

# **The History of the American Society of Appraisers**

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**American  
Society of  
Appraisers**

*The International Society of Professional Valuers*

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## Contents

Foreword.....	5
Preface .....	6
Acknowledgments .....	7
American Society of Technical Appraisers .....	8
Technical Valuation Society.....	9
Formation of the American Society of Appraisers .....	11
Mergers with ASA.....	12
The American Society of Appraisers.....	13
The Constitution and Bylaws.....	16
Dues and Fees Structure .....	22
Code of Ethics .....	24
ASA Administration .....	28
Assembly of Delegates .....	31
ASA National Office .....	31
ASA Publications .....	33
The Coffman Report.....	37
Life and Honorary Memberships.....	38
Retired Status.....	40
College of Fellows.....	41
The Educational Foundation.....	49
ASA Education .....	50
ASA Advancement Procedures .....	53
Discipline Groups.....	55
Conferences .....	60
Licensing and Recertification .....	62
International Council of Appraisal Organizations .....	63
American Arbitration Association.....	64

Incorporated Society of Valuers and Auctioneers .....	65
Strategy 2000.....	65
International Valuation Standards Committee.....	66
Appendix A: College of Fellows Membership—1954 to 2000*	70
Appendix B: Honorary Members of ASA*	71
Appendix C: Life Members of ASA*	72
Appendix D: Officers and Directors of Educational Foundation*	73

\*(Past and present)

## **Foreword**

Formal appraising in the United States emerged in the 1890s and early 1900s. Initial efforts were directed toward identification, organizational structures, educational/ethical criteria, and seeking public recognition of the availability of valuation services.

Formation of appraisal companies (Moon/Young, American Appraisal Company 1896, in Wisconsin; Coats/Burchard, also in 1896, Illinois; General Appraisal Company, 1902, Illinois) spearheaded the emerging profession. It is also of interest that a group of insurance companies, later to be known as the Factory Mutual Insurance System, formed their own appraisal group and issued their first appraisal in 1890. The major reasons for these formations arose from the need to prove the value of properties damaged or destroyed by fire.

## Preface

The American Society of Technical Appraisers (ASTA) and the Technical Valuation Society (TVS), organized in 1936 and 1939 respectively, were consolidated; thus was created the American Society of Appraisers (ASA).

ASA is a nonprofit organization of individuals that was incorporated in the state of Delaware in 1952 to establish an effective professional affiliation of appraisers of all disciplines, working cooperatively to elevate the standards of the appraisal profession.

By reason of this broad concept, the society occupies a unique position among all professional appraisal societies in that it recognizes and is concerned with all classes of property: real, personal, tangible, and intangible.

Article II, Sections 1 through 6, in the April 2000 edition of ASA's constitution outlines the objectives of ASA as follows:

1. The society shall promote the exchange of ideas and experiences among its members; cultivate the profession of appraising; establish and maintain principles of appraisal practice and a code of ethics for the guidance of its members; maintain universal recognition that members of the society are objective, unbiased appraisers and consultants of property values; award one or more professional designations to qualified members of the society; and seek to attain recognition of the profession by both public and private enterprise.
2. The society recognizes that there are basic communities of concept, purpose, thought, practice, and standards that are common to the many appraisal fields in which its members engage and that their guided promotion and establishment are vital to each and all such special fields and to the appraisal profession and to the public.
3. The society shall promote research and development in all phases of property economics; cooperate with other appraisal and valuation societies and related professions and with finance, economics, engineering, architecture, accounting, building construction and related interests, real estate, insurance, taxation, and management; and approve and adopt reports of its committees or other groups as to standards, codes, and recommended practices.
4. The society shall forbid the use of its name, emblem, or initials in any manner not in accord with its constitution, bylaws, principles of appraisal practice, and code of ethics.
5. The society shall have the power to do any act or thing necessary to its functioning.
6. The board of governors shall establish an Educational Foundation with the purpose that the Educational Foundation shall encourage the advancement in appraising of all classes of property, both real and personal.

## Acknowledgments

Kenneth A. Martin, international president of ASA in 1985–86, asked Edmund Leet, FASA, to prepare a history of the society. Leet prepared a history of ASA through 1985 and wrote as follows in November 1995:

The steadfast adherence and dedication to the concept of a multidiscipline appraisal society has been vindicated by the outstanding success of ASA. The society owes a debt of gratitude to those who, during the founding and early years, gave unstintingly of their time and resources for furtherance of their appraisal and valuation concepts. Many are recognized in this history. Many, who are not mentioned, contributed equally to the society's development. Space is a limiting factor. To those not individually recognized herein, my sincere regrets.

The first history was authored by Louis (Lou) Juretie. This document was first published in Volume 5 of the 1960 *Appraisal and Valuation Manual*. Captain Marion Christ followed with a society history from inception through fiscal year 1963–64, which was published in the Volume 8 *Appraisal and Valuation Manual*. This effort was updated to include the 1968–69 fiscal year and published in a 1969 Special Historical Issue of *Valuation* entitled *ASA in Perspective*.

John Purdon, ASA, provided a further update published in the July 1979 issue of *Valuation* covering the years 1967 to 1969. Lloyd M. (Hotch) Hotchkiss and Henry (Hank) Garber served as historians. Unfortunately, none of their records and notes have survived.

In attempting this history of the society, I have relied on the excellent works of the above named predecessors. I have also relied on society publications and correspondence accumulated over the years, as well as my memory of events. I have been privileged to have been a member and officer of one of the founding societies and a participant during the early years of ASA. My appreciation to Robert L. (Bob) Lauer, Vincent L. (Vince) Marcum, Olof (Ole) Olson, and Sylvia Wade Olson for their assistance, review, and recollections incorporated in this effort.”

John Madge, FASA, extends his acknowledgment and thanks to the following individuals who have graciously provided information, enabling this history to be updated through the fiscal year 1999–2000:

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Dexter D. MacBride, FASA	Roy E. Morris III, FASA
Brian T. Napier, FASA	Larry D. Phillips, ASA*
George D. Sinclair, FASA	

\*Master Gemologist Appraiser®

## American Society of Technical Appraisers (ASTA)

The first recorded meeting of the founders of ASTA occurred in February 1936. Present were Earl P. Marshall, Robert W. Stevens, Stuart C. Tait, and Samuel W. Gibson, principals of two small appraisal firms, Marshall and Stevens and Tait-Gibson. The principal concept was that a professional association would help all qualified individuals improve their skills and build recognition and respect for the industry as a whole.

Another motivating factor for forming a new society was that an existing real estate appraisal group set a prerequisite for membership that the applicant be a licensed real estate broker. A further indication of relative attitude toward appraisers is a statement in Earl Marshall's autobiography that the then-largest appraisal company in the United States denied the request of its Los Angeles manager to join the new appraisal society on the grounds that "they did not want any of their men to join because it might become a union."

Subsequently the founders and their invited guests continued to hold monthly meetings, often with guest speakers, on valuation matters. The name American Society of Technical Appraisers (ASTA) was chosen. The founders and members were engaged primarily in fee appraisal encompassing a broad spectrum of real and personal property.

### ASTA Publications

The first publication of ASTA (1936) was *Technical Appraiser*. Within a year this was changed to *The Bulletin*. During 1938 the name was changed to *Technicalities*. This quarterly publication survived until the merger in 1952. Advertising was actively solicited. Rates quoted ranged from \$5 for a 1.5-inch single-column card insert to \$60 for a full page.

The January 1949 (Volume XIII, Number 2) issue comprised 28 pages and seven articles. Wayne Alles was editor. The publication lists ASTA National Headquarters as eastern, 1427 I St. N.W., Washington, DC, which was the office of member Richard Hall, and western, 354 South Spring St., Los Angeles, CA., the offices of Marshall & Stevens.

### ASTA Chapters

Chapters covered large geographic areas. In 1947 there were seven chapters, and by the time of the 1952 merger, the number had increased to 16.

Southern California (Los Angeles)	September 1, 1941
New York, N.Y.	September 1, 1941
Northern California (San Francisco)	September 1, 1944
Philadelphia, Pa.	March 27, 1945
Seattle, Wash.	April 22, 1947
Portland, Ore.	April 25, 1947
Chicago, Ill.	April 27, 1947
Dallas, Texas	
Denver, Colo.	
Kansas City, Mo.	
Little Rock, Ark.	
Phoenix, Ariz.	

Sacramento, Calif.	
Santa Barbara, Calif.	
San Diego, Calif.	
Vancouver, Canada	

## ASTA Conferences

Annual conferences at the national level were held beginning in 1947 at the following locations:

1947	Chicago, Ill.
1948	Los Angeles, CA
1949	Omaha, Neb.
1950	Dallas, Texas
1951	Philadelphia, Pa.
1952	San Francisco, Calif.

## National Officers

ASTA was incorporated in 1941. Officers serving the society from incorporation to the 1952 merger were:

Year	President	Vice President	Secretary	Treasurer
1941–42	R.W. Stevens	C.J. Callahan	A.P. Thompson	E.J. Launer
1942–43	R.W. Stevens	P. Jursch	C.S. Preyer	E.J. Launer
1943–45	H.V. Johnson	E.J. Launer	C.S. Preyer	Herbert Gnad
1945–46	C.I. Callahan	Harold Glerum	D.G. Hildebrand	A.J. Winder
1946–47	A.J. Winder	Harold Glerum	D.G. Hildebrand	Herbert Gnad
1947–48	A.J. Winder	Vincent M. Reese	Richard B. Hall	Herbert. Gnad
1948–49	Edmond J. Clark	Wayne Alles	Richard B. Hall	Robert Lauer
1949–50	Wayne Alles	William Smyth	Robert L. Lauer	C.V. Fletcher
1950–51	Wayne Alles	Robert L. Lauer	C.V. Fletcher	Lester Pfeifer
1951–52	Robert L. Lauer	J.A. Gallagher	Edmund Leet	Stuart Tait

## Technical Valuation Society (TVS)

### Founding

Eight individuals attended the first meeting of what was to become the Technical Valuation Society (TVS). The meeting was held in New York City during November 1939. TVS was incorporated on Nov. 25, 1939, and chartered under the laws of the state of New York.

The attendees of the first meeting, and the incorporators of the society, were D.C. Alrich, Herbert Cole, J.D. Fonda, R.J. Houseman, L.L. Juretie, J.F. O'Donnell, C.F. Pray, and G.H. Roth.

Herbert Cole was a practicing attorney. All of the others were associated with the inventory and valuation department of the Consolidated Edison Company of New York Inc. Because of the background of the attendees, the

concept was oriented toward engineering valuation. As the membership grew, the scope of the members' areas of expertise expanded materially and became comparable to that of ASTA members. The membership resided in areas east of the Mississippi River, but principally in the vicinity of New York City and Pittsburgh, Pa. The 1950 roster of the society listed 312 members in good standing.

## **TVS Publications**

During 1940 TVS undertook the publication of *Bulletin*. The name was changed in 1941 to *Technical Valuation*, which was published quarterly until the merger in 1952.

After the formation of TVS, the society started a library for the use of its members. Some rather rare and expensive volumes were donated. At one time, over 600 books were on hand. As the library grew in size, the librarian's work became increasingly cumbersome. It appears that the value of the library decreased somewhat over the years. Many appraisers built up their own personal libraries, and fewer and fewer calls were made on the librarian for reference material.

## **Chapters**

Two chapters were formed:

New York, N.Y.	November 1939
Pittsburgh, Pa.	May 1944

## **Conferences**

TVS held annual conferences from 1942 through 1952. All were held in New York City.

## **National Officers**

Serving TVS from its inception to the 1952 merger were:

<b>Year</b>	<b>President</b>	<b>Vice President</b>	<b>Secretary</b>	<b>Treasurer</b>
1939–41	L.L. Juretie	G.A. Roth	G.A. Rappold	R.T. Houseman
1942	W.H. Byrne	E.G. Henry	H.W. Walter	R.T. Houseman
1943	W.H. Byrne	Lyle L. Olson	H.W. Walter	R.T. Houseman
1944	Lyle L. Olson*	W.C. Fisher	H.W. Walter	R.T. Houseman
	D.J. Hennessy	M.L. Mathews	H.W. Walter	R.H. Celander
1945	D.J. Hennessy	M.L. Mathews	H.W. Walter	R.H. Celander
1946	C. Crochern	W.R. Wolf	H.W. Walter	R.H. Celander
1947	D.J. Hennessey	W.R. Wolf	H.W. Walter	C.F. Pray
1948	A.L. Davis	M.L. Mathews	B. Slater	C.F. Pray

\* Died in office

## **Formation of the American Society of Appraisers**

### **Economic Conditions**

For a brief but revealing description of the impact that the stock market crash of 1929 had on the young appraisal profession, refer to *80 Years of Change* (Earl Pack Marshall, private publication, May 1977; research library ASA). This personal commentary by a widely recognized professional appraiser contains fascinating insights into appraisal assignments in Southern California in the 1930s that involved the famous Watts Towers, Civil Service, building industry paradoxes, Hollywood celebrities (Pickford, Valentino, Romberg, Cole Porter, Swanson), and selected assignments in studios at Pathe Culver City Studio and Republic Studios in Studio City.

Both societies began to function when the nation was emerging from the Great Depression of the 1930s and the recession of 1936. World War II began in Europe in 1939, affecting our domestic economy. The societies continued to function during World War II, although much of the membership was decimated by service or other activities related to the war effort. Apparently, like gold production, appraisal was not a high priority defense effort.

### **Initial Efforts**

The official magazine of TVS, *Technical Publication*, in its December 1946 issue, printed a report by the society's planning committee considering a proposal for merger or affiliation with ASTA.

Arthur P. Thompson and Charles S. Preyer, members of the New York chapter of ASTA, were also members of TVS. Thompson referred a merger suggestion with TVS to the national executive board of ASTA for study and consideration. Although no official action followed, this could very well be considered to be the planting of the initial seed for formation of the American Society of Appraisers.

In 1950 TVS adopted a definite program, the objective being the formation of an Appraisers Advisory Board composed of representatives of the then outstanding, organized appraisal groups. The purpose of this board was to explore, study, and recommend united support of those policies, objectives, and aims that were found to be common to all appraisal societies. It was hoped, in this way, that it would ultimately be possible to organize a consolidation or federation of appraisal societies on a more formal basis, but without forfeiture of their individual autonomy. This concept was progressing when members of ASTA indicated interest in exploring the possibility of merger with TVS. Initial discussions indicated a reasonable probability of a successful conclusion of merger efforts. This resulted in the abandonment of the Advisory Board of TVS.

### **The First Meeting**

The 1951 Annual Conference of ASTA was held in Philadelphia during June. Ambrose J. Winder, a past ASTA president, was conference chairman. At his suggestion, officers of TVS were invited to attend the conference by ASTA's incoming president, Robert L. Lauer.

TVS President Myron L. Matthews, Past President David J. Hennessy, and Past President Louis L. Juretie accepted the invitation. ASTA officers present, in addition to Robert L. Lauer, were Secretary Edmund Leet and Treasurer Stuart Tait.

During exploratory discussions over a two-day period, the representatives agreed that the two organizations had common appraisal goals and purposes and that merger would serve the best interests of both. The officers of the two societies, acting in their official capacities, established a formal Consolidation Committee charged with the duty of exploring the possibilities of merger and the overall desire of the membership for consolidation. The co-chairs of the committee were Robert L. Lauer and Myron L. Matthews. Ambrose J. Winder and Edmund Leet were the other ASTA members. Daniel J. Hennessy and John T. Briggs were the other TVS members. Benjamin Silverman, a TVS member and a practicing attorney, acted informally as counsel.

## **Committee Recommendations**

The committee undertook a comprehensive analysis of the ramifications and desirability of a merger. All committee members were in close contact by phone and mail. Robert Lauer and Myron Matthews, as co-chairs, met in person on several occasions, at substantial personal expense, since neither society was in a position to fund the committee.

At a meeting in New York City held Dec. 14–16, 1951, the committee concluded that:

1. It was in the best interests of both societies to merge.
2. The members would recommend to their respective societies that the committee be formally empowered to work toward consolidation.
3. The target date for consolidation would be July 1, 1952.
4. The recommended name for the merged societies would be the “American Society of Appraisers.”

Ambrose J. Winder authored the name for the merged society. During extensive discussions it was suggested that the name “American Society of Technical Appraisers” (ASTA) be retained. When “Brose” Winder pointed out that the acronym ASTA was presumably a registered trademark of the American Society of Travel Agents, the discussion ended. Brose’s suggestion was adopted.

After the December meeting, the primary function of the committee was to convey to the membership of both organizations the reasons for consolidation. There were extensive communications by mail, by telephone, and in person before the effort was successful.

## **Approval**

At a general membership meeting in New York City on May 15, 1952, TVS voted for the consolidation of its membership with the ASTA membership in a new organization to be known as the American Society of Appraisers. Similarly, during its annual meeting in San Francisco, June 16–18, 1952, ASTA approved the consolidation.

## **Mergers with ASA**

### **Association of Governmental Appraisers (AGA)**

On Jan. 1, 1985, the Association of Governmental Appraisers (AGA) merged with the American Society of Appraisers. The following individuals had served as presidents of the AGA.

1980	Joyce A. Cappon, ASA *	1981	Donald E. Maddox, ASA
1982	William C. Middlebrook, ASA *	1983	William MacNeil, ASA
1984	James L. Millis, ASA		

*\*Deceased*

### **Master Gemologist Appraiser**

The Master Gemologist Appraiser leadership approached the ASA in 1986 for discussions of a merger. ASA leaders in this effort were Joseph Tenhagen, ASA, and Neil Cohen, ASA, then governor of Region 2. The Master Gemologist Appraisers were part of the Accredited Gemologist Association and had an extensive testing program

and prerequisite qualifications along with an established gemological laboratory requirement.

ASA President John H. Monroe, FASA, negotiated the outline of the merger proposal and assigned Senior Vice President Roy E. Morris III, FASA, to attend the February 1987 Tucson, Ariz., gem show to represent ASA at the Master Gemologist Appraiser's vote on the final merger agreement. This merger agreement was presented to ASA's board of governors, and was approved, at the 1987 conference.

### **National Society of Fee Appraisers (NSFA)**

On March 25, 1992, the National Society of Fee Appraisers merged with the American Society of Appraisers. The following individuals served as presidents of the NSFA.

1959–61	William A. Campbell	1978	Carl Droke, ASA *
1962–63	Carl Droke *	1979	Jack Birnholz, ASA
1964	Charles E. Hyatt	1980–81	Richard J. Mickle
1965	Kenneh Bluh	1982	Donald Evans, ASA
1966	Stuart D. Marr	1983	John Grubelik
1967	Orlie L. Keeling	1984	Cecilia Bennett
1968	David Portner	1985	Harry W. Arnold, ASA
1969	John Williams	1986	Robert Krantzler, ASA
1970–71	Philip Fruitstone	1987	Warren C. Johnson, ASA
1972–73	John Mackel	1988	John C. Fields
1974	Burton R. Kleinman, ASA	1989	Felix Gutierrez Jr., ASA
1975	Mason Wachstetter, ASA	1990	Wayne Rumbaugh, ASA
1976–77	George Mendez, ASA	1991	Guido V. Incociati, ASA

*\*Deceased*

### **Proposed Merger**

In June 1982 ASA's board of governors authorized International President John L. Gadd and Consolidation/Merger Study Committee Chair Bernard Goodman to enter into a discussion of a proposed unification agreement with the Society of Real Estate Appraisers (SREA). At an SREA midterm board of governors meeting held August 5–7 in Boston, Mass., President Orrin W. Russell was empowered to allow the SREA Executive Subcommittee to negotiate a formal agreement.

During September 1982, the appointed committees developed a draft agreement in Chicago, Ill. In January 1983, ASA's board of governors, by mail ballot, rejected the proposed agreement. A negative vote by the SREA membership and action by the board of governors nullified the merger efforts.

## **The American Society of Appraisers**

The merger was effectively consummated by the votes of ASTA members on June 18, 1952, at the annual conference in San Francisco. The following day, the joint ASTA-TVS Consolidation Committee created the ASA Organizing Committee, consisting of:

Daniel J. Hennessy	Chairman
Myron L. Mathews	Secretary
Robert L. Lauer	Member
Ambrose J. Winder	Member
John T. Briggs	Member
Edmund Leet	Member

On the same day, the Organizing Committee adopted ASA's first constitution and bylaws, as well as a code of ethics that had been developed and recommended for adoption by the Joint Consolidation Committee. Additionally, the Organizing Committee determined that the incorporators of ASA would be 12 in number, six from each sponsoring society. The ASTA members accorded the honor of being incorporators, in the order their names appear on the ASA certificate of incorporation (granted by the state of Delaware July 24, 1952), are:

Robert L. Lauer	Samuel W. Gibson
Edmund Leet	Earl P. Marshall
Ambrose J. Winder	Stuart C. Tait

The TVS members similarly honored, in the order that their names appear, are:

Myron L. Mathews	Benjamin Silverman
Daniel J. Hennessey	Louis J. Juretie
John T. Briggs	William H. Byrne

Ambrose Winder's comment at the signing of the incorporation papers was, "Gentlemen, what we are undertaking here will result in a successful national appraisal organization. If not, the 12 of us will be the country's smallest appraisal society."

On July 24, 1952, all of the former members of both ASTA and TVS, who had earlier stated in writing their individual desire to become members of ASA, were voted into ASA membership as charter members in the grade of either Associate or Member, according to the recommendations of each of the merging societies. A numerical breakdown between the two grades is not available at this time, nor is the precise number of charter members known. Estimates undertaken some time after the merger ranged from 480 to less than 600. During a subsequent period, the then-incumbent national officers fixed the number of charter members at 500. No accurate records appear to have survived as to the number of members voting for the merger. It appears that about 600 ballots were mailed. Some individuals were members of both societies. Prior to the merger, no cross inventory of members had been undertaken, primarily because of the time frame and lack of manpower. ASA charter membership certificates were mailed to all persons in good standing shortly after the first elected officers were installed, by Benjamin Silverman, general counsel.

The ASA Organizing Committee reported that on Aug. 21, 1952, the merger was completed and, as of that date, ASTA and TVS "transferred their assets and properties to ASA and became inoperative."

The "transfer of assets," as far as financial aspects are concerned, requires a bit of background data.

## **Early Finances**

Neither ASTA or TVS enjoyed the luxury of a paid staff. Records were passed from one individual to another annually as new secretaries and treasurers assumed their offices. While TVS officers were sited in New York or Philadelphia, ASTA officers were often located far from their predecessors.

Historian Edmond Leet recalls that, on assuming the duties of ASTA secretary, he received the records in cardboard boxes. After their arrival, he purchased a filing cabinet that became the first and only item of furniture owned by that society.

Prior to the meeting with the TVS representatives at the ASTA 1951 conference, Lester Pfeifer, ASTA national

treasurer, presented his annual report. The detailed report, as far as the historian has been able to determine, has not survived. The thrust of the report was that ASTA had slightly over \$200 in cash on hand. All outstanding bills were paid "except for the printing of *Technicalities*—about \$2,730." ASTA began what was to be its last fiscal year with a deficit of about \$2,500, which posed an apparent dilemma for the ASTA members of the Consolidation Committee.

In meetings with the TVS committee members, financing had not been discussed. The ASTA committee members concluded the only ethical way to continue the negotiations was to advise the TVS members of the negative situation. The decision was to offer a commitment that by the next annual meeting, to be held in San Francisco, ASTA would come to the merger free and clear of indebtedness. This offer was based on the presumption the membership of the two founding societies would both favor the merger.

At the next meeting of the committee full financial disclosure, and the offer of ASTA members, was placed on the table. TVS members stated they willingly accepted the proposal. They conveyed that they too would enter into the consolidation free and clear of any indebtedness. The TVS committee members indicated that TVS was in a negative cash position but details were not disclosed.

To keep the ASTA agreement, incoming President Robert Lauer directed all national officers to pay all their own personal expenses, and those of their individual offices—including travel, telephone and postage during the year. The sole exception would be the printing of *Technicalities*, which was published as scheduled. The dues collected from ASTA members were adequate to comply with the committee's commitment. When the merger was completed, ASTA tendered a cash balance of \$1,545.28 to the new ASA treasurer.

## **First National Officers**

On July 24, 1952, the first ASA Nominating Committee, informed of the granting of the certificate of incorporation, submitted its slate of nominees for the first national officers of ASA, 1952–1953. Those nominated were:

National President	Daniel J. Hennessey
National Vice President	Joseph A. Gallagher Sr.
National Secretary	Gerard J. Dierker
National Treasurer	E.J. Launer

By unanimous vote the nominees were elected. They were inducted into their respective offices on Aug. 21, 1952.

Their assignments having been completed, the ASA Organizing Committee and the Joint ASTA-TVS Consolidation Committees were both dissolved.

## **Chapters**

The 13 surviving chapters certified as of the 1952 merger were:

Dallas, Texas	Philadelphia, Pa.
Denver, Colo.	Pittsburgh, Pa.
Kansas City, Mo.	Portland, Ore.
Little Rock, Ark.	Sacramento, Calif.
Los Angeles, Calif.	San Francisco, Calif.
New York, N.Y.	Santa Barbara, Calif.
Seattle, Wash.	

The November 1953 issue of *Technical Valuation* listed a total of 17 chapters; four had been added since the merger in mid-1952. The additions were

Chicago, Ill.	Phoenix, Ariz.
San Diego, Calif.	Vancouver, Canada

In the year 2000 ASA Directory, a total of 87 chapters are listed; including one in Puerto Rico, one in the Virgin Islands, one in Mexico, two in Canada, one in the Philippines and one in Hong Kong.

## **Membership**

The number of charter members as of the Aug. 21, 1952, incorporation date was fixed at 500. The first inventory of members in good standing by grade available is the close of the 1956–57 fiscal year in Myron Mathews' administration. The following tabulation is a recapitulation extracted from various records for the years the data are available. Figures are assumed to be for the end of the fiscal year.

<b>Year</b>	<b>Associate</b>	<b>Member</b>	<b>Senior</b>	<b>Fellow</b>	<b>Life</b>	<b>Life/Fellow</b>	<b>Honorary</b>	<b>Totals</b>
1957	120	445	552	2	10		2	1,131
1958	156	546	583	8	12		2	1,307
1961	250	1,069	679	7	8	5	2	2,020
1962	231	1,150	720	11	6		2	2,120
1963	212	1,185	752	11	9		2	2,171
1964	326	1,117	809	12	9		2	2,275
1965	431	1,033	851	13	11		2	2,341
1966	635	932	963	15	10		3	2,558
1967	890	850	1,044	7	9	7	3	2,810
1968	978	784	1,181	6	8	7	3	2,967
1969	932	702	1,210	12	9	7	3	2,875
1970								3,300
1971	1,101	586	1,491	19		9	3	3,209
1972	1,355	455	1,746	12	7	7	4	3,586
1973	1,678	457	1,876					4,011
1980	2,049	360	2,401	26	11	6	5	4,858
1982	1,932	327	2,403	27	9	7	3	4,708
1983	1,786	320	2,434	28	5	10	5	4,588
1984	1,821	306	2,377	25	7	10	4	4,550
1985	1,708	311	2,373	22	7	10	3	4,434
2000				43	25	24	7	5,800

## **The Constitution and Bylaws**

The ASA Organizing Committee adopted the constitution and bylaws authored by Benjamin Silverman, general counsel, as of Aug. 21, 1952. Except for the preamble, shown below, the historian has been unable to locate a copy of the 1952 constitution.

The original preamble read as follows:

“To the end that a wholesome and exemplary relationship might best be maintained between this Society and the general public which its members serve; among the various Chapters of the Society; and between the Society and its individual members, for the common good of every interest concerned, this Constitution and Bylaws is hereby established.”

The preamble to the April 2000 issue of the constitution reads:

"To the end that a wholesome and exemplary relationship be maintained between this society and the general public that its members serve; among the chapters, boards and committees of the society; and between the society and its individual members, for the common good of every interest concerned, the constitution and bylaws are established."

Changes in the society's constitution and bylaws have been continuous. For example: the 1952 constitution allowed for only one vice president. One person served as secretary and treasurer and there were no bylaws or administrative rules. The 1955 constitution contained 16 articles, 28 bylaws, had no administrative rules and no provision for advancement to Senior Member status. In 1958 Administrative Rule 1, which became Rule 3 in 1966, contained a provision for advancement to Senior Member. During the 1956-57 administration the position of combined secretary/treasurer was changed two separate positions. One year later, it was decided to allow for three vice presidents instead of only one. The 1962 version included three administrative rules, while the number increased to seven in 1968. Rule 6 in that year established appraisal areas of expertise, officially referred to as disciplines. The 1989 constitution contained 19 articles and 32 bylaws and was basically rewritten. The June 1996 constitution contains 19 articles, 32 bylaws and 13 administrative rules. An April 2000 version contains 19 articles and a copy of ASA's certificate of incorporation.

## 1955 Edition

The 1955-56 *Appraisal and Valuation Manual*, Volume 1, includes the constitution and bylaws as amended and revised to Jan. 1, 1955.

Comparison with the current constitution and bylaws reflects primarily economic and social changes occurring over time. The vision and intent of establishing a multifaceted appraisal society developed by the founding organizations and carried on by the successful merger remains basically unchanged.

Some areas in the 1955 constitution subsequently subject to major revisions were:

### *Article VI—Membership*

Section 1—Membership in the society shall consist of Grades: 1—Associate; 2—Member; 3—Senior Member; 4—Charter; 5—Fellow, 6—Life, and 7—Honorary, but initial applications for membership admission may be made only in the grades of Associate or Member. Advancement to or award to other grades requires the action of the National Board of Governors. In any event, prescribed standards must be met.

Section 2—Eligibility to membership shall include persons engaged as appraisers, accountants, adjusters, architects, assessors, economists, engineers, financiers, surveyors, lawyers, builders, and others engaged in a vocation involving appraisal or valuation in any of its facets.

### *Article VII—Grades of Membership and Standards*

Section 1—In the grade of Associate, the primary requisites for admission shall be

(a) Associates shall be 21 years of age, or over, without the qualifications for the grade of Member but having interest in, or with, relation to the activities and objectives of the society. It shall be mandatory for Associates to apply for advancement to the grade of Member as soon as they have acquired the qualifications for that grade.

Section 2—In the grade of Member, the primary requisites for admission shall be:

(a) Engagement in a vocation involving investigation, analysis, presentation of testimony, records and reports on properties of every description for the purposes of estimating or otherwise determining values, costs, prices, depreciation, appreciation, decrement, obsolescence and other economic findings related to tangible or intangible property.

(b) A degree from a recognized college in engineering, accounting, law, business administration or such other education, knowledge or experience as may be deemed to be the equivalent of a degree by the Board of Examiners.

(c) Members shall be 30 of age, or older, and shall have been actively engaged for at least five years in service qualifying for membership in this society; or possess such other experience, knowledge, or recognition as may be deemed to be equivalent by the appropriate Board of Examiners.

(d) All members in the grade of Member, and in good standing on the date when the grade of Senior Member is established, shall forthwith be transferred automatically to the grade of Senior Member and be entitled to all the provisions established for that grade of membership.

Section 3—The grade of Senior Membership, which grade carries with it the professional endorsement of the society and grants to a member in this grade the use of the designation ASA after his/her name, may be applied for by members whose admission to membership post-dates the date of establishment of the grade of Senior Member, provided such application conforms to the procedure set forth in this Constitution and the Bylaws.

Section 4—The incorporators, and certain Charter Members, not exceeding 12 in number, shall automatically become Life Members upon the adoption of this Constitution in recognition of their services in the formation and establishment of this society.

Section 5—Those persons in the grade of Member who have rendered valuable service to the society, or who have given to the society, its formation, and its principles and purposes by signing the Charter membership roster, shall constitute the Charter Members of the society.

Section 6—Fellows. The Board of Governors, whenever it may deem it desirable, shall bestow Fellowships upon Senior Members in good standing, in recognition of outstanding services to the profession, or to the society. Such Fellowship bestowal shall continue in effect as long as the Senior Member, so honored, continues his/her membership in the society, and shall be the highest grade of membership recognition bestowed by the society. All previously acquired rights, privileges and benefits granted by the society are continued and included with advance to Fellowship and such member may use the designation FASA after his/her name.

Section 9—It shall be requisite of every applicant for membership that such applicant shall have at least one year's business experience and residence in the city or area from which application is made.

Section 10—The resignation of a Member, Fellow, Life Member, or an Associate Member, shall not be acceptable if such member is not in good standing at the time of the tender of such resignation.

#### *Article B-6—Advancement to Senior Member*

Section 1—Application from, or on behalf of a Member in good standing, endorsed by his/her Chapter President or the National President, as may be appropriate, for advancement to the grade of Senior Member, shall be accepted by the Board of Governors when the Board recognizes such application to be proper and it shall cause such application to be processed promptly. An applicant for Senior Membership must meet all the grade requirements as established by the Board of Governors at the time of application which must be accompanied by the Member's remittance in the sum necessary to cover all expenses and fees connected with the examinations attending such application for advancement. The Board of Governors may delegate its authority to examine the applicant as to his/her professional qualifications to a duly established outside examining agent such as a university, college, or other officially established institution of learning, or to a body, committee, officer or person within the society that the Board shall consider competent to act in its place and stead; but in no event shall the action of such outside or inside agent become final until the action to be taken on the application under consideration is approved by the Board. When applicants of outstanding reputation in the opinion of the Board are under consideration hereunder,

The Board of Governors, in its discretion, may waive any or all formal examination requirements.

*Note*—When this amended constitution was adopted as set forth in Article VII; Section 2(d), all of the individuals chartered as Members were advanced to the grade of Senior Member. A letter was sent to all Members informing of the action. Individuals to whom the letter was addressed were required to sign and return the notice. Those who failed to do so remained in the grade of Member.

Applications for membership in ASA, as well as advancements in grade, were received by the Membership Committee. That committee relied primarily on peer reviews of appraisals submitted by the applicant. No written examinations were given. The decisions of the Membership Committee were subject to review and approval by the board of governors. This procedure was followed until requirements for passing examinations in the various appraisal disciplines were introduced.

## **March 1958**

At the Midterm Meeting in Little Rock, Ark., the board of governors established procedures for advancement to Senior Member, and Administrative Rule No. 1 was amended to read as follows:

- A. At the time when such application is made every candidate seeking advancement to the grade of Senior Member shall present evidence that he/she possesses the following requirements conjunctively:
  1. That he/she is of good character and enjoys such a reputation in the community.
  2. That he/she has attained the age of 31 years or more.
  3. That he/she is actively engaged in valuation and appraisal work, or is in retirement after at least 20 years of active, responsible appraisal work.
  4. That he/she possesses sufficient formal education and appraising skill to make usual, as well as unusual, appraisals independently in his/her specialty of appraisement without supervision.
  5. That he/she has contributed to the profession of appraising, either through teaching, writing, service to the society; or through years of service to the public by responsible and trustworthy valuation.
- B. Every applicant should demonstrate expert knowledge and skill (expert knowledge and ability) in any two of the following ways:
  1. By submission of two or more examples of the candidate's work demonstrating his/her knowledge in value theory and technique;
  2. By submission of articles or papers the candidate has prepared and delivered on appraisal subjects;
  3. By the testimony of three or more responsible clients served by the candidate.
- C. [Advancement comes] after approval by the local chapter, if any, and the Regional Governor, or by submitting to examination by the National Board of Examiners requiring written or oral replies to certain questions concerning his/her appraisal specialty.
- D. No application for advancement to the grade of Senior Member shall be considered unless the candidate has held the grade of Member for one year or longer.

## **January 1960 Edition**

The 1960 constitution remained substantially the same as the 1955 version with the exception of the following:

*Article X*

Section 1—Provided for three vice presidents.

*Article B-27*

Section 1—The living Past Presidents of the American Society of Appraisers, starting with the society's third fiscal year postdating the termination of their presidency, shall automatically become members of the Board of Governors without vote, and remain in this capacity for as long as they are members in good standing, or until they resign from the Board.

The expansion of national officers from one to three vice presidents apparently took place without the blessing of a change in the Jan. 1, 1955, constitution, which specified only one vice president. The premise behind the expansion to three vice presidents was to enable the national Nominating Committee to observe the individuals serving in that capacity to nominate the one believed to be best suited to become national president.

During the first five administrations, only one vice president served in that capacity. In four of those periods one person held the combined offices of secretary and treasurer. The offices of secretary and treasurer were separated in the 1956–57 administration.

The chair of the 1957–58 Nominating Committee, Tevis Westgate, followed the mandate of the board of governors and nominated Albert W. Lee, L.M. Hotchkiss, and George M. Bliss as vice presidents. The nomination of three vice presidents was a subject of controversy, resulting in a contested election for national office.

A committee was formed to review the matter, chaired by E.J. Launer. The report to President Myron Mathews, dated Feb. 27, 1957, stated in part:

The revision was not in strict accordance with the requirements set forth in the original Constitution, August 21, 1952. The revision adopted by the Governors was made with the sincere objective of raising ASA standards, and there is no indication of a lack of good intentions on their part. The action of the Board of Governors was not unanimous, and their action in moving swiftly should have been substituted by closer Constitutional adherence.

In my opinion, for the continued success of ASA, this revision having occurred some three years ago, should not be magnified, as it appears to have been taken with the intent to best serve the interest of ASA. Any damage to our society, real or imaginary, because of past action regarding constitutional revisions is not irreparable.

During the 1957–58 administration the Nominating Committee, chaired by Myron Mathews, nominated George Bliss for president, with Adelbert W. Lee, L.M. Hotchkiss, and J.J. O'Brien as vice presidents. Vincent Marcum and Stuart F. Kosters were nominated respectively for secretary and treasurer.

One day prior to the mailing of official ballots for national officers, Adelbert Lee announced his decision to withdraw his name from consideration as vice president and seek the office of national president. C.V. Fletcher, governor of Region 6, supported him.

The Nominating Committee reconvened and nominated Harry Ninde, chair of the national Board of Examiners, for the position vacated by Lee.

When the ballots were counted, the officers for the 1958–59 year were George M. Bliss, president; L.M. Hotchkiss, J.J. O'Brien, and Harry W. Ninde vice presidents; Vincent L. Marcum, secretary; and Stuart F. Kosters, treasurer.

**June 30, 1968**

To answer chapter complaints that the allocation of dues and fees was inadequate to support their financial obligations, the following were approved by the board:

*Article B-9*

Section 5(a)—A chapter may not adopt any schedule of dues and fees which varies from that established by the International Board of Governors of the society without first obtaining the approval of the Board. If approval is granted to a Chapter for a greater amount of dues, fees and/or assessments than established for the society, such additional amounts shall be separately identified.

Section 5(b)—Any member, in any grade, must pay any Chapter assessment approved by the Board of Governors to remain in good standing in the society.

*Administrative Rule 4*

Section 1(1)—Payments. All membership dues are payable on or before July 1 of each year except for new Associate Members, whose dues and initiation fees shall be payable with application for membership.

(b)—Schedule of Dues and Fees (new)

Article 19, having to do with amendments to the constitution, was also revised, along with Bylaw 30 and Administrative Rule 7, as well as the standardization of examination procedures.

## **1990–91**

In 1990 the number of regional districts were increased to 18 with the creation of Region 17 for North Carolina, South Carolina, and Tennessee. Region 18 was to consist of Arkansas, Oklahoma and the Texas Panhandle. The next year, 1991, the regions were reduced to 17 with the elimination of Region 17 and the renumbering of 18 to 17. Tennessee was removed from Region 3 and placed into Region 16, which was to consist of Alabama, Georgia, Louisiana, Mississippi, and Tennessee. Also in 1990, the creation of colonies, or branches, was proposed. These were to be an ASA entity of a smaller size than a chapter. In 1992, branches were established: “Chapters may organize Branches of a Chapter to serve groups of members who are geographically distant from the Chapter meeting location, under the guidelines of the Administrative Rules.” Each branch was to have at least five members, with no fewer than two designated as ASA or AM.

## **1992**

In 1992 the *Principles of Appraisal Practice and Code of Ethics* was amended, and Appraisal Review and Appraisal Management became two specialties under the discipline of Appraisal Review and Management.

## **1993**

The Gems and Jewelry group was granted full discipline status after having been assigned subcommittee status under the Personal Property discipline. The resolution to place inventory as a specialty under the MTS Committee was rescinded and the board of governors voted to approve the consolidation of the Machinery and Equipment and the Technical Valuation disciplines into a single discipline to be named the Machinery and Technical Specialties discipline. Finally, it was voted that a Senior Member or Fellow in good standing for 10 years who was at least 70 years of age and who had a work reduction of 75 percent or more was to be granted a dues reduction.

## **1994**

The board of governors decreed that the AM designation should stand for Accredited Member and ASA should mean Accredited Senior Appraiser, giving meaning to the letter abbreviations.

## 1997

Region 17 was consolidated into Region 6. Life Members, as well as Accredited Senior Appraisers 60 years of age or older, would no longer be exempt from reaccreditation compliance and must demonstrate 100 hours of continuous education within a five-year time period.

The board of governors was reduced to president, senior vice president, (second vice president was dropped), treasurer, secretary, immediate past president and the region governors. (One past president was dropped.)

About this time, the Strategy 2000 plan of the Long Range and Strategic Planning Joint Committee directed the Constitution and Bylaws Task Force to codify the changes that they would recommend. The task force decided to reformat the constitution so that subjects were dealt with in the same place within the constitution, bylaws and administrative rules, making research easier. For example: Article II, Bylaw II, and Administrative Rule II now all deal with the society's objectives. Roy Morris III, FASA, who was the chair of the Constitution and Bylaws Task Force, accomplished most of the reformatting effort.

The major changes to the constitution were regulations for new or additional appraisal specialties, changes to the retired category, and the redefining of standing and special committees.

Article XVII of the April 2000 version of the constitution provided, in Section, 3 that the standing committees number eight, to be named as follows: the Executive Committee, the International Nominating and Awards Committee, the International Budget and Finance Committee, the International Admissions and Membership Committee, the International Board of Examiners, the International Education Committee, the International Ethics Committee, and the International Public Relations Committee.

The list of special committees is as follows: Affiliate Firm, Conference, Constitution and Bylaws, Government Relations, International, Long Range Planning, Publications, Reaccreditation, Tellers and Credentials, and the various discipline committees. The Constitution and Bylaws Committee is no longer a standing committee and will be a special committee "when there is a necessity."

As a result of the reformatting, many matters were placed into the bylaws and administrative rules, thus allowing changes to be made (in the bylaws and administrative rules) by vote of the board of governors only.

## Dues and Fees Structure

After the merger in 1952, the following schedule of minimum initiation fees, dues, and subscription rates to *Technical Valuation* remained in effect until changes as provided by the constitution and bylaws were in place.

- (a) **Initiation Fees**—Members and Associates, \$10, to be forwarded to the National Treasurer
- (b) **Dues**—Fellow, Senior Member and Member, \$20, of which \$14 went to the National Treasurer and \$6 went to the chapter

ASA continued to struggle financially for several years. With officers paying their own expenses, the major expenditure was the publication *Technical Valuation*.

The earliest dues structure on record is that set forth in the Jan. 1, 1955, bylaws. The yearly schedule was as follows:

Dues (Member, Senior or Fellow)	\$20
Dues (Associate)	\$12
Initiation Fee for all	\$10

**Note**—The National Office retained 70 percent of dues (which allowed for a \$5 magazine subscription) with 30 percent remitted to the chapters. National retained 100 percent of initiation fees. Advertising rates quoted in a 1954 issue of *Technical Valuation* ranged from \$10 for a directory card (1" x 3.125") to \$100 for a full-page ad with, a 10 percent discount for three issues (one year).

Further dues increases followed.

Date	Associate	Member	Initiation Fees
1/1/55	\$12	\$20	\$10
7/10/56	17	25	10
7/7/60	22	30	10
6/30/61	32	40	25
1/3/67	40	50	

On June 30, 1968, a new schedule was adopted, with the National Office retaining 85 percent and the chapters receiving 15 percent of the dues. The National Office retained all dues obtained from members of the International Chapter, and all dues were to be paid in U.S. funds.

Associate	Member	Senior Member	Fellow
\$50	\$65	\$75	\$75

Over the years, as expenses and overseas activities increased, it has been necessary to steadily increase the amounts paid in dues. Administrative Rule 5 of the June 1996 constitution contains a listing of dues charged through fiscal year 1999–2000. The dues for U.S. members only are:

	National Office Portion	Chapter Portion	Total International Dues
Affiliate/student	\$ 30	\$ 0	\$ 30
Affiliate	150	25	175
Candidate	305	25	330
AM	380	25	405
ASA	380	25	405
Fellow	380	25	405

## **Code of Ethics**

The first code of ethics adopted by the society, on Aug. 21, 1952, was published in the November 1952 issue of *Technical Valuation*. This was the first publication of principles of conduct to which all members of the society were obligated. It is printed here for historical interest.

### *Section 1*

It shall be the obligation of each member of the society, at the national, chapter or member-at-large levels:

1. To consider this code of ethics as being founded on the Golden Rule;
2. To show his faith in the worthiness of his, the appraisal profession, by industrious application thereto, to the end that he may merit a reputation for quality service;
3. To seek success and to demand all fair remuneration therefore, as his just due, accepting nothing at the price of his own self-respect;
4. To so conduct himself, in building his success, that he does not tear down that of others by questionable acts of his own;
5. To be fair to his clients and employers, honest with his colleagues and true to himself;
6. To resolve within himself any doubt which may arise as to the right or ethics of his position in each assignment he undertakes;
7. To hold the friendship of others as an end, rather than a means, yet accepting same in the spirit with which it is given;
8. To aid his colleagues by giving sympathy to those in distress, accepting no rumor against any of them as truth until such shall have been proved beyond a reasonable doubt;
9. To be careful with his criticism and liberal with his praise, assisting and not hindering those engaged in his, the appraisal profession;
10. To respect and fulfill his obligations as a citizen to his nation, state and community, giving to them his unswerving loyalty in word, act and deed;
11. To hold as confidential the results and findings of any appraisal he may make, unless he may be released from such obligation by his client or employers, or by due process of law;
12. To refrain from giving any offhand opinion of his own as to the value of any property or from making any appraisal unless the same shall be based upon the available facts.

### *Section 2*

It shall be considered unprofessional and inconsistent with honorable and dignified bearing for any member:

1. To act in professional matters in any manner contrary to or inconsistent with the provisions of law pertaining thereto;

2. To act for any of his clients or employers otherwise than as a faithful agent or trustee or to accept any remuneration other than his stated charges for services rendered or to be rendered;
3. To make any charge for his services without first having given due consideration to the value of the property involved, the complication and volume of work required, the amount of his time devoted thereto, together with the extent of his experience and his record or that of the organization with which he may be associated;
4. To accept any assignment for appraisal services, if his employment or fee is contingent upon his reporting any specific predetermined amount of value or is contingent upon his reporting specific findings other than those known by him to be facts at the time of his acceptance of such assignment;
5. To compete with another appraiser for employment on the basis of professional charges by reducing his usual charges in an attempt to underbid, after having been informed as to the charges quoted by the other;
6. To knowingly attempt to supplant another appraiser after definite steps have been taken toward the other's employment;
7. To review the work of another appraiser for the same client except with the knowledge and consent of the other or unless the other's connection with the work has been terminated.
8. To use the advantages of a salaried position to compete unfairly with other appraisers;
9. To advertise in self-laudatory language or in any manner derogatory to the dignity of the appraisal profession;
10. To attempt to injure falsely or maliciously, directly or indirectly, the professional reputation, prospects or business of another appraiser;
11. To make an appraisal report with reference to any property when acting in the capacity of a broker or loan broker in connection therewith or when owning or seeking to acquire any interest in such property, unless such facts are fully disclosed therein;
12. To act in any manner or engage in any practice which will tend to bring discredit upon the honor and dignity of the appraisal profession.

The board of governors adopted, on June 30, 1968, a formal statement of *Principles of Appraisal Practice and Code of Ethics*.

The foreword succinctly outlines the standards of the society:

In a society which not only permits but encourages the private ownership of productive property and one which also engages in a large and multitudinous public works, there appears, on every hand, a necessity for the appraisal of property. In fact, property appraisals are used throughout the economic, governmental, legal, and social activities of such a society.

As the vocation of property appraisal has developed during past decades from a business occupation into a profession, certain concepts have emerged and become clear. The word 'property' is now given to physical things and also to the legal rights of ownership of tangible or intangible entities.

Appraising is now considered to encompass three classes of properties, namely,

1. the estimation of the cost of producing or replacing physical property;
2. the forecasting of the monetary aging power of certain classes of property; and
3. the valuation or determination of the worth of property.

Because of the specialized knowledge and abilities required of an appraiser which are not possessed by the layman, there has now come to be established a fiduciary relationship between an appraiser and those who rely upon his findings. The society has taken a strong stand in its avowal of self-regulation and insists upon a high degree of moral discipline.

The need for a set of authoritative principles and a code of professional ethics broad enough to cover all classes of property as well as the complexities of the various appraisal procedures is a pressing one. Previous statements of principles have dealt almost exclusively with real estate. Existing codes of ethics are, in large measure, couched in such general moralistic terms that they are impractical for specific application.

A revised *Principles of Appraisal Practice and Code of Ethics* was released in January 1992. The revision noted that it is the “appraiser’s responsibility to communicate each analysis, opinion and conclusion in a manner that is **not** misleading.” Additionally, a mandatory recertification statement was required to be included in every report. An outline of its contents is as follows:

**1. Introduction**

- 1.1 Membership composition of the American Society of Appraisers
- 1.2 Definition of “appraisal practice” and “property”
- 1.3 Purpose of promulgating the principles of appraisal practice and code of ethics

**2. Objective of appraisal work**

- 2.1 Various kinds of objectives of appraisal work
- 2.2 Objective character of the results of an appraisal undertaking

**3. Appraiser’s primary duty and responsibility**

- 3.1 Appraiser’s obligation to determine and describe the apposite kind of value or estimated cost
- 3.2 Appraiser’s obligation to determine numerical results with whatever degree of accuracy the particular objectives of the appraisal necessitate
- 3.3 Appraiser’s obligation to avoid giving a false numerical result
- 3.4 Appraiser’s obligation to attain competency and to practice ethically
- 3.5 Professional character of appraisal practice
- 3.6 Appraiser’s fiduciary relationship to third parties

**4. Appraiser’s obligation to his client**

- 4.1 Confidential character of an appraisal assignment
- 4.2 Appraiser’s obligation to give competent service
- 4.3 Appraiser’s obligation relative to giving testimony
- 4.4 Appraiser’s obligation to document appraisal testimony
- 4.5 Appraiser’s obligation relative to serving more than one client in the same matter
- 4.6 Agreements and contracts for appraisal services

**5. Appraiser's obligation to other appraisers and to the society**

- 5.1 Protection of professional reputation of other appraisers
- 5.2 Appraiser's obligation relative to society's disciplinary actions

**6. Appraisal methods and practices**

- 6.1 Various kinds of value
- 6.2 Selection of appraisal method
- 6.3 Fractional appraisals
- 6.4 Contingent and limiting conditions affecting an appraisal
- 6.5 Hypothetical appraisals
- 6.6 Appraisals in which access to pertinent data is denied
- 6.7 Ranges of value or estimated cost and reliability estimates
- 6.8 Values or estimated costs under different hypotheses
- 6.9 Inspection, investigation, analysis, and description of subject property
- 6.10 Collaboration between appraisers and utilization of the services of members of other professions

**7. Unethical and unprofessional appraisal practices**

- 7.1 Contingent fees
- 7.2 Percentage fees
- 7.3 Disinterested appraisals
- 7.4 Responsibility connected with signatures to appraisal reports
- 7.5 Advocacy
- 7.6 Unconsidered opinions and preliminary reports
- 7.7 Advertising and solicitation
- 7.8 Misuse of membership designations
- 7.9 Causes for disciplinary action by the society

**8. Appraisal reports**

- 8.1 Description of the property which is the subject of an appraisal report
- 8.2 Statement of the objectives of the appraisal work
- 8.3 Statement of the contingent and limiting conditions to which the appraisal findings are subject
- 8.4 Description and explanation in the appraisal report of the appraisal method used
- 8.5 Statement of the appraiser's disinterestedness

- 8.6 Appraiser's responsibility to communicate each analysis, opinion, and conclusion in a manner that is not misleading
- 8.7 Mandatory recertification statement
- 8.8 Signatures to appraisal reports and the inclusion of dissenting opinions

## **ASA Administration**

### **Government**

Article IX in the Jan. 1, 1955, edition of the constitution (in later editions Article X) reads:

Section 1—The Society shall be governed by this Constitution in accordance with the Certificate of Incorporation of the Society and the Bylaws made by the Board of Governors from time to time.

Article X of that edition provided in part:

Section 1—The Officers of this Society shall be the President, Vice President, Treasurer and Secretary; all the Regional Governors; a National Executive Director; and a General Counsel. The tenure of the National Executive Director and the General Counsel shall be at the pleasure of the Board of Governors.

In subsequent editions, Article VII provided in part:

Section 1—The Officers of the Society shall be a President, three Vice Presidents, a Secretary and a Treasurer.

Section 2—The President, Vice Presidents, Secretary and Treasurer of the Society shall be elected by the voting membership and shall take office when they have been duly elected and qualified.

#### Section 3—

(a) The President, Secretary and Treasurer, each respectively, shall hold office for one year and may not succeed himself except at the invitation of the Board of Governors; but in no event shall any International Officer, other than Vice Presidents, serve for more than two (2) consecutive years in the same office.

(b) A Vice President shall hold office for one year and may succeed himself for two (2) consecutive years in that office.

(c) A nominee for International Office must be a Senior Member or higher to be eligible for election.

(d) International Officers may hold no other elected office in the Society during their term of officership.

#### Section 4—

(a) The nominal term of Regional Governor shall be for two (2) years each. In no event shall a Regional Governor succeed himself for more than one term either by an election or an appointment.

(b) In the event that the preponderance of the Regional Governors' terms expire at the end of the

same fiscal year, the International President may direct a Region, or Regions, to elect a Regional Governor for one (1)-year term.

Section 5—Vacancies occurring in any of the foregoing offices shall be filled by appointment through the majority action of the entire Board of Governors.

Section 6—Each Regional Governor, representing a geographical region as set forth in the bylaws, shall be elected at least thirty (30) days prior to the start of the Society's next fiscal year in which his/her term starts. A nominee for Regional Governor must be a Senior Member and must have his/her Chapter's endorsement to be eligible for election. A Chapter may endorse only one nominee. The Regional Governor shall be elected by a simple majority of the total votes cast by Chapter Officers in the Region he/she is to represent. Each chapter shall have one (1) vote for the Regional Governor, said vote to be determined by a simple majority of votes by the Officers of each Chapter.

This section continues at length as to election of region governors under special circumstances.

The Jan. 1, 1955, edition of the constitution and later editions provided the board of governors the authority to manage the society. Article XIV of a later edition provides, in part:

Section 1—The affairs of the Society shall be managed by a Board of Governors which shall have full control of the activities, investments, appropriations and expenditures of the Society, subject to the limitations of the Certificate of Incorporation, this Constitution and the Bylaws, as they may be amended.

Section 2—

(a) The Board of Governors shall consist of the President, Vice Presidents, Secretary and Treasurer of the International Society; the Regional Governors and the Society's two immediate Past Presidents.

The Jan. 1, 1955, edition provided general counsel and national executive director were nonvoting members of the board of governors.

## **Regional Districts**

Article B-20 of the Jan. 1, 1955, edition provided:

Section 1(a)—There shall be nine (9) Regional Districts of the Society, each District to be represented by a Regional Governor, constituted as follows:

Region 1—New York, New Jersey, Pennsylvania

Region 2—Connecticut, Maine, Massachusetts, Rhode Island, Vermont, New Hampshire

Region 3—Delaware, Maryland, District of Columbia, Virginia, West Virginia, Kentucky Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Florida

Region 4—Michigan, Wisconsin, Ohio, Indiana, Illinois

Region 5—North Dakota, South Dakota, Minnesota, Iowa, Nebraska, Missouri

Region 6—Kansas, Oklahoma, Arkansas, Texas, Louisiana

Region 7—Montana, Wyoming, Utah, Colorado, Arizona and New Mexico

Region 8—California, Oregon, Washington, Idaho, Nevada

Region 9—Canada

Section 1(b)—The Board of Governors may redefine any or all of the geographical Regions, and increase or diminish their number, as it may seem desirable or necessary.

As the society grew it was obvious the regional districts required revision. During the administration of George M. Bliss (1958–59) the number of regions had been expanded to 11. By 1968 the number was 12. The 1989 and 1990 editions of the bylaws reflect the number of regions as 16.

In the 1993 edition, Article B-23 of the bylaws defines the regional districts (included herein because the 1985 district alignment is not available to the historian) as:

Section 1(a) There shall be seventeen (17) Regional Districts of the Society, each District to be represented by a Regional Governor, constituted as follows.

Region 1—Pennsylvania, New Jersey, except the northeasterly portion, northern half of Delaware

Region 2—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont

Region 3—District of Columbia, Maryland, North Carolina, South Carolina, Virginia, West Virginia

Region 4—Illinois, Indiana, Kentucky, easterly portion of Wisconsin

Region 5—Florida, Puerto Rico, Virgin Islands

Region 6—Texas east of time zone, except the Texas Panhandle

Region 7—Iowa, Kansas, Minnesota, Missouri, North Dakota, westerly portion of Wisconsin, South Dakota and Nebraska, both east of the time zone line

Region 8—Arizona, Colorado, New Mexico, Utah, Wyoming, South Dakota and Nebraska, both west of the time zone line, Texas, west of the time zone line, and Ciudad Juarez, state of Chihuahua, Republic of Mexico

Region 9—Southern half of California, southern half of Nevada

Region 10—Canada

Region 11—Ohio, Michigan

Region 12—Idaho, Montana, Oregon, Washington, Alaska

Region 13—Northern half of California, northern half of Nevada

Region 14—Hawaii, Philippines, Australia, Pacific Region and the Far East

Region 15—New York, northeasterly portion of New Jersey

Region 16—Alabama, Georgia, Louisiana, Mississippi, Tennessee

Region 17—Arkansas, Oklahoma and Texas Panhandle

Section 1(b) The Board of Governors may redefine any or all of the geographical regions, and increase or diminish their number as it may deem desirable or necessary.

In the late 1990s, Region 17 was abolished and Arkansas, Oklahoma, and the Texas Panhandle became part of Region 6.

Article XII, Section 1, provides, “The officers of the society shall be prescribed in the bylaws, but shall include, at minimum, the international president, international senior vice president (president-elect), international secretary, and international treasurer.”

## **Assembly of Delegates**

Lloyd M. Hotchkiss was the primary proponent of the addition of an assembly of delegates to governing procedures of the society. His position, and that of his supporters, was that delegates from individual chapters bringing specific matters of concern to the attention of the board of governors would increase membership’s interest and participation in society affairs.

Not everyone agreed, taking the position that governing the society was the responsibility of the board of governors. An assembly of delegates was perceived to be an unnecessary layer of bureaucracy.

However, Lloyd “Hotch” Hotchkiss was persuasive. The first meeting of the assembly of delegates was held at the 1960 International Conference in Miami Beach, Fla.. Seventeen delegates attended, and the meeting was chaired by then–Vice President Vincent Marcum.

Authority for the assembly of delegates was contained in an amendment to the bylaws published in the February 1961 issue of *Technical Valuation*. The procedure was amended by Bylaw B-15, adopted in June 1996, and further amended in Administrative Rule 9 in the June 1996 edition of the constitution.

## **ASA National Office**

Article III of the constitution (Jan. 1, 1955, edition) provides:

Section 1—The headquarters of the society shall be in the city of Washington, District of Columbia, or in such other place as the Board of Governors may from time to time designate.

Subsequently, this second sentence was added: “The principal office shall be known as the International Headquarters.”

Article III of the April 2000 edition of the constitution reads, “The Headquarters of the society shall be in such place as the Board of Governors may designate. The principal office shall be known as International Headquarters.”

National Office staff work full time in the interest of the society. They also maintain contact with international, state and chapter officers; act as a central clearinghouse on information; distribute mailings to the membership; handle ASA publications; keep track of expenditures; and generally handle matters to provide an efficiently functioning organization.

The first four administrations, Daniel J. Hennessey (1952–1953) through Tevis T. Westgate (1955–56), served without the benefit of a central office. The society’s funding was simply inadequate to support an office and staff.

## **Office Locations**

The first society office was opened in July 1956 at the beginning of Myron Mathews' administration. Space was leased in the LaSalle Building, 1028 Connecticut Ave. N.W., Washington, DC. The board of governors meeting in Dallas, Texas, in April of that year instituted a dues increase enabling the necessary expenditures. Space in the building was relocated to Suite 1121 in 1962.

In September 1964, International Headquarters was moved to the third floor of 1101 17th St. N.W., Washington, DC 20036. Rent for the 916 square feet of space was \$5.75 per square foot during the five-year lease.

In the spring of 1971, the administrative offices were relocated to Isaac Newton Square in Reston, Va. During 1974 the facility was again moved, this time to the Reston International Center in Reston, Va.

February 1987 saw the offices moved to about 7,000 square feet of space in the Air Line Pilots Association Building, 535 Herndon Parkway, Herndon, VA. In 1995 the offices were relocated to 555 Herndon Parkway.

## **Staffing**

National Secretary Adelbert W. Lee employed Helen Hoton to staff the office on a part-time basis. She became the first salaried employee at the National Office in 1956.

During 1957, under the able direction of National Secretary Vincent Marcum, Elizabeth Dendo was employed on a full-time basis for an initial salary of \$350 per month. Shortly after her employment, the board designated her executive secretary. She resigned that post in 1968. Her service to the society was exemplary. Her skill in managing the, by then, National Office during seven administrations contributed much to the success of the society. Staffing during this period was increased by the addition of three office assistants: Susan Paxton, Marilyn Wallerstein and Ellen Klavon.

Over the years the number of people required at headquarters to handle the ever-increasing workload has continued to grow. For example, during 1978 the National Office staff totaled eight persons. The ASA directory for the year 2000 shows an office staff of 29.

## **Executive Director**

At the Denver conference in 1964, the board of governors established the position of executive director. A search committee, chaired by William M. McCloy, concluded that William Fitzgerald was best qualified to become the first executive director. Fitzgerald was installed by incoming President William M. McCloy for the beginning of the 1964–65 term.

An executive director job description was formulated. Among other things, a one-year, three-month employment contract was negotiated. The salary was fixed at \$13,200 annually and was payable monthly. Compensation included group hospitalization and a two-week paid vacation. The contract was renewed Feb. 1, 1966, and compensation was increased to \$15,600 annually with similar benefits. The board of governors terminated Fitzgerald's employment in January 1968.

Then-President Max P. Arnold appointed Richard C. Epstein, who was serving as second vice president for ASA, to the position of executive director. Epstein was a practicing appraiser in Toledo, Ohio. During his tenure as executive director he commuted to the National Office, allocating about three days a week to society affairs. He served until 1978. Attorney Dexter D. MacBride, chief appraiser for California Public Works—Highways, succeeded Richard Epstein in July 1970 and held the position of executive vice president until July of 1983.

Paul O'Brien, who had been serving the society as general counsel, assumed the post of executive director in August of 1983 and served until his resignation in 1985. A.W. (Mick) Carson became executive director when O'Brien resigned and served until his retirement due to illness in 1996. He died in February 1997.

It became apparent that Carson was seriously ill in early 1996, and a five-person committee chaired by Frederick L. Iusi, FASA, was appointed to search for an executive vice president. The search took three months, reviewed the applications of some 140 persons, and finally recommended that Edwin W. Baker be appointed. On May 20, 1996, Baker assumed the duties of executive vice president of ASA.

## **General Counsel**

In addition to national executive director, Article X of the constitution provides for a general counsel who, serving at the pleasure of the board, shall be a nonvoting member of the governing body of the society.

Benjamin Silverman, a practicing attorney, had been a member of TVS. He joined that founding society July 1, 1949. During the merger negotiations, he provided material legal assistance to the committee. The original ASA constitution and bylaws, modeled to some extent on the ASTA document, was updated and codified by Silverman.

During the first years he served the society on a voluntary basis and was made a Life Member. In 1954 the board of governors formally appointed him a general counsel, a post he held until 1961.

Society records concerning counsel after Silverman's retirement are sketchy. A.W.Wachtel is referred to as the society's legal counsel in a 1964 report by Executive Secretary Elizabeth Dendo.

At the board of governors meeting in Washington, D.C., on June 26, 1968, Paul L. O'Brien of the law firm of Hanson, Cobb, O'Brien & Tucker was appointed legal counsel for ASA. He acted in that capacity until he became executive director in 1983. His law firm still represents the society as counsel.

## **ASA Publications**

### ***Technical Valuation and Valuation***

At the merger in 1952, *Technical Valuation* was designated as the official journal of the American Society of Appraisers. Three issues were to be published annually.

The subscription price was \$5 per year; single copies cost \$1.75. Member dues of \$20 included the publications.

The first copy, to the historian's knowledge, was the November 1952 issue. The front cover listed the then-chartered 17 chapters and chapter officers. The last page was the code of ethics adopted by the society on Aug. 21, 1952. The 44-page issue included 12 articles on valuation, covering topics ranging from cultured pearls to a condemnation case involving an easement. Of particular interest is the final report of the ASTA-TVS Joint Consolidation Committee authored by Myron L. Matthews and Robert L. Lauer as co-chairs.

Editor of the first issue was Joseph Gallagher. Beginning with the October 1953 issue, Myron Matthews assumed editorship, a post he held through the June 1955 issue.

At the Jan. 29–30, 1966, Midterm Meeting in Chicago, the board of governors adopted a recommendation of the Coffman Report creating the International Publications Committee. The format of *Technical Valuation* was revised and the name changed to *Valuation*. Max P. Arnold served as the first chair of the committee and as editor.

In 1967, beginning with the August issue, Dexter D. MacBride became chair of the committee and editor, a position he held until his retirement as executive vice president of the society in 1983.

In addition to *Valuation*, the society has published a number of special reports including opinions of the College of

Fellows.

The final issue of *Valuation* was in the spring of 1998, because the funding necessary to continue its publication was not approved by the Budget and Finance Committee.

The International Publications Committee, in the year 2000 edition of the constitution, is not listed as being a standing committee

### ***The Appraisal and Valuation Manual***

As vice president during Tevis Wastage's administration (1955–56), Myron Mathews, together with Benjamin Silverman, general counsel, at the president's request, entered into negotiations with Harry Baum for publication of a society-sponsored valuation manual. Harry Baum was engaged in various publication endeavors. His office at the time was located at 100 West 42nd St., New York.

Basically, the proposed contract provided the society was obligated to furnish appraisal and valuation papers. Harry was to publish and promote the manual. Insofar as the historian has knowledge, the contractual document no longer exists. It was my understanding Baum was obligated to hold the society harmless financially as long as adequate material for the manual was provided.

Based on Mathews's recommendation, the board approved the contract, and the first edition (1955–56) was published.

The board of governors created a manual committee and an editorial board. Daniel Hennessy, first president of the society (1952–53), served as chair of the committee. Members were Gerard Dierker and Myron Matthews. The editorial board consisted of Myron Matthews as editor with William Wolff, Gerard Dierker, Benjamin Silverman, and Louis Juretie as members. Harry Baum was publisher.

The 1955–56 bound volume of 447 pages included 34 articles covering a wide scope of subjects. Interestingly, one of the articles, written by Sanders Kahn and William A. Smyth, concerned licensing and certification of appraisers. This volume included the society's code of ethics, administrative data, and a membership roster.

Volume 1 achieved a reasonable measure of success. The first printing was June 1955. The second printing was January 1956.

For volumes 2 through 5, the manual committee and editorial board were effectively combined. Members were:

Paul Coffman, chair and editor	
Gerard Dierker	Louis Juretie
William Wolff	David Glunt

The format remained basically the same as Volume 1, with the articles covering a wide spectrum of property types. Publication dates were:

Volume 2	September 1956
Volume 3	January 1958
Volume 4	June 1959
Volume 5	September 1960

During this period relations between the publisher and the society became increasingly strained. This arose, in part, because the publisher believed the society was not fulfilling its obligation to provide adequate quality unpublished articles. The manual was, in effect, in direct competition for articles with the society's "official" publication, *Technical Valuation*.

During Paul Coffman's second term as society president (1960–61), he entered into extensive negotiations with Harry Baum, who was on the verge of suing the society. Coffman's efforts were successful and the contract was terminated without litigation.

Subsequent volumes were published by the society after termination of the Baum contract. Editorial board members were:

<u>Volume 6</u>	March 1962
Chair	William Burnell (Past President, 1954–55)
Editor	Carl Peterson
<u>Volume 7</u>	June 1963
Chair	Philip Gates
Editor	Carl Peterson
<u>Volume 8</u>	June 1965 (first printing) November 1971 (second printing)
Chair	Philip Gates
Editor	Frank Royce

Part 2 of the Membership Policy Committee Report, referred to elsewhere herein as the Coffman Report, is dated Oct. 15, 1965. The committee recommended, because of the size and scope of the membership, that the feasibility of providing adequate articles for the manual on a regular, frequent basis did not appear attainable. The committee recommended the society's efforts be concentrated on *Technical Valuation*.

Volume 9, the last *Appraisal and Valuation Manual*, was published in January 1971.

Members of the International Publications Committee were:

Chair	Francis L. Gorka, Connecticut
Committee Members	John E. Daly III, Massachusetts
	Frank W. Kent, California
	Alfred Schimmel, New York
	C.E.O. (Johnny) Walker, Wisconsin
	John W. Tucker (ex officio), Texas
Editor	Dexter D. MacBride, Washington, D.C.
Publisher	Corporate Press Inc., Washington, D.C.
Technical Advisor	Paul Wester

This volume covering the period from 1966 to 1971 was designated as the official publication of the American Society of Appraisers.

The 440-page volume included 45 valuation articles in three sections, organized by time periods. Primarily these articles were reprints from *Technical Valuation*.

In addition to the valuation papers, this volume included a roster of society officers and governors (1971–72). This publication included an offer to sell nine volumes of *Appraisal and Valuation Manual*, containing over 290 authoritative articles covering major categories of the appraisal disciplines. The nine volumes were offered for a total of \$75, or \$15 each.

Subsequent to Volume 9, the society adopted the recommendation of the Coffman Report and concentrated publication efforts in 1966 on the retitled quarterly, *Valuation*.

## **Newsline**

The first *Newsline* was issued in September 1970. This informative bulletin to all members, published bimonthly at inception and subsequently monthly, was initiated by then-Executive Vice President Dexter MacBride.

## **Other Publications**

During the early years of ASA, publications were limited by financial restraints. As noted, considerable effort was invested in the *Valuation Manual*. Subsequently the society has been engaged in numerous publications, including January 1980 offerings as follows:

1. Audio-library (cassettes) called *Valutapes*, initiated by Dexter MacBride, were issued during the period 1972–1976. ASA leaders in all disciplines created this unique resource. Titles include:

*The Profession of Appraising*  
*The American Society of Appraisers*  
*Opportunities for Appraising for Minorities*  
*Licensing/Certification of Appraisers*  
*Redlining and Appraisers*  
*Interface: Condemnation, Appraising, Right of Way, Public Works Administration*

2. *Valuation Journal*
3. Appraisal, Valuation Manuals
4. *Bibliography of Appraisal Literature* (printed in 1974)

This was one of the most ambitious projects ever undertaken by the society. It referenced all available appraisal texts and commentaries reflecting literature in all appraisal disciplines. The data, presented, in 15 chapters representing substantive valuation categories, were structured and numerated by Allen O. Baylor of the University of Texas at El Paso, who undertook and completed the formidable task of data gathering/categorizing. Computer technology was the responsibility of John Rollins, president of Aztech Corporation, Washington, D.C. Publication consultants were Paul Wester and Philip Smith of Corporate Press Inc., Washington, D.C.

The massive 770-page bibliography was printed in 1974. ASA leadership included Publications Chair Francis Gorka, FASA; Bibliography Committee Chair Max Arnold, FASA; and Editor Dexter MacBride, FASA. Incorporated in the bibliography was a special feature: several data input bank cards, providing members of the society opportunity to contribute corrections and references.

5. Monographs

The monograph series was designed for membership expression and shared educational communication. Specialists in the several valuation disciplines were provided the exceptional opportunity to submit their writings for consideration and possible publication by ASA. The series, initiated by Dexter MacBride's *Power and Process: A Commentary on Eminent Domain and Condemnation* (1969), was continued by other individuals and included such works as:

*The Appraisal of Machinery and Equipment* (1969)  
*Icons of the Community* (1970)  
*Insurance Valuations* (1971)  
*Licensing/Certification of Appraisers* (1972)  
*Ad Valorem Appraisers: The New Professionals* (1975)  
*Commentary on Personal Property Appraisal* (1976)  
*Appraisal of Farmlands: Use-Value Assessment Laws and Property Taxation* (1979)

The monographs were produced under the direction of the International Publications Committee.

6. Examination study materials
7. Special publications

“Value Forum,” a nationally distributed newspaper column sponsored by ASA and written by Executive Vice President Dexter MacBride, was published for five years. The column was part of a public relations effort by the society to reach readers throughout the United States

*Opportunities in Appraising/Valuation Science* was published by VGM Career Horizons (National) Textbook Company, Illinois, and edited by Dexter MacBride. It was offered through ASA chapters to high schools, colleges and university counseling departments for use in job/profession orientation.

The *Directory of ASA Members* has been published annually since 1972, with occasional changes in format. It also sets forth information about the society and its activities. All members receive a free copy.

The society has continued to publish specialized documentation including papers authored by members in various technical areas of appraising as well as opinions of the College of Fellows and a paper on licensing/certification and other valuation issues.

The individual discipline committees, almost since their inception, have been publishing journals containing articles of interest to their membership.

## **The Coffman Report**

While not a part of the society’s constitution and bylaws, the Coffman Report resulted in a major shift in the development of ASA. During the early 1960s the direction of the society was a matter of concern. The concept of a multifaceted organization was fading; over 80 percent of the membership in 1964 were engaged in real estate appraisal.

As a result of this concern, President William McCloy (1964–65) appointed a Membership Policy Committee that consisted of all the living past presidents of the society, eight persons in all. Paul B. Coffman served as chair. Because of his outstanding contributions, the findings of the committee soon became known as the Coffman Report.

The report was submitted in two parts, the first section dated April 28, 1965, and the second dated Oct. 13, 1965. Both sections were published in the 1969 special historical issue, *ASA in Perspective*, Vol. 16, No. 3. In essence, Part 1 urged the society to broaden its multifaceted appraisal base with primary efforts toward increasing membership in areas other than real estate appraisal. Part 2 of the report urged the establishment of standing committees with continuity from one administration to the next. Eight standing committees were recommended.

The board of governors, at the Midterm Meeting of January 29–30, 1966, adopted the recommendations of Part 2. The membership ratified the necessary constitutional changes. Part 1 had been adopted previously.

One recommendation that was not adopted was the suggestion that the Nominating and Awards Committee nominate two persons for each office so that voting members would have a realistic choice. Instead, the board adopted in 1972 or 1973 Article 13, Section 2,61 a provision that said, “One of the three Vice Presidents shall be nominated as Senior Vice President.”

## **Life and Honorary Memberships**

The first Life Members were “the Incorporators and certain Charter Members” as provided in the 1955 constitution. (not to exceed 12 in number). Section 7 further provided that Life Members were to be Fellows of the society who, “in the judgment of the Board of Governors, merit special recognition therefore. Life Membership shall not be awarded to any Fellow during the same calendar year in which he attains Fellowship and in no event unless at least six months have elapsed after such attainment.”

The June 30, 1968, version of the constitution states that Life Membership shall be bestowed only to Senior or Fellow members of the society by action of the board of governors; (b) that they shall be exempt from further payment of dues; and (c) that these changes do not apply to the incorporators of the society.

Article 13, Section 11, of the June 1968 constitution provided the following:

Qualifications required for the membership grade of Life Member:

- (a) Be a Senior or Fellow member in good standing
- (b) Have made, in the judgment of the Board of Governors, outstanding contributions to the society and/or the profession that warrant this signal honor
- (c) Have held the grade of Senior Member and/or Fellow for at least 25 years or be at least 60 years of age and held the grade of Senior Member and/or Fellow for at least five years

Nominations for the grade of Life Member shall be initiated at the chapter level.

1. (a) Nominations may be made to the Chapter officers by any Member, Senior Member or Fellow or may be initiated by the Chapter officers.
  - (b) The nominator shall submit, along with the nomination, a comprehensive documentation setting forth the basis for said nomination. Nominations shall not be accepted without adequate written documentation.
  - (c) Upon favorable vote of the Chapter officers the nomination, together with all supporting documents, shall be transmitted to the appropriate Regional Governor.
2. The Regional Governor shall:
  - (a) Review the nomination and add, in writing, his recommendation.
  - (b) Present the nomination at the next scheduled meeting of the Board of Governors.
  - (c) A two-thirds majority vote of the Board of Governors shall be required to approve the nomination.
  - (d) The International President shall notify the Chapter President of the action of the Board of Governors.
  - (e) In the event the action is favorable the Executive Vice President shall prepare a suitable plaque designating the recipient as a Life Member. The award shall be presented at an appropriate time at the society’s annual conference.
3. Award of Life Member designation shall:
  - (a) Relieve the recipient from further payment of dues beginning with the start of the next fiscal year subsequent to the designation. It shall not relieve him/her of Chapter assessments.

- (b) He shall thence forth be a member in good standing entitled to all the rights and privileges conferred by the society.
- (c) A Life Member may resign or be removed from the society in accordance with procedures set forth in the Constitution and Bylaws.

The June 1996 edition of the *Constitution, Bylaws and Administrative Rules* outlines, under Article VI, Bylaw B-8, Section 12, the procedure for naming a Life Member. It remains basically the same as outlined above, with the following minor changes in the nomination procedure:

- (c) Upon a favorable vote of the Chapter officers the nomination together with all supporting documents shall be transmitted to the International Nominating and Awards Committee.
- 2. The International Nominating and Awards Committee shall:
  - (e) In the event the action is favorable the Executive Administrative Officer shall prepare a suitable plaque designating the recipient as a "Life Member." The award shall be presented to the recipient at an appropriate time at the society's annual conference.

Honorary membership was provided for in the 1955 constitution, in Article 6, Section 8, as follows:

The grade of Honorary Member may be bestowed upon the members who shall have attained distinction and renown in rendering services equivalent to those required as qualification for the grade of Member in the society and who, in the judgment of the Board of Governors, have made major contribution to the advancement of the appraisal profession or performed an unusual and valuable service for the society.

In the June 1996 edition of the *Constitution, Bylaws and Administrative Rules*, Article 6, Bylaw B-8, Section 13, the qualifications for the bestowing of Honorary Membership are:

- 1. (a) Be a nonmember of the society
- (b) Have, in the judgment of the Board of Governors, contributed substantially to the appraisal profession or performed an unusual and valuable service for the society to merit recognition by the society

Nominations for the grade of Honorary Member:

- 1. May be made by any Senior Member or by the governing body of any Chapter of the society
- 2. Shall be on forms prescribed by the International Nominating and Awards Committee
- 3. Shall be sent to the Chairman of the International Nominating and Awards Committee for presentation to said committee.
- 4. The International Nominating and Awards Committee shall make such examination and investigation as it considers necessary and appropriate to determine whether, in its opinion, the nominee should be recommended for the award.
- 5. The Chairman of the International Nominating and Awards Committee shall report to the Board of Governors at its next regular meeting and if the report is favorable, a resolution shall then be presented to the Board of Governors.
- 6. The Board of Governors may make the award of Honorary Member to the nominee by a two-thirds majority vote.

7. In the event the action is favorable, a suitable plaque designating the recipient as an “Honorary Member” shall be prepared. The award shall be presented to the recipient at an appropriate time designated by the Board of Governors.
8. The recipient of the award shall be exempt from payment of annual dues and assessments.

## **Retired Status**

While not specifically set out in the 1968 constitution, Article B-7, Section 10, provided the following for retired status:

The International Board of Governors, whenever it may deem desirable, shall bestow upon any of the classes of membership in the society the status of Retired. To obtain the Retired designation, a member must be:

- (a) No longer engaged in any form of employment or services connected with the appraisal profession,
- (b) at least 65 years of age,
- (c) a member in good standing for the current year in which retirement shall take place plus at least the prior continuous 10 years, and
- (d) recommended for the Retirement status by the governing Chapter and the Regional Governor.

The Retired member shall be relieved of the payment of any dues or assessments to Chapter or International. He shall be privileged to attend all meetings, receive all meeting notices, and serve on committees. He shall not have a vote in Chapter or International affairs, shall be prohibited from holding any offices and shall be entitled to publications upon the payment of a subscription fee. All Retired members shall have their status reviewed at least once per year by the Chapter of which they are a member.

Bylaw B-8, Section 11, of the June 1996 edition of the constitution reads:

A Regional Governor, when he may deem desirable, shall bestow upon any of the accredited classes of membership in the society, within his region, the status of Retired. To obtain a Retired status, a member must be:

- (a) No longer engaged in any form of employment or services connected with the appraisal profession,
- (b) at least 60 years of age,
- (c) a member in good standing for the current year in which retirement shall take place plus for at least the prior continuous 10 years,
- (d) recommended for the Retirement status by the governing Chapter, or
- (e) a member in good standing, who suffers severe illness and is forced to retire from active appraisal practice, regardless of age.

The Retired member shall be relieved of the payment of any dues or assessments to Chapter or International. The member shall be privileged to attend all meetings, receive all meeting notices, and serve on committees. The member shall not have a vote in Chapter or International affairs and shall be prohibited from holding any offices. When stating his affiliation with the society a Retired member shall indicate his retired status by appending the word “Retired” after his grade of society Membership. Upon payment of an

annual fee (see Administrative Rule #5), the member shall be entitled to Headquarters publications and listing in the society Membership Directory. All Retired members shall have their status reviewed once per year by the Chapter of which they are a member.

## **College of Fellows**

Prior to the establishment of the College, nominations to the grade of Fellow were reviewed by the Nominating and Awards Committee, and the findings were submitted to the board of governors for final action. As a matter of interest, the first award of the grade of Fellow was conferred on Daniel J. Hennessy in 1954.

An exception to the procedure of awarding the grade of Fellow occurred at the board of governors meeting at the Shoreham Hotel in Washington, D.C., on June 26, 1968. The minutes for that meeting reveal that Vice President Richard C. Epstein moved that every living past president be awarded the designation of Fellow in the American Society of Appraisers. Governor Harry L. Crosby of then Region 7 seconded the motion and it was passed. Fellowships were awarded to R. Donald Stone, David P. Bishop Jr., William M. McCloy, Emil E. Gallas, and Alexander P. Grice on Saturday evening, June 29, 1968.

Secretary Philip F. Pierce moved the award of Fellow be bestowed upon Max P. Arnold at the Saturday evening banquet. The motion was seconded by Vice President Epstein and passed. The board of governors created the College of Fellows in January 1973. All individuals designated as Fellow prior to and subsequent to the action of the board became members of the College of Fellows.

Any person holding the grade of Accredited Senior Appraiser may be nominated for the grade of Fellow. Since the establishment of the College of Fellows, nominations are reviewed in accordance with procedures established by the college. Upon completion of the review process, the college members vote on the nomination. A favorable vote results in submission of the nomination to the board of governors. Approval by the board allows the nominee to be inducted into the College of Fellows.

The creation of the College of Fellows was complex. A somewhat chronological recounting of events, together with a brief résumé of Henry Babcock, the principal proponent and an enthusiastic motivator of the society's undertaking appraisal research and education, is in order.

In 1928, Babcock was active in the Chicago Association of Real Estate Boards and a participant in a *Report of the Subcommittee of the Executive Committee of the Appraisal Division of the National Association of Real Estate Boards, on Standards of Practice and Codes of Ethics*. The report was adopted in 1929 by NAREB under the title of *Standards of Practice for Realtor Appraisers and Appraisal Committees of Real Estate Boards*. The thrust of the report was that there are three kinds of real property, three kinds of value and three methods of valuation. The three major classes of property were identified as: investment, marketable noninvestment and nonmarketable noninvestment, also termed a service property.

In 1932, the name of the Appraisal Division of National Association of Real Estate Boards was changed to the American Institute of Real Estate Appraisers. The trichotomy of property classification, determining primarily the method of valuation, was substituted for the so-called "three approaches to value."

Babcock was an adamant supporter of the position that an appraisal society must be independent and not a division of a larger organization. He held tenaciously to the inherent appraisal concept that property be valued based on the kind of property and not by a real estate board's adopted "three approaches" to value.

After adoption of the "three approaches" concept, Babcock resigned from NAREB. He continued his appraisal practice without affiliation to appraisal societies until joining ASA during the 1950s. He was a consulting engineer, educator and real estate consultant. His book *Appraisal Principles and Procedures* was published in 1968.

## **1966**

On becoming a member of ASA, Babcock expanded his efforts promoting research, development, and education in appraising by the society. In April 1966 he submitted recommendations to the board of governors for the establishment of the College of Fellows of the American Society of Appraisers.

## **1967**

At the board meeting June 25, 1967, a College of Fellows was created following the recommendations of the Executive Policy Committee, which were:

1. That the Board of Governors create a College of Fellows acting in accordance with the provisions of Article XVII, Section 2 of the Constitution.
2. The College of Fellows, initially, shall be composed of all living members of this society who have been awarded the designation of Fellow and who are in good standing at the time of a suitable resolution by the Board of Governors. Any subsequent awards of the designation of Fellow by the society will convey membership in the College of Fellows. As long as the recipient remains a member in good standing of the society he shall serve as a member of the College. Any award of the designation of Fellow to persons who are not members of the society shall not confer membership in the College.
3. It shall be the duty of the College of Fellows to review any and all recommendations for awards by the society submitted to the International Nominating and Awards Committee. Upon completion of their review the College of Fellows shall submit their conclusions to the Nominating and Awards Committee and to the Board of Governors.
4. It shall be the duty of the International President to annually appoint a chairman and a vice chairman (or other suitable designations) of the College of Fellows.
5. The College of Fellows shall be required to submit their recommendations to the Committee and Board of Governors not later than May 15 of each fiscal year.
6. The first Chairman of the College of Fellows shall be responsible, with the consent of the other members, to formulate standard procedures for the function of that body.

No action to implement the board's resolution was forthcoming.

## **1968**

At the meeting of the board of governors on Jan. 27, 1968, the resolution creating the College of Fellows was rescinded. The matter was referred to the Executive Policy Committee for clarification and suggested means of implementation. No report was formulated.

## **1969**

On June 22, 1969, the board of governors adopted Article XVIII of the constitution. This article, creating the Research and Development Council, was approved by the membership Nov. 6, 1969.

Article XVIII provided:

Section 1—There shall be established and maintained a Research and Development Council of the American Society of Appraisers.

Section 2—The Research and Development Council of the American Society of Appraisers, as a body, shall institute research and development projects directed toward the building of a body of principles, concepts and definitions; the solution of general appraisal problems; the perfection of appraisal methods and techniques; the extension and dissemination of appraisal knowledge; and such other matters as shall enhance the usefulness, dignity and prestige of the competent and ethical public and staff appraiser. The Council shall provide general guidance and organization of research programs leading to the solution of initiated projects.

Section 3—Members of the Council shall be known as Councilmen of the American Society of Appraisers. All past International Presidents, Fellows of the society and Life Members shall constitute the designated members of the Council. The designated members may invite into Council membership as full participating Councilmen, other past International Officers and past Regional Governors on a basis of one invited member for each two designated members. A Councilman shall have life tenure provided that he remains a member of the society in good standing.

Section 4—The Council shall establish its own organizational structure and rules of procedure to facilitate accomplishments of its research and development projects subject to the Articles of Incorporation and the Constitution and Bylaws of the society.

Membership in the council, after ratification of Article XVII, totaled 31 members.

## 1970

The first meeting of the Research and Development Council occurred Jan. 30, 1970, in Dallas, Texas. Present at the meeting were David P. Bishop, R. Donald Stone, Henry A. Babcock, Edmund Leet, William M. McCloy, Emil Gallas, Vincent L. Marcum, and Earl P. Marshall, who acted as temporary chair. It was moved and seconded that Vincent Marcum be elected to serve as temporary secretary.

Marshall then commented on the objectives of the council.

The Council should seek to discover and formulate the basic problems that confront the appraisal profession. The problems should be presented to the Council for discussion and decision.

The work of the Council should be the establishment of a body of principles, concepts and definitions; the perfection of appraisal methods and techniques; and the extension and dissemination (in coordination with the Education Committee and the Educational Foundation) of appraisal knowledge.

Marshall further stated that the council was designated to serve as a “supreme court” to determine what constitutes sound professional practice in the appraisal field regardless of current statutes and legal decisions binding upon appraisers. The hope was that the decisions of the council would serve as a basis for new legislation as required and as guidelines for jurisdictional and government agencies’ rules of procedure for appraisal matters. These concepts were discussed at length and, in part, agreed to by those present.

The temporary chair presented several documents of the American Institute of Certified Public Accountants (AICPA) outlining the history and procedure for establishing accounting principles for the Accounting Principles Board, which he thought could be used as a guideline for the operation and procedure of the Research and Development Council. Marcum made copies of these documents and distributed them to all those present.

Henry A. Babcock was elected permanent chair to work with Earl P. Marshall, William M. McCloy and Edmund Leet to develop organizational procedures. The meeting was adjourned for a brief recess and reconvened at 6 p.m. the same day with Babcock as permanent chair with the following members in attendance: Max P. Arnold, Emil Gallas, David P. Bishop, Edmund Leet, Lloyd M. Hotchkiss, Earl P. Marshall, and Vincent L. Marcum.

There was discussion as to which of the Life Members of ASA were designated members of the council. It was moved and seconded that only Honorary Life Members are so designated. Approved unanimously.

Edmund Leet was elected vice chair. William M. McCloy was appointed head of an ad hoc committee to draft a constitution and set of bylaws for the council, which would be submitted to the council for approval.

Earl P. Marshall offered his services as temporary executive secretary to keep the council informed of progress.

The meeting was adjourned subject to call by the chair.

The second meeting of the council was held June 22, 1970, at the International Conference in Los Angeles. At this meeting, the council, at the request of the board of governors, adopted the following resolutions:

1. The Research and Development Council accepts for study, consideration and recommendation the matter of the Home Loan Bank Board's recent administrative action relative to a new definition of market value, generally called Fair Market Value, and related matters involving appraisal procedure and technique, which were referred to the Research and Development Council by the ASA Board of Governors.
2. The Research and Development Council feels that if the Board of Governors desires to write the Federal Home Loan Bank Board to clarify the fact that ASA did not and does not now approve of the new definition of Market Value and the related changes in appraisal procedures and techniques and that the matter has been referred to the Research and Development Council for study and report, that such communication on the part of the ASA Board of Governors has the full approval of their Council. In this connection, the Research and Development Council fully shares the concern of the Board of Governors relative to the magnitude and importance of the problem and believes that the matter may not be totally resolved by the redefinition of Fair Market Value alone.

## **1971–72**

The Research and Development Council's efforts to produce opinions that would be adopted, first by the council and subsequently by ASA for publication, were less than successful.

The apathy of the council members caused Babcock to resign his position as chair. His resignation galvanized activity among the council members. The council approved one opinion, *The Applicable Method for Valuation of Undeveloped Land*, for publication in April 1972. Babcock then agreed to withdraw his resignation.

## **1973**

At the board of governors meeting on Jan. 27, 1973, the Executive Policy Committee proposed the establishment of the College of Fellows of ASA. The committee recommended, in essence, that "rather than have two organizations to divide the efforts and counseling abilities of the Fellows, it would be better to set up one body, which, as in Dr. Babcock's original conception, under the dignified mantle of the College of Fellows, could perform the functions presently assigned to the Research and Development Council, and assume the weighty responsibility of judging nominees' admissibility to their own ranks."

The Executive Policy Committee recommended resolution by the board of governors and adoption by the membership of constitutional changes and resolution by the board of governors to abolish the Research and Development Council and establish in its place a College of Fellows.

As a result of board action and ratification by the membership, the College of Fellows, as originally recommended by Babcock, was established (Article XVII of the constitution) and the Research and Development Council faded into the sunset.

### Board Action

In January of 1973, at the meeting in Hawaii, the board of governors adopted the following resolution:

There shall be established and maintained a College of Fellows of the American Society of Appraisers.

The objective and the purpose of the College of Fellows shall be to discover, develop and define the fundamental principles on which sound appraisal practice should be based; and to make these available to individual appraisers, appraisal societies, teachers, governmental agencies, legislators, the courts and others concerned with the development, improvement, regulation and control of appraisal practice.

It shall be the primary function of the College of Fellows to publish from time to time written expressions of its opinions, judgments and conclusions concerning appraisal concepts, definitions, principles, methods and practice with the intent of building an authoritative body of appraisal principles, but also recognizing that the principles thus established will, in all probability, be amenable to further discussion and development.

A Fellowship is bestowed on Accredited Senior Appraisers by the society's International Board of Governors in recognition of outstanding services to the appraisal profession or the society. A Fellow may use the designation of FASA. The College of Fellows, having been formally created, adopted rules of procedure including election, terms of office, and processing nominations to the grade of Fellow.

The June 1996 edition of the *Constitution, Bylaws and Administrative Rules* addresses the subject of the College of Fellows as follows:

*Article XVIII*

**Section 1**—There shall be established and maintained a College of Fellows of the American Society of Appraisers.

**Section 2—Objective and Purpose of the College of Fellows.** Exactly as spelled out in the two paragraphs above beginning with "The objective..." and "It shall be the primary..."

**Section 3—Membership.** The membership of the College of Fellows shall comprise all Fellows of the American Society of Appraisers. A Fellow shall have life tenure in the College provided he remains a member of the Society in good standing.

**Section 4—Qualifications required for the Membership Grade of Fellow and the Procedures for the Awarding of a Fellowship.** The awarding of a Fellowship in the American Society of Appraisers is deemed to be a signal honor and one which confers great distinction upon the recipient. To the end that this honor shall be bestowed only upon those worthy of it, the following criteria and procedures are hereby established:

a. A nominee for the grade of Fellow shall:

- (1) have demonstrated exceptional proficiency as a professional appraiser and/or made a notable contribution to the profession by assemblage of data, development or perfection of appraisal methods, or as a teacher, author or researcher and
- (2) be an Accredited Senior Appraiser and have been active as an Accredited Senior Appraiser for at least five (5) years in Society affairs as evidenced by attendance at meetings and/ or holding Chapter, State Regional or International Office; or serving on committees; or presenting papers on appraisal subjects.

b. Nominations for the grade of Fellow:

- (1) may be made by any Accredited Member or Accredited Senior Appraiser, or Fellow, or by the Governing Body of any Chapter of the Society, except that no Accredited Senior Appraiser may nominate himself;
- (2) International Officers shall not be eligible for nomination to the College of Fellows during their of office;

- (3) when a nomination for membership to the College of Fellows has been presented for vote of the College and the vote results in less than a majority of votes required for favorable acceptance, then that member cannot be again considered for nomination to the College Fellows for a term of not less than three years;
  - (4) shall be on forms prescribed by the College.
  - (5) Shall be sent to the chief executive officer of the College of Fellows for presentation to the members of the College.
- c. (1) The College of Fellows shall make such examination and investigation of the nominee's qualifications as it considers necessary and appropriate to determine whether, in its opinion, the nominee is duly qualified and should be recommended for the award.
- (2) The membership of the College shall be polled and, if a majority of the quorum of the membership of the College agree that the nominee is qualified and should be recommended for the award, this fact shall be certified by the chief executive officer of the College and said certification and recommendation shall be forwarded to the Board of Governors. A quorum is defined as 50% or more of the entire membership of the College.
- (3) The Board of Governors may make the award of a Fellowship to the nominee by a majority vote of its entire membership.
- (4) The award of a Fellowship may be made only to a nominee who has been certified and recommended to the Board of Governors by the College of Fellows.

**Section 5—Organizational Structure and Rules of Procedure.** The College of Fellows shall establish its own organizational structure and rules of procedure, subject to the Articles of Incorporation and the Constitution and Bylaws of the society, to facilitate accomplishment of its objectives and the performance of its functions.

In the April 2000 edition of the Constitution, there were a few changes. Article XVIII contains Section 1 exactly as in the June 1996 edition. Section 2 only refers to the “objective and purpose of the College of Fellows.” The second paragraph, which dealt with the “primary function,” is not included. Also not shown are Sections 3, 4 and 5.

Since the inception of the college, 12 Opinions have been published. They are as follows:

<b>Title</b>	<b>Published in <i>Valuation</i></b>
<i>Definitions, Concepts and Principles of Appraisal Practice</i>	Volume 22, No. 1 (5/75)
<i>The Applicable Method for Valuation of Undeveloped Land for Which There Is No Current Market</i>	Volume 22, No. 1 (6/75)
<i>Education for Appraisers</i>	Volume 23, No. 2 (11/76)
<i>Indirect Licensing of Appraisers</i>	Volume 27, No.1 (11/81)
<i>Recognition of Academic Degrees or Equivalent Professional Education</i>	Volume 34, No.1 (1/89)
<i>Defining Standards of Value</i>	Volume 34, No.2 (6/89)
<i>Defining Value in Use</i>	Volume 34, No 2 (6/89)
<i>Contractual Conditions</i>	Volume 36, No 1 (3/91)
<i>Appraisal Practice: Contractual and Fiduciary Relationships; Lawsuit Mediation</i>	Volume 37, No.1 (6/96)

<i>Agrichattels: A Glossary and Commentary</i>	Volume 40, No. 1 (6/96)
<i>Appraisal Education, Summary Review: ASA Perspectives Regarding Educational Programs, Academic Achievement</i>	Volume 40, No. 1 (6/96)
<i>The Information Superhighway: Appraisal Organization Access</i>	Volume 40, No. 1 (6/96)

The above 12 Opinions were later published (in June 1997) in a pamphlet titled *ASA College of Fellows Opinions* (Volume 1).

Members of the College of Fellows have sponsored two multidiscipline educational presentations at international conferences of the society. The first was delivered on June 17, 1996, in Toronto, Canada, and was titled *Due Diligence*. The material covered:

Introduction	by Frederick L. Iusi, FASA
Real Property	by John L Gadd, FASA
The Advancement Process	by Brian T. Napier, FASA
Personal Property	by Patricia C. Soucy, FASA
Machinery and Technical Specialties	by George D. Sinclair, FASA
Business Valuation	by Allan L.R. Lannom, FASA
Legal Perspective	by Jerome C. Schaefer, Esq. <sup>4</sup>
Concluding Remarks	by Frederick L. Iusi, FASA

The second was given on June 22, 1998, in Maui, Hawaii, and was entitled *Consulting Issue*. The material covered:

Introduction	by Frederick L. Iusi, FASA
Real Property	by John L. Gadd, FASA
Business Valuation	by Brian T. Napier, FASA
Personal Property	by Frederick L. Iusi, FASA

A panel discussion followed *Due Diligence*. Panel members were:

Richard A. Kaufman, FASA	Roy E. Morris III, FASA
Shannon P. Pratt, FASA	Patricia C. Soucy, FASA
Moderator, Frederick L. Iusi, FASA	

On occasion the board of governors has requested that the College of Fellows review a situation and prepare a report of its findings back to the board.

A listing of those reports:

At the Midterm Meeting in Puerto Vallarta, Mexico, a resolution, PV 22, was passed, that in essence requested the College of Fellows to define *discipline* and *specialty* and to make recommendations to the board of governors for possible implementation. Chancellor MacBride delivered a report that was based on input from college members. *Discipline* was defined as being “the largest recognized organizational structure that connotes a general body of theories and methods having shared literature.”

A new word, *division*, was brought up and defined as “a field of a discipline that has methods and theories with distinctive fields of study.” Finally, “a *specialty* is a unit of a division which is property specific rather than theory or method specific. It may have traditions and literature devoted to treating specific property.”

Further recommendations were that ASA should have three disciplines, each property specific, containing divisions and specialties; that the term *classified specialties* be studied for elimination; and that the “Appraisal Review and Management Discipline” be studied in the light of the foregoing analysis.

In June 1995, International Vice President Max G. Koeper asked Chancellor John Monroe to have the College of Fellows provide an opinion on the “Governance of the American Society of Appraisers.”

A committee of five persons was formed made up of Frederick L. Iusi, FASA, Allan L.R. Lannom, FASA, Dexter D. MacBride, FASA, George D. Sinclair, FASA, and John Madge, FASA, acting as chair. A report was prepared on Feb. 17, 1996, and submitted to Chancellor Monroe, FASA, and to Richard-Raymond Alasko, ASA, chair of the Long Range Planning Committee. A brief synopsis of the report follows:

1. Future needs must constantly be kept in mind, especially the impact on our profession of changing technology.
2. It was recommended that the makeup of the board be changed by eliminating one past president; limiting a governor’s term of office to one three-year period (to allow for more persons to have a chance to serve); allowing for a representative from each discipline to be a board member; and reducing the number of regions to 16.
3. Consideration should be given to reducing the number of standing and special committees by combining some and by eliminating others.
4. Suggestions were made for improving the budgetary process.
5. Consideration should be given to reducing the number of discipline group meetings held each year.
6. Publish *Valuation* on a regular basis for the enhancement of the professional image of ASA.

During International President Job’s term of office, Chancellor Iusi presented the following reports:

Sept. 15, 1999—Suggestions were given as to how the yearly loss of 600 to 800 candidates might be reduced. In essence the report stated “the profession is in a new era where education and information are more readily accessible, and qualifications must be reviewed in that light.” It was suggested that experience time of 4,000 hours is enough to qualify for advancement, rather than the five years currently required.

May 17, 2000—A report suggested changing USPAP requirements that necessitate members sit for 15 hours of study and take a written examination once every five years. “There should be no need for professional appraisers to sit for a prescribed number of hours on a regularly scheduled basis...” It becomes the responsibility of a professional, after taking the course and passing the examination, to remain aware of changes in regulations as they occur.

July 2000—A report was given on the viability of the Appraisal Review and Management discipline. A brief summary of thoughts expressed by the college follows:

1. They are not appraisers and ASA should not have the designation of ASA.
2. Keep the designation, since it is a legitimate avenue for appraisal-affiliated new members, but develop appropriate education, since none is now available.
3. Maintain the designation, but make it available only for appraisers previously holding credentials in a traditional discipline.

The College of Fellows conducted mentoring sessions at the Boston Conference in 1999; the Midterm Meeting held in Savannah, Ga., in early 2000; and the conference held in Las Vegas, Nev., during July of 2000.

## **The Educational Foundation**

The American Society of Appraisers Educational Foundation (ASAEF) is a separate nonprofit corporation established by ASA to carry on education, research and charitable activities related to the profession of valuation and appraising. Charitable activities to be supported are those that are lawful and consistent with the principles and purposes of the American Society of Appraisers. The Educational Foundation is exempt from the payment of income taxes as a 501(c) organization. Contributions made to the Educational Foundation are deductible as charitable donations. A board of directors, four of whom serve as officers, manages the Educational Foundation. ASA's board of governors appoints the directors, but ASA has no other legal connection with the Educational Foundation, which manages its affairs independently of ASA.

The need to obtain a tax exempt status for income, which might be obtained from educational efforts being considered by ASA, prompted discussions in 1965 regarding the desirability of arranging to have an Educational Foundation that would be independent of the society. At the Midterm Meeting of ASA in January 1966, the board of governors approved the formation of an Educational Foundation and its incorporation into the constitution of ASA.

The first draft of the articles of incorporation was prepared in Los Angeles, Calif., on July 14, 1966, in the offices of Iverson & Hogoboom by attorney Paul E. Iverson. A later draft was made on Nov. 1, 1966. Acting as both incorporators and temporary directors as well as signatories of the articles were: William Y. Armstrong, ASA, who had been the motivating force behind the Educational Foundation; William M. McCloy, ASA; Henry A. Babcock, ASA; R. Noel Hatch, ASA; and William P. Hogoboom, Esq.

In June 1967 at the Detroit, Mich., conference, the board of governors appointed the following persons as Educational Foundation directors:

Emil E. Gallas, ASA	one-year term
William M. McCloy, ASA	two-year term
Vincent L. Marcum, ASA	two-year term*
George D. Porter, ASA	three-year term
William Y. Armstrong, ASA	three-year term

(\*Resigned Sept. 30, 1968. Replaced by David P. Bishop, ASA, for the balance of the term.)

The term length for all directors was to be for a three-year period after the initial slate.

The incorporators filed a certificate of incorporation for the ASA Educational Foundation in Wilmington, Del., on July 24, 1967, pursuant to Chapter 1, Title 8, of the Delaware Code as a charitable, nonprofit Delaware corporation. Its purpose was to carry on educational and research projects relating to the advancement of the art of valuation and appraising. Unlike the ASA, the Educational Foundation cannot participate in legislative activities of any nature.

The first formal meeting of the incorporators and directors was held on Aug. 29, 1967, in the offices of Iverson & Hogoboom at 523 West 6th St., Los Angeles, CA. Incorporators McCloy and Hatch were not present. Since a quorum was available, William Y. Armstrong was elected as temporary chair and William P. Hogoboom the temporary secretary. At that point the bylaws were adopted and the design of the corporate seal was approved. Babcock, Hatch and Hogoboom had prepared written letters of resignation as Educational Foundation directors to become effective at the meeting close on Aug. 29, 1967. At that point, Gallas, Marcum and Porter officially became Educational Foundation directors.

The next order of business became the election of officers. The results were:

Chair	William Y. Armstrong
Vice Chair	William M. McCloy
Secretary	Vincent L. Marcum
Treasurer	George D. Porter
Director	Emil E. Gallas

The newly elected officers and director of the Educational Foundation held their first meeting in Washington, D.C., on Dec. 9–10, 1967.

The stated objectives of the Educational Foundation were:

To make grants in assistance of ASA's educational programs and to carry on educational and research projects relating to the advancement of the art of Valuation and Appraising.

Over the years, the Educational Foundation has provided grants to Lindenwood College in St. Charles, Mo., to be used in that institution's valuation science degree program. It has provided \$250 awards to those individuals who obtain a master's degree in valuation sciences, so long as the graduate presents his or her thesis to ASA's international library for the society's use. In addition, ASAEF has aided in the distribution costs of textbooks written by the various discipline committees of ASA and sponsored the third edition printing of Henry A. Babcock's book *Appraisal Principles and Procedures*.

Through the fiscal year 1999–2000 the Educational Foundation has awarded more than \$35,000 in grants. Monies come from sources including silent auctions held at some of ASA's annual conferences, donations made by individuals to the Century Club and to the Na Gum Jeu/Howard I. Jensen Memorial Fund, and donations made for various other reasons to the Educational Foundation.

## **ASA Education**

From its inception, ASA has recognized the importance of and the need for education to be made available to those engaged in the appraisal profession. One of the early and primary functions of the society was to provide a vehicle for members to become informed of new appraisal techniques and procedures as they developed. Emphasis was placed on the concept that "all appraisers, regardless of their particular specialty, have common interest and that exchanges of ideas through education will assist everyone along the path toward professionalism."

That concept was in opposition to the adoption of existing educational and training courses sponsored by other appraisal organizations advocating one- to two-week "seminars" that supposedly qualified the "graduate."

The first effort in the area of education of which this historian is aware (Edmund Leet, FASA) was the New York outline for a proposed course on property valuation. Developed by Hyman Adelsberg, chair of the chapter education committee, it was a proposed ten-point program to be given as a series of lectures. The points to be covered by lectures would be appropriate for today's economy.

During the administration of Myron Mathews (1956–57), a standing committee called the Education Committee was established. William M. McCloy was appointed chair.

From the 1950s to the 1960s, educational efforts in the diverse areas of expertise of the society membership appear to have been concentrated at the chapter level. A number of ASA chapters conducted local or regional seminars in various specialty areas. A report of Education Committee Chair Clement J. Schwingle, FASA, to the board of governors in June 1963 recommended revisions of proposed examinations because of "too little attention to principle and too much attention to detail." Because of the proliferation of such efforts, the board of governors, on June 30, 1968, adopted Administrative Rule No. 5, which provided:

Educational Seminars—All Chapters and Regions are urged to hold educational seminars annually. Whenever such a seminar is planned by Chapters, acting individually or severally, approval of the Regional Governor, or Governors, must be obtained. When the Regional Governor grants his approval, the International Headquarters shall immediately be notified. It shall be the duty of International Headquarters to give all possible assistance to Chapter, Region or Regions, holding the duly approved seminar.

Note: In the June 1996 edition of the constitution, the above rule is labeled No. 7.

Marion Christ, in his 1969 update of society history, includes a recapitulation of activities to that date, which is reported here:

The field of education becomes increasingly prominent in our society. Our leadership in education has been opposed to the duplication of existing forms of training as sponsored by other appraisal organizations. One of the primary goals of ASA was to provide additional means for members to become informed on procedures and new techniques as they developed; in short Appraisal education.

The older and larger Chapters, such as New York, Los Angeles and others, should be considered the leaders of local educational efforts. Educational progress became part of each local Chapter's monthly meeting. This grew into local and regional seminars, such as:

- (a) An outstanding regional seminar was held at the Michigan State University.
- (b) Kansas Chapter cosponsored a 12-meeting real estate course with the University of Kansas Extension Center.
- (c) Philadelphia put together a 16-week course on machinery and equipment given at the Wharton School of Finance.
- (d) Twin Cities, with the cooperation of Augsburg College, presented a seminar on the appraisal of industrial properties, including machinery and fixtures.

Other chapters, with emphasis on new techniques, sponsored courses by L.W. Ellwood, Henry A. Babcock, Sanders A. Kahn, and others. It has proven advisable to permit nonmembers to attend such functions as paying guests. Many attorneys have been pleased to attend.

I dare not attempt to list other chapters for fear of overlooking many important accomplishments.

ASA's annual conference continued to improve with outstanding programs by nationally known authorities.

The first machinery and equipment course was given by the Philadelphia Chapter in 1969 at the Wharton School of the University of Pennsylvania and again, in 1970, at Villanova University. The instructor was George D. Sinclair, FASA. The course ran for 16 weeks, one night per week, and was designed to teach the techniques used when performing machinery and equipment appraisals for condemnation purposes.

In 1970, under the direction of President Phillip Pierce, FASA, and Dexter MacBride, FASA, Alico and Sinclair presented a five-day course at the University of Michigan on the appraising of machinery and equipment. Students took a written examination on the afternoon of the fifth day.

This same course was later given twice at Menlo Park College in California. Later the course was presented at the University of Connecticut and Purdue University, as well as in San Juan, Puerto Rico, and Toronto, Canada.

It should be noted that the first course given at Menlo Park College marked the start of ASA's relationship with appraisers from Mexico. Later, during 1975, Dexter MacBride and George Sinclair attended a conference in Mexico on behalf of ASA.

A six-day course on the appraisal of machinery and equipment was given twice in Jakarta, Indonesia, by John Alico, FASA, and George Sinclair, FASA. The first time both gentlemen remained two extra weeks, and the second time three extra weeks, to spend time in personal consultation with individual Indonesian appraisers.

In 1980, the Personal Property membership sponsored an educational conference, *Cornucopia I*, in Dearborn, Mich., which has been an annual presentation ever since.

## **Valuation Sciences Degree Program**

At its January 1974 Midterm Meeting, the board of governors adopted Resolution No. 37 creating the Valuation Sciences Degree Program. The Educational Foundation approved and allocated promotional funds in recognition of the fact that the rapidly increasing complexity of the appraisal process required expansion of educational efforts. Further, the need for appraisers of all disciplines to be recognized as professionals could be achieved only in conjunction with established academic institutions. Dexter MacBride, FASA, executive vice president, was a prime mover of the project.

Following a series of meetings with interested colleges and universities throughout the country, representatives of the Union for Experimenting Colleges and Universities, Northern Illinois University, the University of Hartford and other institutions joined with ASA to form an ad hoc committee to formulate a program. This group in 1976 prepared the *Guidelines for the Baccalaureate in Valuation Sciences* which, in a statement of purpose, declared that

ASA has concluded that such a Baccalaureate in Valuation Sciences should (a) be made available to prospective students at the earliest possible time; (b) be fully multi-disciplinary, both within the context of the appraisal profession and of academic regimens; (c) be readily available to adults already involved as appraisal practitioners and that it recognize learning gained through prior life experiences; (d) be offered through a structure amenable to modification and growth, reflecting a diversity of both needs and learning styles on the part of prospective students; (e) be designed in such a way as to aggressively serve the goals of Equal Opportunity for all segments of the population; and (f) be of such significant quality as to be worthy of national merit and an exemplar for other professional organizations.

<sup>1</sup>In 1976 the ASA College of Fellows published an opinion entitled *Education for Appraisers* that concluded with the statement that "it is our consensus that the Valuation Sciences Degree Program now being established by the American Society of Appraisers in cooperation with university representatives will provide basis for elevating appraisal to professional status."

In the June 1986 issue of *Valuation*, Patricia C. Soucy, FASA, reported progress in this area as follows:

In the past ten years the program has been offered at the baccalaureate and master's levels at Hofstra University, Hempstead, N.Y.; Dyke College, Cleveland, Ohio; Loretto Heights College, Denver, Colo.; Skidmore College, Saratoga Springs, N.Y.; and the Lindenwood College, St. Charles, Mo.

Under the guidance of Dr. Richard Rickert, an advanced valuation sciences program was established at the Lindenwood College for Individualized Education, or LCIE. In April 1984, a visiting team from the North Central States Accreditation Association said that LCIE was "a model for higher adult education in the United States." Graduates and students at Lindenwood now number more than 30, and all or portions of their master's theses have been published in *Valuation*.

Increasing interest in LCIE's program prompted ASA's Valuation Sciences Committee and Lindenwood College to offer baccalaureate and masters' degrees at the national level. This program will be offered through intensive two-week courses at the St. Charles, Mo., campus in the spring under Dr. Rickert, plus supporting sessions at ASA conferences.

The program is structured to provide the required credit hours for one trimester's work in LCIE, and will be in accordance with the standards of the North Central States Accreditation Association. Undergraduate students can transfer in local credits and need only complete the required 30 hours at the Lindenwood

campus. Graduate students can transfer in nine credits. All applicants must meet Lindenwood's standards of admission and curricula. The format allows a graduate student to complete the master's program within four years.

The value of the structure is that those who wish can study for a degree within a compressed period of time and not be forced to choose between a minimum of two years at Lindenwood, the loose university without walls programs, or no degree at all. ASA planned to present its first intensive study program in May 1987.

And finally, the Valuation Sciences Committee is responding to the need for a job data bank, a multidisciplinary, annotated bibliography, the compilation of students' papers for publication, and instructors' manuals for the Lindenwood College faculty.

## **Seminars**

The International Education Committee is a standing committee (Article XVII, Section 1g) charged with the fostering of continuing education.

Each annual conference has offered multidiscipline educational sessions. Individual chapters, subject to National Office approval, offer specialized classes to members and other interested parties. Information regarding the formal entry of ASA into the field of appraiser education is outlined further in the section entitled Discipline Groups.

## **Discipline Group Education**

It was in the early 1980s that ASA, under the leadership of Kenneth A. Martin, FASA, formally moved into the field of education with the formation of the various discipline groups. After their inception each group began the development of the Principles of Valuation (POV) courses to aid in the education of appraisers.

One of the most important and significant changes that occurred in ASA was the standardization of educational courses for all disciplines in the late 1980s. The establishment of the Level 1 through Level 4 courses brought ASA more in line with the educational offerings of compeer appraisal societies. It also established a systematic, uniform method of fulfilling the educational requirements for an AM or ASA designation.

## **ASA Advancement Procedures**

From the formation of ASA to the early 1960s, procedures for advancement to a professional status were conducted by the individual chapters of ASA. Following that period, the board of governors delegated to the International Board of Examiners the responsibility, and authority, to establish their own rules, regulations and operational methods to oversee advancement in status procedures.

At that time the board consisted of a general chair and five associate chairs, all appointed by the international president. For grading and review purposes, five geographic sections were established, with each consisting of one or more ASA regions. An associate chair was assigned each region and was assisted by the region governor and appointees from the area.

Applications and fees for advancement were submitted to the local chapters, members of which administered the examinations, conducted investigations, voted on the candidates, and then forwarded the entire file to the region governor for review. The applicant's file was then submitted to the International Board of Examiners.

In addition to the final grading and evaluation of advancement files, a major responsibility of the Board of Examiners was the control of the society's examinations. Throughout the 1960s, the society had testing capability in

Real Estate, Machinery and Equipment, Building and Construction Costs, Fine Arts and Residential Contents, Gems and Jewelry and the compulsory test on ASA's *Principles of Appraisal Practice and Code of Ethics*. This initial set of examinations was gradually expanded to include tests in all disciplines of appraisal practice, including subcategories under the major disciplines.

The Board of Examiners also undertook the task of not only creating examinations in classifications where there were no existing examinations, but also totally rewriting all of the existing examinations.

In December 1973, the first group examination was held for the initial applicants in the Ad Valorem tax appraising discipline. It proved to be successful; thus, when the ruling body of the society found it necessary to radically change the method of examining advancement candidates, the Board of Examiners was in a position to immediately institute group examination procedures. As a result, in January 1975, the board of governors unanimously endorsed the group examination concept.

In 1993 the International Board of Examiners, Brian T. Napier, FASA, chair, published the following "Procedures for Advancement":

#### **Prerequisites**

1. Approved Candidate status
2. Four-year college degree, or equivalent
3. Two years of full-time appraisal experience to become an Accredited Member (AM), or five years of full-time appraisal experience to become an Accredited Senior Appraiser (ASA)
4. Take and pass the ethics exam
5. Take and pass SE100, Uniform Standards of Professional Appraisal Practice (USPAP) course

#### **Basic Procedures for Advancement to AM or ASA**

##### **Advancement Examination**

1. Register for advancement examination.
2. Submit advancement examination and fee. Upon receipt, Headquarters will request chapter approval.
3. Submit copies of appraisal reports (two for all disciplines except Real Property/Residential, which requires three.) Reports must be in English and have been prepared within two years of application date.
4. Submit verification of education (copy of college degree or transcript).

##### **Principles of Valuation Courses (POV)**

1. Successfully complete POV courses Levels I through IV. Upon completion and passing of all four POV courses, all Personal Property candidates will need to successfully complete Part III, the problems section of the advancement examination.
2. Submit advancement application and fee. Upon receipt, Headquarters will request chapter approval.
3. Submit sample appraisal reports as in 3 above under Advancement Examination.
4. Submit verification of education as in 4 above.

### **Professional Equivalency Certification Program (PEECP)**

This program was formerly known as Resolution #6. It is available to those wishing to attain their AM or ASA designation in Real Property or Business Valuation and involves advancement through reciprocity with other appraisal organizations.

## **Discipline Groups**

The basic concept of the American Society of Appraisers, that all appraisers regardless of their particular area of endeavor have common problems and interests, resulted in a membership engaged in many areas of valuation.

An analysis of specialization, requested by President Vincent Marcum in June 1968, revealed that of a total accredited membership amounting to 1,876, the breakdown was as follows: Real Estate, 1,530 members; Public Utilities, 67 members; Machinery and Equipment, 51 members; and Insurance Appraisals and Fine Arts, 41 members each. The remaining specialties included Farms and Livestock, General Engineering, Forestry, Personal Property, Mineral and Ore Deposits, Securities, Water Rights, Archaeology, Breeding Farms, Racing Stables, Rare Coins and Paper Money, Medals, Autographed Prints, etc.

Over the years, the matter of "specialization" has been a subject of continuing controversy. The need to prepare and maintain examinations for the many specialties claimed has been arduous. From time to time the board of governors adopted various pronouncements intended to standardize the categories. The board, on June 30, 1968, adopted Administrative Rule No. 6 (Appraisal Disciplines) which read as follows:

Appraisal Administration

Government  
Private

Appraisal Education

Machinery and Equipment  
Basic Industry  
Fabricating and Processing  
Equipment Valuations  
Special Service

Public Utilities

Real Property  
Urban  
Rural  
Natural Resources

Intangible Property  
Equities  
Future Potentials  
Personal Subjectives

Personal Property

Fine Arts  
Antiques  
Residential Contents  
Gems and Jewelry  
Classified Specialties

Technical Valuation

Ad Valorem Tax Appraising  
Cost Surveys  
Industrials

A change in Administrative Rule 6 (Classification of Appraisers), affecting only the Personal Property discipline, was adopted in 1971 and published Jan. 1, 1972, as follows

Personal Property

Collector's Items  
Fine Arts  
Gems and Jewelry (became a separate group in 1993)  
Household Furnishings  
Chattels (Special)

All other disciplines remained the same.

Designated society members were required to pass the appropriate examination to be included in any discipline.

During the society's earliest years, examinations were not part of the admissions procedure. Persons applying for membership, other than Charter status, were required to submit appraisals for review. The reviews were performed by persons versed in various facets of appraisal, later to be defined as disciplines, and provided a viable basis to qualify prospective members in the various specialty areas.

As the society grew, the procedure for admission and advancement by submission of appraisals was subject to increasing controversy. Due primarily to an effort led by Robert Jackson (international president 1969–70), the concept of replacing appraisal reviews with written examinations, overseen by the Board of Examiners, was accepted and brought into being.

During the mid- to late 1970s, many members of the various disciplines came to feel that the governance of the society needed restructuring. There was a definite feeling that each discipline had to assume more control of its own educational needs and activities.

During International President William G. Rufner's term (1983–84), two special discipline committees were formed, one for Business Valuation and one for Machinery and Equipment. In 1984–85, when Guy Blankenship was international president, three more special discipline committees were formed, these for Gems and Jewelry, (as a subset of Personal Property) Personal Property, and Real Property. The special discipline committee entitled the Technical Valuation Committee was authorized during the tenure of International President Roy E. Morris III (1987–88). Note: The Technical Valuation Committee was later combined with the Machinery and Equipment Committee under the name of the Machinery and Technical Specialties Committee. Finally, in the 1990–91 term of International President Frederick L. Iusi, the discipline called Appraisal Review and Management (ad hoc) came into being.

At first, the discipline committees were not funded. Committees were made up of people interested in a truly professional approach to appraising and who were willing to give of their own time and money to achieve the anticipated goals.

## **Appraisal Review and Management (ad hoc)**

### Chairs

Robert T. Hickman, ASA	1990–91
John M. Parkert, ASA	1991–92
Robert A. Robison, ASA	1992–95
William C. Middlebrook, FASA*	1995–99
Peter J. Bruck, ASA	1999–

\*Died in office

## **Business Valuation**

The term *business valuation* was utilized by individual appraisers prior to 1981; however, the term was not adopted by ASA until that time. The 1981 International Conference in Atlanta, Ga., was the first such conference offering business valuation topics on the educational program. Prior to the use of the term *business valuation*, the discipline was called intangible asset valuation. The 1981 conference was so well received by business valuation practitioners that Dexter MacBride, executive director of ASA, notified all business valuation ASA members suggesting an organizing effort be undertaken. Such a meeting occurred in Denver, Colo., in September 1981, whereby a framework was established leading to the organization of ASA's Business Valuation Committee. Although the BV Committee began meeting biannually at the ASA International Conference and Midterm Meetings, the committee itself was not formalized until 1986, when the Board of Governors adopted the operating guidelines for the BV Committee.

One of the first objectives of the BV Committee was to develop an educational program for the benefit of ASA Members and nonmembers. The BV program became established in 1981, and the following year the first Advanced Business Valuation Conference was held in Philadelphia, Pa.

ASA's BV educational courses were developed under the auspices of the Professional Development Committee during 1985 and 1986, with the first BV course held in 1986 at George Mason University. These courses have been expanded and revised continuously to the present time. In addition, the BV Committee established an instructor certification program in 1991.

Another early objective of the BV group was to provide a medium through which BV professionals could communicate with parties interested in the discipline. To that end, the *Business Valuation Review* was published beginning in the spring of 1982 (titled *Business Valuation News* until 1985). This authoritative document is generally published four times per year and receives widespread distribution.

### BV Committee Chairs

John E. Bakken, ASA	1983–85
James M. Hill, FASA	1985–87
Donald A. Erickson, ASA	1987–89
Yale Kramer, ASA	1989–91
Jay E. Fishman, ASA	1991–93
David W. Nicholas, ASA	1993–95
Carla E. Glass, ASA	1995–97
Robert E. Howard, ASA	1997–99
Gregory A. Gilbert, ASA	1999–

## **Gems and Jewelry**

As previously mentioned, this group was a specialty under Personal Property and, until the midterm conference in Puerto Rico in 1993, their activities meshed with the Personal Property group even though they had their own chairs

and shared a common journal. After becoming a separate discipline, the Gems and Jewelry Committee began to revamp their educational offerings.

Course GJ205, which teaches the theory and methods to be used in appraising gems and jewelry, has been developed. A ten-day laboratory course, labeled GJ216, has come online for instructing at international sites. It has already been offered in Beijing, China.

**G&J Committee Chairs**

Mervyn L. Cohn, ASA	1984–85
Joseph W. Tenhagen, ASA	1985–91
David S. Atlas, ASA	1991–92
(No committee)	1993
Larry D. Phillips, ASA*	1993–95
Paul D. Thompson, ASA*	1995–97
Nancy Stacy-Trahan, ASA*	1997–99
Charles K. Root, ASA*	1999–

*Master Gemologist Appraiser®*

**Machinery and Equipment**

The first meeting took place in Denver, Colo., during 1983. In 1984 Chair Iannacito appointed Paul Rice, ASA, and John Madge, FASA, to develop educational courses for the Machinery and Equipment discipline. The two prepared a syllabus for the first four Principles of Valuation (POV) courses, and then went on to set up the four courses with input from Robert Svoboda, ASA, in Level IV, and from John Connolly, ASA, on oil terminals in level III. The first course offering took place in 1986 at George Mason University.

Over the years, members of the MTS Committee has updated the four courses and the number of offerings has been expanded to include ME205 (Income Approach), 1995, and Levels 206 (Inventory) and 207 (Advanced Cost Approach) in 2000. A new offering, ME208, (Yachts and Boats) should debut in 2001. The M&E courses have not only been given several times per year in the United States, they have also been presented in Canada, Mexico, Slovenia, and Australia.

*Appraising Machinery and Equipment*, edited by John Alico, the first ME textbook, was published in 1989. It was replaced in the year 2000 by a new book, *Valuing Machinery and Equipment*.

A quarterly journal, *M&E Appraiser*, was started in the early days of the committee and was changed to *M&TS Journal* in 1993 when the merger of the two groups took place.

A preliminary age/life study was published on a Web page in 1999 and is currently in the process of being rewritten.

**Machinery and Technical Specialties Committee Chairs**

Alan C. Iannacito, ASA	1983–86
John Madge, FASA	1986–89
Leslie H. Miles Jr., ASA	1989–91
John J. Connolly, ASA	1991–93
Robert B. Podwalny, ASA	1993–95
Jackie L. Montalvo, ASA	1995–97
Jeffrey A. Hutton, ASA	1997–99
Gerald L. Huether, ASA	1999–

## **Personal Property Committee**

The first meeting was held at Tarrytown, N.Y., at the International Conference in 1984. The first formal funded meeting took place at the National Office in the spring of 1987. The first Personal Property newsletter with continuing volumes was published, subsequently and currently published as the *Personal Property Journal*.

1985—First Personal Property educational courses were developed; first taught in 1987.

1987—Patricia B. Burton Scholarship Fund was founded by the International Personal Property Committee in memory of the leadership and dedication of Patricia B. Burton, ASA (who died in 1987), in advancing professionalism within the PP discipline and the appraisal profession. Applications are made annually to the IPPC by interested parties, reviewed by the committee, and awarded to appropriate applicants.

1989—\*A *Handbook on the Appraisal of Personal Property* (copyrighted by ASA) was produced under the auspices of the IPPC with professional contributions by various members of ASA within the PP discipline. (Library of Congress Catalog Card Number 89-4435, foreword by Elizabeth M. Blagbrough, ASA, international president.)

\*Note: This was the first book of its kind relevant to the total valuation process of personal property.

1994—The 1989 edition of the above-named book was revised and renamed *The Appraisal of Personal Property*. It was also copyrighted by ASA. (Library of Congress Catalog Card Number 94-072243; editorial statement by Patricia C. Soucy, FASA, and Janella N. Smyth, ASA, coeditors.)

Note: A third edition of the book is in the planning stages.

Since Cornucopia I was held at the Henry Ford Museum in Dearborn, Mich., in 1980, annual Personal Property conferences have been held in cities throughout the United States, as well as in Toronto, Canada, London, England, and Edinburgh, Scotland. (Cornucopia became Omnicom in 1987, and in 1992 the name of the event was changed to the Personal Property Conference.) The October 2001 conference is to be held in London, England. From their inception, the conferences have been developed in cooperation with various museums throughout the country and abroad. The 1980 Cornucopia was presented prior to the formation of the Personal Property Committee (1984–85) and was developed by ASA appraisers within the Personal Property discipline. Until the Personal Property Committee was formed, this type of leadership continued. After the Personal Property Committee was formed, various committee members have chaired and developed the conferences.

### Personal Property Chairs

Patricia Burton, ASA	1984–87
Patricia Soucy, FASA	1987–90
Richard-Raymond Alasko, ASA	1990–93
June L. Johnson, ASA	1993–95
Terry L. King, ASA	1995–96
Janella N. Smyth, ASA	1996–99
Barbara Shanley, ASA	1999–

## **Real Property Committee**

To date, little information has been gathered about the beginnings of the Real Property Committee. It is known that their rules of procedure were approved by the board of governors in June 1989 at the society's annual conference in St. Louis, Mo. Further, a joint seminar was sponsored by the Machinery and Equipment and the Real Property Committees in Las Vegas, Nev., in the late 1980s and a year later in Hartford, Conn. The subject matter dealt with contaminated properties. The Real Property discipline will always be grateful to Nicholas J. Minaya, ASA, who was the lead instructor for its courses conducted between 1988 and 1990. His dynamic lecture style and extensive experience gave the ASA real property courses instant credibility.

In the early 1990s, under the leadership of James J. Czupryna, ASA, the American Society of Appraisers launched

its first international educational efforts in the Republic of Slovenia. These courses, which were attended by more than 300 students, were so successful that ASA real property instructors were soon asked by the World Bank and the United States Agency for International Development (USAID) to teach in Russia and several other CIS countries. Today the society's real property instructors are regarded as among the best in the country.

#### Real Property Committee Chairs

Clayton Sandstrom, ASA	1984–85
Morton Miller, FASA	1985–90
James J. Czupryna, ASA	1990–91
Byron B. Hinton, ASA	1991–93
Ernest A. Demba, ASA	1993
Richard T. Roche, ASA	1994
Charles A. Moore Jr., ASA	1994–95
Marion L. Kordic, FASA	1995–97
Alan L. Jeffcoat, ASA	1997–99
L. Deane Wilson, ASA	1999–

#### **Technical Valuation Committee**

##### Technical Valuation Committee Chairs

Barry K. Van Sandt, ASA	1987–91
Leroy L. Ackerman, ASA	1991–92

This committee was merged with the Machinery and Equipment Committee in 1993, and the name of the two merged committees became the Machinery and Technical Specialties Committee (MTS).

#### **Conferences**

#### **Constitutional Requirements**

Article XIV—Annual Meetings, Section I (Jan. 1, 1955) read:

The society shall hold the annual meeting of the membership of the society on such day as the Board of Governors shall designate from time to time. The annual meeting must be held and the place thereof shall be fixed by the Board of Governors as it deems appropriate from year to year. Reports on the activities, membership and financial condition of the society and the results of the annual election of National Officers shall be presented by the Board of Governors and read to the meeting or supplied in writing.

Section 4 read in part:

It shall not be the policy of the society to hold National Conferences, but nothing herein contained shall be construed as to prohibit them.

The change in policy is reflected by Article XVI—Annual Meetings, in a subsequent edition, which read:

International Conferences of the society may be held at times and locations designated by the Board of Governors.

## **Policy**

In the beginning the conferences were held in June, close to the end of the fiscal year. Individual chapters offered to host conferences subject to the approval of the board of governors. The successful chapter was solely responsible for the conference program. Occasionally, the National Office offered limited financial assistance.

During the 1970s this policy was changed. The board of governors assumed control of national conferences. The 1971 Educational Conference, held in El Paso, Texas, was administered by Headquarters, although individual chapters could offer to be hosts.

A National Site Selection Committee was formed. Its duty was to select site locations for the conferences several years in advance. Selections had to be approved by the board of governors. The conference program, with chapter assistance in formulating social activities, became the National Office's responsibility.

After the formation of the various discipline committees in the 1980s, it became the responsibility of each discipline to arrange for the contents of its 3½-day educational program.

## **Locations**

Region 1 held a conference seminar in New York during mid-June of 1953. While designated as regional, some aspects of a national influence were present, as reported in the October 1955 issue of *Technical Valuation*. Among those in attendance were National President Joseph Gallagher and Secretary Tevis Westgate.

It may be of interest to note that at the first conference, held at the Ambassador Hotel in Los Angeles, single rooms with bath ranged in price from \$9 to \$ 17 per day. Luxury garden studios, with living room, bedroom, bath and private sun deck, for two-person occupancy, rented for \$48 per day.

Following is a listing of location and year of ASA's national conferences:

<b>Location</b>	<b>Year</b>	<b>Location</b>	<b>Year</b>
Los Angeles, Calif.	1954	Hershey, Pa.	1978
Denver, Colo.	1955	Arlington Heights, Ill.	1979
Washington, D.C.	1956	Denver, Colo.	1980
New York, N.Y.	1957	Atlanta, Ga.	1981
San Francisco, Calif.	1958	Newport Beach, Calif.	1982
Pittsburgh, Pa.	1959	Dallas, Texas	1983
Miami Beach, FL	1960	Tarrytown, N.Y.	1984
Los Angeles, Calif.	1961	Orlando, Fla.	June 1985
Boston, Mass.	1962	Portland, Ore.	June 1986
Miami Beach, Fla.	1963	Minneapolis, Minn.	June 1987
Denver, Colo.	1964	Washington, D.C.	June 1988
New York, N.Y.	1965	St. Louis, Mo.	June 1989
San Francisco, Calif.	1966	Long Beach, Calif.	June 1990
Detroit, Mich.	1967	Philadelphia, Pa.	June 1991
Washington, D.C.	1968	New Orleans, La.	June 1992
St. Louis, Mo.	1969	Seattle, Wash.	June 1993
Los Angeles, Calif.	1970	Chicago, Ill.	July 1994
El Paso, TX / Juarez, Mexico	1971	Denver, Colo.	June 1995

Miami Beach, Fla.	1972	Toronto, Canada	June 1996
Toronto, Canada	1973	Houston, Texas	June 1997
Salt Lake City, Utah	1974	Maui, Hawaii	June 1998
Seattle, Wash.	1975	Boston, Mass.	August 1999
Boston, Mass.	1976	Las Vegas, Nev.	July 2000
San Francisco, Calif.	1977	Pittsburgh, Pa.	July 2001

## Licensing and Recertification

### Licensing

The earliest known commentary on licensing by members of ASA is a paper titled “State Regulations of Appraisers,” by Sanders A. Kahn and William A. Smyth, in the 1955–56 first edition of the *Appraisal and Valuation Manual*. The tenor of the article is evident in the first paragraph:

In order to attain professional status appraisers must be governed by standards set and administered by state governmental bureaus. Until such legislation is developed appraisers cannot claim to be more than a highly specialized business service.

The society, almost from its inception, continued to vacillate between pro and con positions on this issue.

President Alex Grice’s report to the membership for the 1963–64 fiscal year included the following policy statement:

During the past year the ASA, along with all the other appraisal organizations, [has] taken a firm stand against licensing or certification in any form. At present it is felt that such legislative action would lessen the effectiveness that the several appraisal organizations now have in screening and regulating those in the appraisal field entrusted to represent the public. This matter shall continue to receive due consideration of the Board of Governors.

At the conference in June 1971, the board of governors adopted a resolution affirming the desirability of licensing/certification for appraisers in all areas of expertise.

The position is a lengthy statement. Repeated herein is the first paragraph of the preamble and the guideline recommendations:

#### Preamble

Completion of studies by the American Society of Appraisers into the advisability of Licensing/Certification of Appraisers leads to the conclusion that the Public Interest and Goodwill is best served by adoption and use of Licensing/Certification criteria.

#### Guidelines Recommendation

In view of these fundamentals, the American Society of Appraisers recommends the following Guidelines for Licensing/Certification of Appraisers:

1. To best protect the Public, Licensing/Certification must be broad in scope, embracing all appraisal activity undertaken for a valuable consideration in connection with the production of a written appraisal report.

2. Such Licensing/Certification should be achieved legislatively, through an established governmental body constituted of qualified members of the appraisal profession sufficient in number to adequately represent the major disciplines of appraising, viz., Real Property, Intangible Property, Machinery and Equipment, Technical Valuation, Personal Property.
3. Licensing/Certification must require strict application of both experience (college, university level) criteria of high quality, together with equally high character/reference requirements.
4. Only persons qualifying under these criteria shall be permitted to employ the symbol/designation indicating such achievement and acknowledgment by the Licensing/Certification body.
5. The Licensing/Certification body shall have appropriate examination, monitoring and disciplinary powers.

The December 1973 issue of *Valuation*, Volume 20, Number 20, was *A Special Report to the Appraisal Profession on Licensing/Certification of Appraisers*. This extensive publication, including both pro and con positions, with a proposed model bill, firmly established the society as favoring mandatory licensing/certification by acceptable legislation.

## **Recertification**

The American Society of Appraisers, recognizing that continuing education among professional appraisers is necessary in order to provide the public with competent appraisal services, appointed a committee to study the concept of a recertification program. A report on its findings was submitted to the board of governors in June 1975, and at the midterm conference in January 1976, at which time a resolution was approved to accept the recertification concept and to formulate a plan to implement it. Chaired by Kenneth A. Martin, FASA, the recertification program was formulated. The committee gave its final report in June 1978. A constitutional amendment was submitted to the voting membership of the society for approval. On Jan. 9, 1979, the Tellers Committee reported the passage of the enabling amendment. The recertification program became effective July 1, 1979. The details are spelled out in Administrative Rule No. 4, adopted July 1, 1979.

In the early 1990s, the word recertification was changed to reaccreditation.

## **International Council of Appraisal Organizations**

The first recorded meeting of the council attended by ASA occurred Dec. 19, 1960, in Chicago, Ill. Then-President Paul B. Coffman and Executive Secretary Elizabeth Dendo represented the society. Other organizations in attendance included the Society of Residential Appraisers, the American Institute of Real Estate Appraisers, the Appraisal Institute of Canada, and the American Society of Farm Managers and Rural Appraisers. Topics discussed included certification, research, ethics, publicity, and future meetings.

President Alex Grice reported on two meetings of the council on March 29 and May 13, 1963. Also in attendance at these meetings was the American Right of Way Association.

On March 11–12, 1971, ASA hosted a meeting of the council in Washington, D.C. During this meeting the possibility of joint sponsorship of Appraisal Aid, similar to Legal Aid, concepts were discussed.

Society data available to the historian indicate the council continued to function sporadically through the 1970s and 1980s.

It is interesting to note that in the 1960 history of ASA, Louis L. Juretie had this to say about mutual cooperation:

Many of the older founder societies of our country, such as the American Society of Mechanical Engineers, the American Institute of Electrical Engineers and the American Society of Civil Engineers, avoided society activity on valuation matters brought to their attention by their members. A large percentage of the original members of ASTA and TVS held dual membership in one or another of the long-established professional societies. It is gratifying to know that the older professional organizations not only approved the formation of ASTA and TVS, but they also freely assisted them in the early days by making their meeting, mailing addresses and other facilities available without cost or obligation. In addition, they provided information on membership promotion, literature, publications, rosters and many of the other items involved in the setting up of a successful nonprofit membership organization.

Article II, Section 3, of ASA's constitution states:

The society shall promote research and development in all phases of property economics; cooperate with other appraisal societies and related professions and with finance, economics, engineering, architecture, accounting, building construction and related interests, real estate, taxation, management and controllers; approve and adopt reports of its committees or other groups as to standards, codes or recommended practices.

## American Arbitration Association

In cooperation with the American Arbitration Association (AAA), the American Society of Appraisers initiated a formal program in June 1971, at the International Conference of ASA in El Paso/Juarez, whereby senior members of the society might register for special instruction in arbitration concepts and practices.

Those senior members who qualified under the special instruction program and subsequently were nominated by ASA became a part of the National Arbitration Technical Resources Team and received certification as Member, National Panel of Arbitrators, American Arbitration Association.

The program was intended as a continuing one, dedicated to the concept that the processes and techniques of arbitration can be employed in many instances as a substantive alternative to the adversary process and that disputes may often be effectively and quickly settled using arbitration channels.

In a letter to the historian dated March 17, 1971, Dexter MacBride, FASA, then executive vice president of ASA, who initiated the arrangement with AAA, stated, in part:

I know of no program I've started for ASA which has brought me more derision than this one on Arbitration. I was kidded at great length for originating a program "with no money in it for Appraisers." As you know, ASA has not continued the Arbitration "briefings" at its Annual Conferences—our group has not been enthused.

## **Incorporated Society of Valuers and Auctioneers**

During 1975, representatives of ASA met with officers of the Incorporated Society of Valuers and Auctioneers (ISVA) in London, England. While historical data is minimal, it appears a common ground between the two organizations was established. The ISVA conveyed membership in their society on some selected ASA officers. In January 2000, the Incorporated Society of Valuers and Auctioneers merged with the Royal Institution of Chartered Surveyors (RICS), with a combined membership of over 100,000. Prior to the merger, ISVA strength had only been 10,000, while RICS membership had been approximately 100,000.

The relationship with ASA is ongoing. Within ASA are a limited number of Members and Fellows of RICS who previously were Members and Fellows of ISVA.

## **Strategy 2000**

International President Max Koeper, FASA (1995–96), planned that his administration would address the subject of strategic planning. The Executive Committee, acting as the strategic planning entity, was combined with the Long Range Planning Committee to form the Long Range and Strategic Planning Joint Committee. Richard-Raymond Alasko, ASA, was appointed chair of the committee. Other members included Richard Kaufman, FASA; Richard Southern, FASA; John Gadd, FASA; Jack Bakken, ASA; James Job, ASA; Richard Amoling, ASA; Claire Donias, FASA; J. Michael Hill, FASA; and Max Koeper, FASA.

The first meeting of the Long Range and Strategic Plan Joint Committee was held in July 1995. That meeting was primarily devoted to an audit of where ASA had been. Materials reviewed included the *Constitution, Bylaws and Administrative Rules*, the code of ethics, the Coffman Report, the strategic plan dated November 1988–89, minutes of ASA board of governors meetings from June 1986 to June 1995, a 1993 membership survey, and a June 1994 report of the College of Fellows. In addition, each committee member was assigned a topic and asked to summarize the activities, accomplishments, and concerns of ASA as related to the assigned topic.

In November 1995, the committee met to study the then-current status and positions. A SWOT Analysis (strengths, weaknesses, opportunities, and threats) of the society, coupled with an analysis of the environments in which we operate (political/economic/social/geographic/technological), provided for a positioning exercise that placed us in our distinctive leadership role in the industry.

Subsequently, at the January 1996 meeting of the board of governors, position papers and advice were solicited from members of the board of governors, international committee chairs, the College of Fellows, and all other interested individual members. That request resulted in a task force report from the College of Fellows; a draft of the ASA history provided by Edmond Leet, FASA; and comments from several sources including discipline and other committee chairs, forums, individuals, and legal counsel.

In April 1996 the Committee met to complete a draft of Strategy 2000, which was completed and presented to the board of governors in June 1996. The Strategy 2000 document was submitted as a draft on the basis that it was intended to be a “living” document that would be considered and updated periodically. The document addressed the primary subjects of the society’s mission, membership issues, discipline structure and operation, governance, ethics and standards, member services, governmental affairs, National Office staff and relationships, and the society’s *Constitution, Bylaws and Administrative Rules*. Each issue was considered and addressed by stating the basic observations and recommendations of the committee.

At the June 1996 meeting of the board of governors, Strategy 2000 was presented and discussed, but no action was taken on its recommendations.

Incoming President Richard Southern, FASA, advised the board of governors that he was asking the committee to continue to work on the recommendations, and several task forces were formed relating to specific subject matters to be addressed as part of the implementation of specific recommendations in the final document. A member of the committee chaired those task forces, and each task force included members of the board of governors, as well as other society members. This process was important to get governor and member input at an early stage. Results of the task force reports were then used as important vision and grassroots information in formulating the implementing resolutions for the board of governors to consider.

At a special meeting of the board of governors in November 1996, President Southern referenced his Oct. 14, 1996, letter to the board members, stating that they had a unique opportunity to fashion a more workable society and he hoped that every member would make an effort to subordinate parochial perspectives for the greater good of the organization. The committee chair, Alasko, talked about the purpose and commitment for Strategy 2000, saying the project was consistent with ASA's intent to make the organization better, and that there were 287 different volunteer/members of ASA who helped put it together.

After breaking some items down into several components, there were 40 resolutions submitted for the board to consider and act upon. Substantial discussion was held in the consideration of most all resolutions. Although 30 of the 40 resolutions passed, the key ones dealing with governance and discipline structure were not approved.

## **International Valuation Standards Committee**

### **Introduction**

Asset valuation has its roots in classical and contemporary economics. Valuation principles and techniques were established, and in the main were similar in many countries prior to the 1940s. However, recognition of valuation as a profession developed after the 1940s.

Prior to the 1980s, the development of valuation as a profession took place within many large and small nations, but without an international focus. There were many similarities among countries as to what constituted a professional valuer, such as an appropriate college or university degree, specialized professional training, practical directed experience, demonstrated competence, honesty, objectivity, and recognized high character. Professional valuation bodies in various countries conferred professional designations and status to those who at least met specified educational and experience requirements.

During the 1960s and 1970s, several national valuation bodies developed and promulgated standards of professional practice for their members. In some countries codes of professional ethics were also introduced. The contents of these standards combined professional considerations with the practical needs of the marketplace. In many countries the standards were incorporated partly, or fully, into national laws and regulations. Some professional bodies created review and enforcement procedures leading to censure or loss of professional recognition for a member who seriously violated either the standards or related ethical provisions.

By the late 1970s, as these movements continued, it became apparent that international financial developments and the globalization of markets had reached the stage when international valuation standards were sorely needed. It was obvious that without international agreements regarding valuation standards, there was potential for confusion and mistakes to occur. It was less obvious, however, that domestic standards in various countries were also being inhibited. Also, it was not well understood that important differences of viewpoints among the professional valuation bodies of several countries could lead to unintentional misunderstandings.

Equally important, simultaneous business and economic changes occurred rapidly within and among nations, giving rise to expanded recognition of the market importance of professional asset valuations. Competent, objective valuations are required for a variety of business activities. Their importance in reflecting current values, for financial reporting in particular, has seen growing recognition. There is an increasing movement toward reporting asset values for accounting and financial purposes on the basis of current valuation in place of historical cost.

Professional valuations have the advantage of reflecting changing prices and economic differences between geographic areas. Recognizing these factors, the International Valuation Standards Committee (IVSC) was founded in 1981. The principal objective of the IVSC is to formulate and publish, in the public interest, valuation standards and procedural guidance for the valuation of assets for use in financial statements, and to promote their worldwide acceptance and observance. The second objective is to harmonize standards among the nations of the world and to make disclosures of differences in standards statements and /or applications of standards as they occur. It is a particular concern of the IVSC that international valuation standards are recognized in statements of international accounting and other reporting standards and that valuers recognize what is needed from them under the standards of other professional disciplines. In 1993 Gregory A. Gilbert, ASA, became an American Society of Appraisers observer to the IVSC. In 1994 ASA was accepted as a corepresentative for the United States to the IVSC, and Gilbert continued to represent ASA in that body.

Membership in IVSC is through national valuation societies and institutions representing their respective states. These professional bodies must recognize objectives that concern asset valuation and must have a sufficient number of their members capable of conducting such valuations.

Members support the standards published by the committee and use their best endeavors to secure recognition of the standards, where appropriate, in their respective member states. Members also disclose to the committee any significant differences between domestic and international standards so they may be reported to the international community. Valuers must, of course, act legally and comply with the laws and regulations of the areas in which they practice.

Committee members work with controlling and regulatory authorities, both statutory and voluntary, as well as with societies of other professional bodies to ensure that valuations comply with IVSC's standards. Members also play an educative and consultative role in the area of asset valuation standards within their states.

Liaisons with the International Accounting Standards Committee, International Federation of Accountants, International Auditing Practices Committee, and International Organization of Security Commissions are especially important to IVSC activities. In this regard, other objectives of the IVSC are to provide advice and counsel relating to asset valuation to the accounting profession, coordinate standards and work programs of the related professional disciplines in the public interest, and cooperate with these and other international bodies in the determination and promulgation of new standards. These objectives are accomplished through direct liaison and through participation in other international organizations such as the United Nations. IVSC was granted roster status with the United Nations Economic and Social Council in May 1985.

The international standards represent the consensus to date of 40 participating nations. Like valuations of individual assets, they are subject to the principle of change, which holds that change is inevitable and continuous even when gradual and not easily discernible. As standards, they are intended to offer fundamental asset valuation definitions and guidance in a dynamic world. When changes are believed necessary and warranted, they should be brought to the attention of the committee for international deliberation and decision.

## **Organization of the International Standards**

Various valuation principles and techniques are understood within the valuation profession and are well established in the business world. The abbreviated foundational discussions included in the standards should not be considered exhaustive. Therefore, it is important to the understanding and use of the standards that, although individual standards may be exposed or published as separate sections, each standard is a component part of the entirety. Thus, **definitions, preface statements, valuation concepts and principles, and other common elements are to be interpreted as a part of each standard.**

The International Valuation Standards Committee recognizes the complexity of professional valuation procedures, the diversity of property situations, the difficulty of interpretation of valuation activities by other disciplines, the problem of international language interpretations, and the paramount need of the public for well-founded professional valuations developed in concert with generally accepted procedures. Accordingly, the content and format of these standards have been designed with these issues in mind. An understanding of the structure of the standards is important to their application. Organization of the standards follows:

- 1. Introduction**—The introduction offers an explanation of the international committee, its work, and the general concept of the international standards. Organization of the standards is explained and their intended applicability is discussed.
- 2. General Valuation Concepts and Principles**—A full discussion of the body of knowledge constituting valuation methods and practices is beyond the scope of these standards. However, to foster understanding among discipline groups and to lessen the difficulties of language barriers, this section provides commentary on basic legal, economic, and conceptual frameworks upon which the valuation discipline and its standards are based. A comprehension of these fundamental matters is crucial to understanding valuations and to standards application.
- 3. Valuation Standards**—IVSC standards 1 and 2 deal with market value and valuation bases other than market value, respectively, as a foundation for IVSC Standard 3, which deals with valuations for financial statements and related accounts. Additional IVSC standards deal with valuation issues and situations common to business activities. IVSC Standard 4, titled Valuations for Loan Security, Mortgages and Debentures, provides standards for particular applications and distinguishes these applications from those covered by IVSC Standard 3.
- 4. Applications and Performance Guidance**—Issues that relate to application of the standards frequently arise in valuation practice and from those who use valuation services. Applications and Performance Guidance (APG) statements provide assistance regarding particular valuation issues and how standards are to be applied in more specific business and service provision situations. APGs are amended from time to time with additional guidance from the IVSC as business or professional situations that merit guidance are brought to the attention of the committee. APGs are considered an important adjunct to the standards, but are not, in themselves, statements of standards.
- 5. Explanatory Comments**—To provide valuers, and users of their services, a more immediate and less formal means of receiving responses to questions regarding the standards or their applicability, IVSC also issues explanatory comments on the standards. These comments generally are not approved by the committee, but are important broad interpretations that may be used either for general disclosure and commentary purposes or as an interim measure prior to issuance of either performance guidance or new standards by the committee.

## **Format of the Standards**

Each standard is written to address a broadly related area of valuation practice. As appropriate, each standard generally contains the following ordered sections:

1. Introduction
2. Scope
3. Definitions
4. Relationship to Accounting Standards
5. Statements of Standards
6. Discussion
7. Disclosure Requirements
8. Departure Provisions
9. Effective Date

In the year 2000, ten copies of the standards were sent to the executive vice president of ASA in Herndon, Va.

## **Appendix A College of Fellows Membership—1954 to 2000**

Merritt Agabian	John Alico
*Max P. Arnold	*Frederick M. Babcock
*Henry A. Babcock	*David P. Bishop Jr.
Elizabeth M. Blagbrough	Guy Blankinship
*William V. Burnell	John C. Chartier
*Paul B. Coffman	Henry Cordier
*John E. Daly III	Marylouise M. Day
*Ray A. Dean	Claire H. Donias
*Robert E. Francy	John L. Gadd
*Joseph A. Gallagher Sr.	*Emil Gallas
*Henry A. Garber Jr.	*Bernard Goodman
*Francis L. Gorka	Alexander P. Grice, III
*Daniel J. Hennessy	J. Michael Hill
*Lloyd M. Hotchkiss	*George M. Hoyt
James J. Hurley	Ira K. Hutchinson
Frederick L. Iusi	Robert D. Jackson
*Na Gum Jeu	*Howard I. Jensen
*Louis L. Juretie	*Sanders A. Kahn
Richard A. Kaufman	W. R. Kellough
Max G. Koeper	Marion L. Kordic
*Stuart F. Kosters	Allan L. R. Lannom
John V. Lanterman	Robert L. Lauer
*E. J. Launer	Edmund Leet
*Recco Luppino	Dexter D. MacBride
Charles N. MacNear Jr	John Madge
Vincent L. Marcum	*Earl P. Marshall
*Joseph Marshall	Kenneth A. Martin
*Myron L. Mathews	*William McCloy
*William C. Middlebrook	*Morton A. Miller
John H. Monroe	Roy E. Morris III
Brian T. Napier	Olof W. Olson
*Horace B. Perry	Philip F. Pierce
Shannon P. Pratt	*Joseph B. Prussiano
*John Purdon	Peter J. Reclite
*William G. Rufner	Alex Sabbadini
*Maurice R. Schariff	Thomas L. Schropp
Alexander D. Shiach	*Clement J. Schwingle
George D. Sinclair	Patricia C. Soucy
Richard A. Southern	*R. Donald Stone
*C. E. O. Walker	*Tevin T. Westgate
*Ambrose J. Winder	

*\*Deceased*

## **Appendix B Honorary ASA Members**

**Doug Barnard Jr.**  
Augusta, GA

**Charles Basch, Esq.**  
Philadelphia, PA

**A. W. Carson**  
Richmond, VA

**J. A. Cockett**  
London, England

**Robert Coulson**  
New York, NY

**Ernest Fisher**  
Leonia, NJ

**Paul W. McCracken**  
Ann Arbor, MI

**Paul L. O'Brien, Esq.**  
Chevy Chase, MD

**Sylvia Wade Olsen**  
West Covina, CA

**Richard Rickert**  
St. Charles, MO

**Daniel Rosecrans**  
Los Angeles, CA

**Alan K. Silberstein**  
Philadelphia, PA

## **Appendix C Life Members of ASA**

John Alico, FASA	Dexter D. MacBride, FASA
Max P. Arnold, FASA	Charles N. MacNear, FASA
C. John Bellman, Jr., ASA	John Madge, FASA
David Bishop, Jr., FASA	Vincent L. Marcum, FASA
Elizabeth M. Blagbrough, FASA	Kenneth A. Martin, FASA
Willard C. Bodge, ASA	William A. Middlebrook, FASA
Juanita Brown, ASA	Morton A. Miller, FASA
Patricia B. Burton, ASA	John H. Monroe, FASA
Kenneth T. Caplinger, ASA	Ralph G. Okrepkie, ASA
Harold S. Clark, ASA	Olof W. Olson, FASA
Sydney G. Cochran, ASA	Robert J. Paschall, ASA
Paul B. Coffman, FASA	Philip F. Pierce, FASA
Joel E. Coley, ASA	Peter Pisaretz, ASA
Howard W. Crook, ASA	John Purdon, FASA
Richard M. Dethlefsen, ASA	Elias Rau, ASA
Robert E. Francy, FASA	Peter J. Reclite, FASA
Agatha Mary Freedman, ASA	Rhea Rosen, ASA
John L. Gadd, FASA	William G. Rufner, FASA
Samuel Gibson, ASA	John G. Russell, ASA
Edward J. Glowaski, ASA	Alex Sabbadini, FASA
Alexander P. Grice, III, FASA	Clayton Sandstrom, ASA
Bernard Goodman, FASA	Alexander Shiach, FASA
Francis L. Gorka, FASA	Benjamin Silverman, FASA
Ira K. Hutchinson, FASA	George D. Sinclair, FASA
Frederick L. Iusi, FASA	Patricia C. Soucy, FASA
Robert D. Jackson, FASA	Fred J. Struben, ASA
Howard I. Jensen, FASA	Eugene Y. C. Sung, ASA
Na Gum Jeu, FASA	Henry C. Suominen, ASA
Max G Koeper, FASA	James E. Travis, ASA
John V. Lanterman, ASA	Anthony F. Turchi, ASA
Robert L. Lauer, FASA	Vincent M. Tottle, ASA
Edmund Leet, FASA	Edward A. Worthington, ASA
Margaret R. Lorini, ASA	

## Appendix D Officers and Directors of the Educational Foundation

Date	Chair	Vice-Chair	Secretary	Treasurer	Directors	
8/67	W.Y. Armstrong	W.M. McCloy	V.L. Marcum	G.D. Porter	E.E. Gallas	
7/68	W.Y. Armstrong	W.M. McCloy	E.E. Gallas	G.D. Porter	D.P. Bishop	
7/69	W.Y. Armstrong	D.P. Bishop	E.E. Gallas	G.D. Porter	S.Rothschild	
9/70	E.E. Gallas	A.Grice III	S.Rothschild	G.D. Porter	D.P. Bishop	
7/71	E. E. Gallas	D.P. Bishop	S. Rothschild	G.D. Porter	J. Alico, H.K. Cordier, M.O. Ramsland, A. Sabbadini, A. Grice III	
7/72	E.E. Gallas	D.P. Bishop	M.O. Ramsland	J. Alico	F. Babcock, H.K. Cordier, A. Grice III, P.F. Pierce, G.D. Porter, A. Sabbadini	
7/73	E.E. Gallas	D.P. Bishop	M.O. Ramsland	J. Alico	F. Babcock, H.K. Cordier, A. Grice III, P.F. Pierce, C.N. MacNear, A. Sabbadini	
7/74	P.F. Pierce	A.D. Shiach	M.O. Ramsland	J. Alico	F. Babcock, C.N. MacNear, H.K. Cordier	
7/75	P.F. Pierce	A.D. Shiach	C.N. MacNear	C.N. MacNear	E.E. Gallas, M.O. Ramsland, P.E. Smith, A. Sabbadini	
7/76	A.D. Shiach	P.E. Smith	C.N. MacNear	C.N. MacNear	E.E. Gallas, P.F. Pierce, A. Sabbadini, M.O. Ramsland	
7/77	A.D. Shiach	P.E. Smith	C.N. MacNear	C.N. MacNear	E.E. Gallas, F.L. Gorka, R.E. Francy	
7/78	A.D. Shiach	P.E. Smith	C.N. MacNear	C.N. MacNear	E.E. Gallas, K.A. Martin, F.L. Gorka, R.E. Francy	
7/79	A.D. Shiach	P.E. Smith	C.N. MacNear	C.N. MacNear	B. Goodman, K.A. Martin, F.L. Gorka, R.E. Francy	
7/80	F.L. Gorka	B. Goodman	C.N. MacNear	C.N. MacNear	J. Koetz, K.A. Martin, A.D. Shiach, R.E. Francy	
7/81	F.L. Gorka	B. Goodman	C.N. MacNear	C.N. Macnear	J. Koetz, K.A. Martin, A.D. Shiach, R.E. Francy	
7/82	F.L. Gorka	B. Goodman	C.N. MacNear	C.N. MacNear	J. Koetz, K.A. Martin, R.E. Francy, A.D. Shiach	
7/83	F.L. Gorka	B. Goodman	C.N. MacNear	C.N. MacNear	J. Koetz, K.A. Martin, R.E. Francy, A.D. Shiach	
7/84	F.L. Gorka	B. Goodman	C.N. MacNear	C.N. MacNear	J. Koetz, K.A. Martin, R.E. Francy, A.D. Shiach	
7/85	G.D. Sinclair	G.Brankinship	C.Sandstrom	C.N. MacNear	M. M. Day, A.W. Pasano, A.D. Shiach	
7/86	G.D. Sinclair	G.Brankinship	C.Sandstrom	M.M. Day	J.E. Coley, H.I. Jensen, A.W. Pasano	
7/87	G.D. Sinclair	G.Brankinship	C.Sandstrom	M.M. Day	J.E. Coley, H.I. Jensen, L.H. Miles	
7/88	G.D. Sinclair	G.Brankinship	L.H. Miles	M.M. Day	J.E. Coley, H.I. Jensen, C.Sandstrom	
7/89	G.Brankinship	J.H. Monroe	L.H. Miles	M.M. Day	J.E. Coley, H.I. Jensen, L.H. Roby	
7/90	G.Brankinship	J.H. Monroe	L.H. Miles	M.M. Day	J.E. Coley, H.I. Jensen, L.H. Roby	
7/91	J.H. Monroe	L.H. Miles	J.E. Coley	L.H. Roby	G.Brankinship, H.I. Jensen, Na Gum Jeu	
7/92	G.Brankinship	L.H. Miles	J.E. Coley	L.H. Roby	H.I. Jensen, Na Gum Jeu, J.H. Monroe	
7/93	G.Brankinship	Na Gum Jeu*	(*resigned)	J.E. Coley	M.L. Kordic	J.H. Monroe, H.I. Jensen, J. Madge
7/94	G.Brankinship	H.I. Jensen	E.M. Blagbrough	M.L. Kordic	J.E. Coley, J. Madge, K.A. Martin*	
7/95	E.M. Blagbrough	D.R. Taaffe	L.L. Ackermann	M.L. Kordic	(*resigned)	G.Brankinship, J. Madge, W.C. Middlebrook, H.I. Jensen, Advisor
7/96	E.M. Blagbrough	D.R. Taaffe	L.L. Ackermann	M.L. Kordic	J. Madge, W.C. Middlebrook, B.H. Worthington, H.I. Jensen, Advisor	
7/97	E.M. Blagbrough	D.R. Taaffe	L.L. Ackermann	M.L. Kordic	J. Madge, W.C. Middlebrook, B.H. Worthington, H.I. Jensen, Advisor	
7/98	W.C. Middlebrook	J. Madge	L.L. Ackermann	M.L. Kordic	D.R. Taaffe, E.M. Blagbrough, R.E. Morris III, H.I. Jensen, Advisor(deceased 8/98)	
7/99	W.C. Middlebrook	* (*died in office)	vacant	L.L. Ackermann	M.L. Kordic	D.W. Holbrook, R.E. Morris III, D.J. Walker
3/00	E.M. Blagbrough	D.W. Holbrook	L.L. Ackermann	M.L. Kordic	J.E. Housiaux, R.E. Morris III, D.J. Walker	