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SCCAI Newsletter

February 2015

President's Message

As we together face another new year, it's safe to venture that we all want our professional and personal lives to be a success. But what is success, really? Is it more recognition by your peers, handsome children, a full bank account? John Wooden, the great UCLA basketball coach, had a unique and wise definition of success as, "Success is peace of mind which is a direct result of self-satisfaction in knowing you made the effort to become the best you are capable of becoming."

As your SCCAI Chapter leadership met this past month during our Annual Leadership Kickoff Event, we discussed again our mission statement for the coming year, which is:

"Promote SCCAI members to their clients and the real estate community as the foremost real estate valuation professionals in the market - by providing the highest level of education, services and promotion."

In short, your chapter leadership is aiming at the same goals outlined by Coach Wooden many years ago; we want to lead by making the best effort we can on your behalf.

We will do this by pursuing the goals of 1) working hard to promote Appraisal Institute designations and our designees to users of our services and the surrounding real estate community, 2) to further enhance the reputation of SCCAI as the "thought-leader" in real estate valuation regionally, 3) increase the number of chapter-developed programs, and 4)

build and enhance relationships between members and others in real estate, by increase networking opportunities.

Recently, I had a great phone conversation with a younger member of our chapter who was interested in becoming more involved. It was so encouraging to chat about the opportunities to get involved, help out, to make a difference, and to serve with a remarkable group of professionals. I must admit that I have spent many years as a mere consumer of SCCAI programs and services. But now that I am in a place to view our Chapter from a leadership role, I can promise you that it is filled with people who really do make a difference. Each of you have that opportunity to do the same. Now I know it may be a tall order to ask a group of naturally introverted appraisers to get out from behind their computer monitors and make a difference, but I have been watching prior Chapter leaders doing just that for decades now.

This is a Chapter of great heritage, national influence, significant size, and with a history of involvement at the regional and national levels. We all have quite a legacy to continue to build upon together. When SCCAI does things, I can promise you, it is noticed on a national level!

So many of you daily give others courage, do the right thing, provide honest unbiased answers, and you resist the temptations to do it faster, or



**Steven R. Norris, MAI
2015 SCCAI President**

cheaper, or to ignore the truth and bend the facts. Over the years, I have had countless conversations with so many Chapter members over really important ethical and management questions – decisions that affect the well-being of others as well as affecting significant real estate decisions. I am impressed by your thoughtfulness, and your passion to do the right thing. You are the people who bring real character into the business world.

This will be a very busy year for us all, with loads of educational offerings, seminars, luncheon events, and of course the more recent tradition of fun mixers, where we can simply enjoy each other's company and the making of new friends. I find it interesting that Coach Wooden had "friendship" as one of the foundational building blocks of his Pyramid of Success.

Keeping in mind the wise words of a great man, here's to a great and success-filled 2015 to us all!

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www.sccai.org

Chapter Highlights



SEAN MICHAEL CROSBY, MAI



SHARON A. HENNESSEY, MAI, AI-GRS



MARTIN O'DONNELL, MAI, AI-GRS

Designations were awarded at the first Chapter Meeting on January 22nd
at the LA/OC Market Trends Seminar in Garden Grove



Past Chapter President

Kerry Leiman, SRA

becomes Region VII Chair

(818) 347-2006

n6bte@earthlink.net

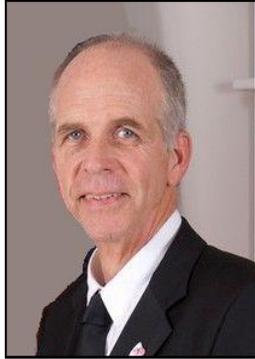
Northwestern Branch

The Northwestern Branch represents and serves appraisers from West and North Los Angeles County and Ventura and Santa Barbara Counties

K. Valeo Schultz, MAI-2015 SCCAI Northwestern Branch Chair



K. Valeo Schultz, MAI
Chair



Tupper W. Lienke, MAI
Vice Chair



Robert Jordan, MAI
1st Advisor



Loy Spears, MAI
2nd Advisor



J.P. LoMonaco, MAI
3rd Advisor

As Chair of the Northwestern Branch of the Southern California Chapter, I would like to welcome you to our branch and invite you to our meetings. Our branch is a very large, diverse territory extending from the West and North Los Angeles County and Ventura and Santa Barbara Counties.

Every other month, generally on the third Thursday at 7:30 AM, we meet at the Spitfire Grill across from the control tower of the Santa Monica Airport (3300 Airport Avenue). For twenty bucks, you typically get a full breakfast plus a great presentation on a current valuation or real estate topic. The professional lecture gets you two continuing education credits with BREA and AI.

On March 19, we are pleased to announce that Randy Bell, PhD, MAI will be presenting on the topic of court-accepted valuation methodologies, in particular dealing with the topic of junk science. For those who practice or are looking to break into the area of litigation expert support services, you don't want to miss this timely presentation.

Upcoming topics include insights from a chief appraiser, development and environmental challenges affecting Silicone Beach, the issues and costs of repositioning properties after a change in tenants, and a couple still in development. We would also like to extend a heartfelt thank you to our January presenter – Claudia L. Gaglione – who gave a presentation on professional practice liability and legal exposure.

If you have a topic you would like covered or if you would like to make a presentation, please reach out to me at valeo.schultz@cushwake.com. Also, if you are in an outlying area in our branch and would like to have a local meeting, let me know.

Our meetings are great opportunities to network with appraisers and other real estate professionals. We invite you and your guests to join us! Please register for the meetings by responding the SCCAI e-mails or calling the chapter office at 818-957-5111. See you there!



L—R: Loy Spears, MAI, 2nd Advisor; Claudio Gaglione, Guest Speaker, Tupper Lienke, MAI, Vice Chair

Southern Branch

The Southern Branch represents and serves appraisers from Orange County and Long Beach

Kory Felix, MAI - 2015 SCCAI Southern Branch Chair



Kory Felix, MAI
Chair



John Penner, MAI
Vice Chair



Ryan Neal Young, SRA
1st Advisor



Michelle B. Rogers, SRA
2nd Advisor



Michael J. Tidwell, III, SRA
3rd Advisor

It is a pleasure to be serving as the Chair of the Southern Branch for 2015! Thank you to Michelle Rodgers who did an outstanding job as Chair in 2014, bringing in some great presenters. Alongside fellow Branch members John Penner, Ryan Young, Michelle Rodgers, and Michael Tidwell, our goal is to continue providing local appraisers an opportunity to network, gain some knowledge with interesting topics from local real estate experts, obtain affordable education credits, and have a good time at the quarterly Branch events.

As a reminder, the Southern Branch represents and serves

appraisers from Orange County and Long Beach but everyone is welcome to attend, regardless of where you work or live.

The first Branch meeting will be April 2, 2015 in Irvine. We are privileged that Trevor Hubbard, MAI, SRA will be speaking on the subject of Ground Leases. This is a must-attend event since ground leases are frequently appraised, but there is little academic content on the subject. Please visit the SCCAI website to find a description of the seminar and to register. We look forward to seeing you there!

MEET OUR 2015 DESIGNATED MEMBERS



January 2015
Sangwoo Suk, MAI
Justin C. Giordani, MAI
Myung Cha, MAI
Joanne L. Bell, MAI, SRA
Barry J. Alperin, MAI, AI-GRS



The MAI designation is held by individuals who are experienced in the valuation and evaluation of commercial, industrial, residential and other types of properties, and who advise clients on real estate investment decisions. To pursue MAI Designated membership, one must be a general Candidate for Designation.

The SRA designation is held by individuals who are experienced in the analysis and valuation of residential real property. To pursue SRA Designated membership, one must be a residential Candidate for Designation.

The AI-GRS designation is a new designation program aimed at providing professional general reviewers with the knowledge and skills needed to satisfy issues related to due diligence and risk management often requested by their employers and clients.

The AI-RRS designation is a new designation program aimed at providing professional residential reviewers with the knowledge and skills needed to satisfy issues related to due diligence and risk management often requested by their employers and clients.

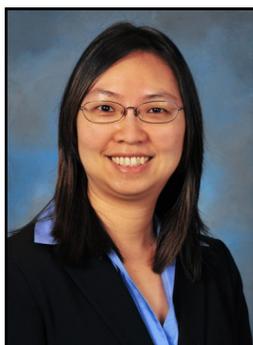
Eastern Branch

The Eastern Branch represents and serves appraisers from East Los Angeles County (excluding Long Beach) and Riverside and San Bernardino Counties

Jay Munoz, MAI, SRA, AI-GRS, AI-RRS - 2015 SCCAI Eastern Branch Chair



Jay Munoz, MAI, SRA,
AI-GRS, AI-RRS
Chair



Jennifer Hsu, MAI
Vice Chair



Ernesto Lopez, MAI
1st Advisor



Alexander Liu
2nd Advisor



Matthew S. Elston, MAI
3rd Advisor

Despite some last minute planning and meetings, the Eastern Branch ultimately had a successful 2013 and introduced many Southern California appraisers to the newly elected Riverside County Assessor, Peter Aldana. Our goal is to continue providing relevant and resourceful subject matter. As such, the Eastern Branch is poised and excited to deliver topics that are useful in our everyday practices or can jump start new paths or opportunities. As most already know by our expansive list of meeting places, the Eastern Branch is geographically the largest branch within the Southern California chapter, which can be a blessing in that it allows us to bring a great deal of diversity to the topics we present but can be a hindrance in that we cannot always deliver those topics throughout our coverage areas. As such, we encourage all Southern California members to come forward with topics, ideas, and/or locations that would contribute to the success of the Eastern Branch, but more importantly, the Southern California Chapter. Each of us are only a phone call or email away and are always delighted to hear constructive ideas on how we can make the chapter better for all members.

We are planning to host at least four meetings throughout the year, but will expand the calendar as necessary. The first of our meetings will be in the San Gabriel Valley (Most likely Pasadena) with a tentative April delivery date. With this said, Charles Baker, SRA is one of Southern California's preeminent residential appraisers, as it relates to high-end custom and specialty homes. As such, we are pleased to announce that Mr. Baker will kick-start the Eastern Branch's inaugural event with a presentation that focuses on "Foreign investment in the San Gabriel Valley". With the influx of foreign investors throughout many major metropolitan markets, which includes a number of California markets and submarkets, Mr. Baker will discuss how capital inflows are shaping residential construction and transforming neighborhoods.

Furthermore, Charles will deliver an in-depth look at architecture and aesthetics, prominent builders and developers, location and orientation, and short- and long-term trends. Via case studies, Mr. Baker will also explore and analyze several current projects from concept to completion. This will be an extremely informational presentation and can provide useful information for residential and commercial appraisers alike, so I hope to see many of our members at the event. We will deliver the Eastern Branch's remaining agenda to Linda's calendar in the upcoming months, so stay tuned. Although not directly part of the Eastern Branch, don't forget about one of the most exciting (For appraisal) and useful seminars of the year, the Inland Empire Market Trends Seminar, which will be held during the first week of June.

Lastly, as elections rear their ugly little heads, for those of you looking to contribute as part of a branch or committee, please feel free to contact any of us and we will point you in the right direction. Collectively, the Eastern Branch would like to thank Barry Alperin, MAI, AI-GRS for his enormous contributions to the Southern California Chapter as well as his branch leadership during 2013, not to mention, the extensive knowledge that Barry conveys to those around him. Additionally, I would like to introduce our team's newest member, Matt Elston, MAI. For those of you unfamiliar with Mr. Elston, he is a former firefighter turned appraiser and product of the Elston family, who specialize in multi-unit and LIHTC properties to name a few. For the returning members, Jennifer Hsu, MAI, Ernie Lopez, MAI, and Alex Liu, welcome back for another year and keep doing what you do --it's what makes you great peers and colleagues, and I could not properly do my job without your aggregate support. Let's make this a great year!



Education Committee Report

By Beth Finestone, MAI

2015 SCCAI Education Committee Chair

I want to start off by thanking the members of this year's education committee for their efforts in helping to put together a fantastic calendar of offerings for 2015. The members of the committee are Bryan Vick, MAI and Robert King, SRA. If at any time this year you have any suggestions or requests for educational offerings, please contact one of us or the chapter office.

One of the biggest challenges we face on the education committee is which courses and seminars to offer that will interest the membership and be well attended. This is important for two primary reasons: 1) education is critical in the continued growth and development of our membership; and 2) the money we receive from our educational offerings represents the vast majority of the income that funds our chapter and enables us to continue to serve you. This is becoming increasingly challenging as more and more courses are being offered on-line by National and our chapter does not receive any income from these. We have found that attendance at the core courses we offer locally has decreased as attendance at on-line courses has increased. As a result we are focusing our efforts on developing strong chapter developed seminars. The four major chapter developed seminars we are offering this year are:

LA/OC Market Trends Seminar: Orell Anderson, MAI chaired this event which was held in January. As usual, Orell had a great panel of speakers lined up for us and the event was well attended and very well received by the attendees. Orell – Thank you for your efforts every year on this important seminar.

Inland Empire Market Trends Seminar: This all day seminar is being held on June 4th in Ontario and is being chaired by Jennifer Hafner, MAI. All of the speakers are lined up and this event promises to be better than ever, so please mark your calendars.

Summer Conference – Issues in Appraising Special Use Properties: This is a new event this year that will have elements of past summer conferences and the special purpose properties seminar. Allen Greer, MAI is chairing this event and Bryan Vick, MAI is serving as the co-chair. Our concept is to have an all-day seminar with multiple break-out sessions so that there will be topics that interest all of us. If you have any speakers or topics you would like added to this event, let us know.

Annual Litigation Seminar: This event is being held on November 18th and is being chaired by Valeo Schultz, MAI. Valeo is working on a strong panel of speakers and we hope to have a great turn-out at this event.

In addition to the four major seminars summarized above, Scott Delahooke, MAI, SRA is working on putting together a seminar for our designated members that are interested in getting into litigation support related to commercial appraisals. This will be a seminar limited to about 30 designated members. The appraisers will interact in very small groups with attorneys that specialize in real estate litigation. The attorneys will present mock cases and then meet with the appraisers in very small groups in a cross-examination setting. It will give the appraisers the opportunity to experience what a cross examination feels like and the attorney's a chance to get to meet new appraisers that they may want to work with in the future. This event is viewed as a service to both our members and the legal profession and gives us an opportunity to work together. This event is being planned for October of this year. Stay tuned for more information.

Lastly, if you are interested in pursuing your AI-GRS designation (General Review Appraiser), please be aware that we are offering the Review Theory – General course on March 23rd in Burbank. This is a five day course and is required in order to obtain the AI-GRS designation.

I am looking forward to a fantastic year with many exciting educational offerings and appreciate the opportunity to serve you.

Appraisal Institute State Government Relations



UNDER THE CAPITAL DOME

Gregg Stephen Whittlesey, Pasadena, serves on the California State Government Relations Subcommittee representing the Southern California Chapter of the Appraisal Institute, and has filed the following report:



Here are the highlights of recent Legislative news being addressed by the California State Government Relations Subcommittee:

The California State Government Relations Subcommittee met recently in San Diego for its Fall meeting. Jim Martin, Chief of BREA reported on news from BREA.

Topics discussed included:

Ongoing discussions with the ASC regarding:

- Temporary practice permits
- Information sharing among States
- Enforcement actions shown on States National Registry – California is one of the few States that has “real-time” reporting of fines and disciplinary actions. Other states can be as much as a month late in posting this information about appraisers.

Our lobbyist, Mike Belote, recapped this year’s legislative activity. As mentioned in an earlier newsletter, the Committee sponsored the bill AB1888, Documentary Transfer Tax, which now requires that the transfer tax be stated on the front of the document. This bill was signed by Governor Brown in June.

Mike reported that AB1522, also signed by the Governor, is of importance to appraisal firms who have employees. This law now **requires employers to provide sick leave for all employees**. This sick leave will be calculated at the rate of one hour leave for every 30 hours worked. Furthermore, the accrual of paid sick leave must be shown on every paycheck. This new legislation applies to every employer, public and private.

The Committee will continue its work in an effort to sponsor legislation that will allow the Standards of Valuation Practice, recently adopted by the Appraisal Institute, to be implemented. If you have yet to read the SVP [see highlights below], we recommend that you check out the advantages it may provide to your business model, and provide your feedback to one of your Chapter members listed below.

Committee Members

- Kurt Reitman, MAI- Chair NorCal
- Gregg Whittlesey – Vice Chair SoCal
- Jon Cox – Treasurer SoCal
- Trevor Hubbard, MAI, SRA- Treasurer San Diego
- Susan Merrick, SRA – Past Chair San Diego
- Jeremy Darner - San Diego
- Eric Schneider, MAI - San Diego
- Steve Henry, MAI - SoCal
- Lynn Rickard, ARA, MRICS ASFMRA Rep
- Jefferson Ruiz, SRA - Central Cal
- Carole Laval, SRA- Secretary NorCal
- Ron Garland, MAI, SRA - NorCal
- Melissa Bach, MAI - NorCal
- Neil Lefmann, MAI, SRA - NorCal
- Chuck LaFlamme, MAI - Sac Sierra
- Mary Yankauer, SRA - Sac Sierra
- Lance Jordan, MAI - Sac Sierra
- Lynn Rickard, ARA, MRICS ASFMRA Rep

Appraisal Institute State Government Relations, February 2015...con't

Appraisal Institute Unveils Standards of Valuation Practice

The nation's largest professional association of real estate appraisers has announced to global users of real estate valuation services the availability of its Standards of Valuation Practice. The SVP can serve as an alternative for valuation professionals where national or other standards are not required. "This is a huge step forward for the real estate valuation profession," said Appraisal Institute President Ken P. Wilson, MAI, SRA. "The Standards of Valuation Practice will provide a high-quality, straight-forward option for appraisers that is principles-based and not rules-based." The Appraisal Institute's policy-making Board of Directors adopted the proposed Standards of Valuation Practice at its Aug. 7-8 meeting in Austin, Texas. The Appraisal Institute had sought input on the proposed Standards of Valuation Practice during three comment periods in the preceding nine months. The Standards of Valuation Practice:

- Can be used as an alternative to the Uniform Standards of Professional Appraisal Practice or the International Valuation Standards when the use of USPAP or IVS is not required and the use of the SVP would be appropriate;
- Will serve as an alternative set of standards that could be used, not an additional set of required standards; and
- Will not supplant USPAP or other national standards.

"The SVP will establish a higher level of professional practice, engender public trust and facilitate the growth and advancement of the valuation profession," said Wilson. "The SVP will recognize the broad area of practice of valuation professionals and the diverse needs of users of valuation services."

Effective Jan. 1, 2015, Appraisal Institute Designated members, Candidates for Designation and Practicing Affiliates will be required to comply with either:

- The Standards of Valuation Practice, promulgated by the Appraisal Institute, and the Certification Standard of the Appraisal Institute; or
- Applicable national or international standards, and the Certification Standard of the Appraisal Institute.

The Appraisal Institute is the historic leader in establishing standards for the valuation profession. The Appraisal Institute's two predecessor organizations, which unified in 1991, were among the first to establish standards for the valuation profession; the American Institute of Real Estate Appraisers created standards in 1932 and the Society of Real Estate Appraisers did so in 1936. AIREA and the Society regularly revised and strengthened their Standards over the decades that followed.

The Standards of Valuation Practice are one of three strategic initiatives the Appraisal Institute announced in October 2013. The Appraisal Institute said then that it would:

- issue proposed standards of valuation practice that could serve as an alternative for valuation professionals where national or other standards are not required;
- expand delivery of Appraisal Institute education, becoming more proactive in identifying and pursuing appraisal educational opportunities; and
- create a new certification organization to establish a future generation of cross-disciplinary valuation professionals and to enhance their marketability in a competitive job environment (which was accomplished with the May 2014 introduction of the International Center for Valuation Certification).

Read the Standards of Valuation Practice

The Government Relations Subcommittee thanks the members of the Southern California Chapter for their continued support of our legislative efforts.

Comprehensive Exam Review Seminars

In Las Vegas Nevada— Instructor Tom Kirby, MAI

For more information on these classes go to:

<http://www.myappraisalinstitute.org/education/LasVegas.aspx>

CALLING ALL CANDIDATES !

Candidate for Designation Extensions

A Candidate who is behind on Annual Minimum Progress should have filled out a [Candidate for Designation Program Extension Request](#) prior to the end of 2014 in order to avoid termination of their Candidacy. Candidates who have not completed Annual Minimum Progress (2014) nor submitted an extension should do so immediately.

Annual Minimum Progress is defined as the minimum number of designation requirements a Candidate must complete each year over the course of his/her candidacy. In mid-December the Admissions department sent a final notice (via both regular mail and email) to Candidates who had not met Annual Minimum Progress for 2014 nor submitted an

College Degree Requirement

All Residential and General Candidates admitted or readmitted to the Candidate for Designation program now must hold a four-year undergraduate degree (or higher). The only College Degree alternative currently in effect is for the Appraisal Institute review designations.

Candidates pursuing the AI-GRS designation qualify for the College Degree Alternative option if they do not hold a four-year undergraduate degree.

Candidates pursuing the AI-RRS designation qualify for the College Degree Alternative option if they do not hold a four-year undergraduate degree.

Logging Required Candidate Attendance

By year's end, Candidates must log their candidate attendance, and may do so via the AI website—which features an interactive tool—where they can easily log their attendance by clicking "[Log Candidate Attendance](#)" on their [MY AI page](#). This page is found as soon as they login to the AI Website. The submission of their annual attendance is just a few clicks away!

Please Note: Candidate attendance is in no way related to Annual Minimum Progress—which refers to designation requirements.

Scholarships are Available for all SCCAI Candidates

Mason—Thornton Scholarship information and application is available on the Chapter Website: www.sccai.org

Classes eligible for scholarships are listed on the application.

SCCAI 2015 EDUCATION CALENDAR

DATE(S)	COURSE / SEMINAR	LOCATION
February 20, 2015	Federal and California Statutory and Regulatory Law Course	Ontario, CA
February 24, 2015	Extreme Appraising: Valuing Unstable Properties in an Unstable Market	Ontario, CA
March 13, 2015	7-Hour National USPAP Update Course	Ontario, CA
March 17, 2015	IRWA AND SCCAI JOINT LUNCHEON AND PROGRAM “Regional Rail Planning in Los Angeles County– The Process, Projects in Planning and Timelines”	Commerce, CA
March 19, 2015	NORTHWESTERN BRANCH BREAKFAST MEETING The Rebuttal of Junk Science in Litigation	Santa Monica, CA
March 23-27, 2015	Review Theory-General	Burbank, CA
April 2, 2015	SOUTHERN BRANCH DINNER MEETING Digging into Ground Leases	Irvine, CA

Comprehensive Exam and Certified General Exam Prep

Gary DeWeese, MAI, and an instructor for the Appraisal Institute, is offering a series of live webinars on the three approaches to value on Friday and Saturday, February 20 - 21 and February 27 - 28, 2015. These challenging, fast-paced programs focus on the kinds of problems in both exams.

The cost is only \$150 per day and the program is conveniently offered in a webinar format that will enable attendees to work on multiple choice type problems, ask questions and examine solutions.

SPACE IS LIMITED - EARLY REGISTRATION STRONGLY RECOMMENDED

For more information about the webinars and to register go to www.garydeweese.com or contact Gary directly at garydeweese@comcast.net or 925-216-8751.

This offering was developed by Gary DeWeese and is not sponsored or endorsed by the Appraisal Institute

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Newsletter Editor
Linda Zimmer
Executive Director
Linda@sccai.org

Newsletter Contributor and Publisher
Lianna Ayala
Executive Assistant
Lianna@sccai.org