed.

The Board of Governors teleconference adjourned at 2:30 PM EDT.

Respectfully submitted by Susan Fischer on behalf of:

A handwritten signature in black ink, appearing to read "D. Van Vleet".

Daniel R. Van Vleet, ASA
International Secretary/Treasurer 2010-2011

A handwritten signature in black ink, appearing to read "J. Mark Penny".

J. Mark Penny, ASA
International Secretary/Treasurer 2011-2012