

Your 2nd 2018 QUARTERLY Newsletter - Southern California Chapter Appraisal Institute



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Real Estate Solutions*

**Southern California  
Chapter**

## Your 2nd Quarter 2018 News & Updates

### President's Letter

Charles Baker, SRA, AI-RRS

SCCAI 2018 President



Greetings friends and colleagues!

It's a quiet Sunday morning with the occasional sound of birds chirping and a chain saw in the background trimming and hedging. As I sit down to write, I'm struck at the contrast between the serenity of today and the hustle & bustle at LDAC in Washington DC, a mere two and a half weeks ago, and the changes being proposed for the transformation of our organization. Little did I know when nominated for the board five years ago that so much change was on the horizon.

Our chapter has much to be proud of as six of our members were at LDAC this year, a first for any chapter in the history of the event. Steve Henry performed outstanding as Vice-Chair. Jay Munoz and myself were Discussion Leaders, speaking for eight hours in front of a total of 100 folks from all over the country. Huge congratulations go out to Jay for his selection to serve as Vice-Chair for 2019! He was scheduled to walk for his graduation at Georgetown University but chose to stay at LDAC. Beth Finestone, Casey Merrill and Bob King served our chapter and the organization with distinction. I thank them for serving.

This year as in past years, our focus was on "growing the tent": expanding our membership base, influence and professional practice. I was struck by the seeming divide between our perceptions of ourselves as appraisers and our perceptions of others in our profession (and, by corollary, how others see us.) While most attendees agreed they were good or great appraisers, their opinion of others was less so. My question centered on whether our perceptions of others is synonymous with their perceptions of us, and is that a good lens from which to judge. We all agreed that this perception gap is a problem for our profession in general, and our organization in particular. I then asked the question, what can the Appraisal Institute do to close the gap. Should we invest more in education, peer review, standards, building competency, etc., or should we invest more in public relations, shaping perceptions,

good-will, community outreach, etc.? The overwhelming answer was, the latter. Appraisal Institute members are, by and large, the best at what they do. But the end-user and the consumer haven't gotten the message.

So, how do we go from "good" to "great"? I believe as professionals and as an organization we need to embrace a "peak state" psychology which consists of three elements - focus, physiology and language. Focus means to eliminate distractions and take massive action in one, two or three key areas that will produce the most positive results. Physiology has to do with posture, confidence, poise, attitude and touch. Language has to do with the way we communicate - verbiage, certainty, facts, research, data, objectivity, all the while projecting with confidence. (Credit - Tony Robbins for his "peak state" mantra.)

Specifically, with respect to the SRA brand - is it relevant in the marketplace; are we able to muscle our brand to influence other stakeholders; are we able to retain and provide value to our residential members; and, are we being regulated out-of-business?

These are some of the questions before us and I was so grateful for the input from all 100 attendees. It was a pleasure to serve these past four years at LDAC.

As Region VII Government Relations Chair I attended our GRC meeting in Washington DC the day before LDAC got underway. Three representatives from FNMA spoke with us and fielded questions for a couple of hours. They are asking for input from AI and other stakeholders on the following:

1. As the entire industry is moving towards a more digital mortgage process, what would the ideal appraisal process look like?
2. What component(s) of the current appraisal process causes the greatest amount of confusion or dissatisfaction with the appraiser community? How would you solve for it?
3. What are the easiest and most complicated problems to solve in the current appraisal process? How would you solve for each?
4. How can emerging technologies support the appraisal process?
5. What component(s) of the appraisal process should not be influenced or changed by digitization and emerging technologies?
6. How can we best facilitate cost and process efficiencies while satisfying regulatory requirements and concerns of the appraisal community?
7. Please provide your suggestions on how Fannie Mae can foster appraiser independence, improved appraisal quality, and greater appraisal report transparency.
8. What can be done to reduce appraisal revision requests and value reconsideration requests?
9. What are the pros and cons to adopting a bifurcated appraisal process?
10. How can we better connect with the appraiser community?

The GRC is working on responses to these and other questions. If you would like to share your thoughts, please forward them to me at [cbaker@appraisalpros.com](mailto:cbaker@appraisalpros.com).

In March, our Chapter held a joint luncheon with IRWA. David Graeler with Nossaman spoke on SB70, a bill sponsored by the California Government Relations Committee of the Appraisal Institute to enable restricted-use appraisal reports to be performed for more than one intended user. While Mr. Graeler was opposed to the CAGRC's attempt to push a broader set of standards set forth in AB624 a few years ago, he spoke favorably about SB70.

The Residential Symposium was held on April 26th at Rio Hondo. With 60 folks in attendance it was a resounding success, especially given that it was a first for our Chapter. I appreciate all my committee members: Linda Whittlesey, Bob King, Michelle Rogers, Matt Cook, Manisha Hunter, Craig Gilbert, Michael Tidwell, Rick Morris, and Faye Lefurgey, and especially Linda

Zimmer and Lianna Ayala running our chapter office. All our speakers did an outstanding job given the quick pace of the day and the number of topics covered. I look forward to making this a regular event for our Chapter in service to our residential membership in the years to come. Along with some of our Regional Representatives and board members,

I will be attending the Regional meetings and National Conference in Nashville July 29 - August 1. The Governance Restructuring Project and Financial Management Policy will no doubt be topics of discussion. As part of the changes in governance structure, LDAC will assume an even greater role in developing leaders for national office and the national nominating committee. As an aside, this years' LDAC sold out in 3 days, a record, raising the specter of a revamp and expansion to account for its growing role as a farm system for national talent.

Later this fall we will be holding our annual Litigation Seminar. Adam Dembowitz is chairing the event this year.

Finally, stay tuned for our Heritage Night announcement where we will honor a very special member of our Chapter.

Until then, enjoy your summer!

Thank you for reading and may you go out and serve with distinction.

Charles Baker, SRA, AI-RRS  
2018 SCCAI Chapter President

## Congratulations to our Newly Designated Members

[John Mackel, MAI](#)  
[Molly W. Alford, MAI](#)  
[Derek G. Clark, MAI](#)  
[John Lepard, SRA, AI-GRS](#)  
[Jeanelyn Kwong, MAI](#)  
[Christopher B. Pierce, MAI, SRA, AI-GRS](#)  
[Mark J. Gautreau, MAI](#)  
[Alexander M. Jaffe, MAI](#)

## 2018 Northwestern Branch

Chair, J. P. LoMonaco, MAI  
Vice Chair, Adam Dembowitz, MAI  
1st Advisor, Bradley Stern, Candidate  
2nd Advisor, Jan Kelly, Candidate  
3rd Advisor, Tupper W. Lienke, MAI

The headlines surrounding the Tax Cuts and Jobs Acts have been highly politicized

and the real impact is difficult to understand. In May, The Northwest Chapter hosted Brian Gary, CPA, a Partner with Gursej Schneider LL, who helped breakdown fact from hype and the potential impact on real estate.

While the headlines have suggested that California residents and real estate was particularly singled out as payback for opposing many of President Trump's policies, Mr. Gary broke down the impact and provided specific examples. Key elements of the Act that were explored included:

Effective elimination of the AMT

Elimination of the state deduction over \$10,000

Planning and structures that can be used to effectively increase mortgage interest deduction beyond the \$750,000 limit

Pass through deduction of Section 199A

Review and comparison of income tax rates

Increased estate and gift tax exemption from \$5.6 million to \$11.2 million

The presentation resulted in a lively conversation and the attendees left with a much better understanding of how the Act may impact real estate in the coming years.

Stay tuned for the next Northwestern Branch Breakfast Meeting.....

J. P. LoMonaco, MAI

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

## **The 2018 Southern Branch Team**

**Chair, Michael Tidwell, II, SRA**

**Vice Chair: Robert M. Contant, Jr., MAI**

**1st Advisor: Matt T. VanEck, MAI**

**2nd Advisor: Winnie Houston, MAI**

**3rd Advisor: George Paquette, SRA**

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

The Southern Branch of the Southern California Chapter of the Appraisal Institute holds quarterly dinner meetings at the Back Bay Conference Center, 3415 Michelson Drive, Irvine 92612. The meetings open at 5:30 PM, however generally start at 6:00 PM and end at 8:00 PM.

Our second meeting of the year has yet to be scheduled; however, we always have a good line up of knowledgeable speakers so please check our chapter website to see who's on deck.

Meetings are located on the second-floor of the Back Bay Conference Center, 3415 Michelson Drive, Irvine 92612. Beer is served in the ground-level bar adjacent to the bowling alley. Come have a cold one, network with fellow appraisers, enjoy a good meal and sit back for an informative presentation.

Robert Contant, MAI

## **The 2018 Eastern Branch Team**

**Chair: Alex Liu, Candidate**

**Vice Chair: William E. Jones, MAI, AI-GRS**

**1st Advisor: Charles Thomas, Candidate**

**2nd Advisor: Jennifer Hsu, MAI**

**3rd Advisor: Scott Thompson, MAI**

**Thanks to Scott Thompson, MAI for agreeing to be third advisor for the Eastern Branch. Scott brings a wealth of experience and insights to our group and we look forward to his contributions. He has been with Mason & Mason in Montrose for 12 years and is a welcome and much needed addition to our leadership. His specialty is eminent domain/partial acquisitions. He's also has the SR/WA Designation from the IRWA (International Right of Way Association).**

**The Eastern Branch just completed our first seminar of 2018 - a meeting with Claudia Gaglione, Esq. dealing with avoiding litigation in appraisal. Ms. Gaglione is an attorney specializing in the defense of professional malpractice cases, and has supervised over 7,500 claims and lawsuits filed against real estate appraisers across the country. She gave a good overview of common pitfalls when using standard of "canned" language in appraisals, and emphasized the importance of clearly identifying intended users and intended use in each appraisal. She writes on liability issues in the Appraisal Profession in a Q&A column available at <http://www.liability.com/claudia-says/>. A special thanks to Alex Liu for his hard work in putting together this event!**

**By the time you read this the Inland Empire Market Trends Seminar will have been completed. While not an Eastern Branch event, we want to thank the team that puts this together for their hard work and attention to detail.**

**We are working on an event in the fall in the Palm Springs area which promises to be a great opportunity for education, as well as a fine time to get out to the**

**Coachella Valley. Please keep looking in your In box for more information about this event.**

**If you have suggestions for an event in the Eastern Branch please reach out to the leadership team - Alex Liu, Bill Jones, Jennifer Hsu, Charles Thomas, or Scott Thompson.**

**Alex Liu - alexliu714@gmail.com (714-307-6249)**

**William (Bill) Jones - wejones@cbbank.com (909-240-3700)**

**Jennifer Hsu - Jennifer.Hsu@cbre.com (213-613-3264)**

**Charles Thomas - cthomas@innovisrealty.com (949-446-1433)**

**Scott Thompson - sthompson@mason2.com (818) 957-1891**

**The Eastern Branch held their June 21st meeting at the Amazon Fulfillment Center located at 1910 E. Central Ave., in San Bernardino, CA. The center was built in 2012 and is 1.2 million square feet. The great team at Amazon gave everyone a tour of the facility where they got to see items "picked" then eventually boxed for shipment. This facility employees approximately 3,000 employees and offers them a wide range of benefits. Let's hope the Eastern Branch arranges for this tour again in 2019!!**



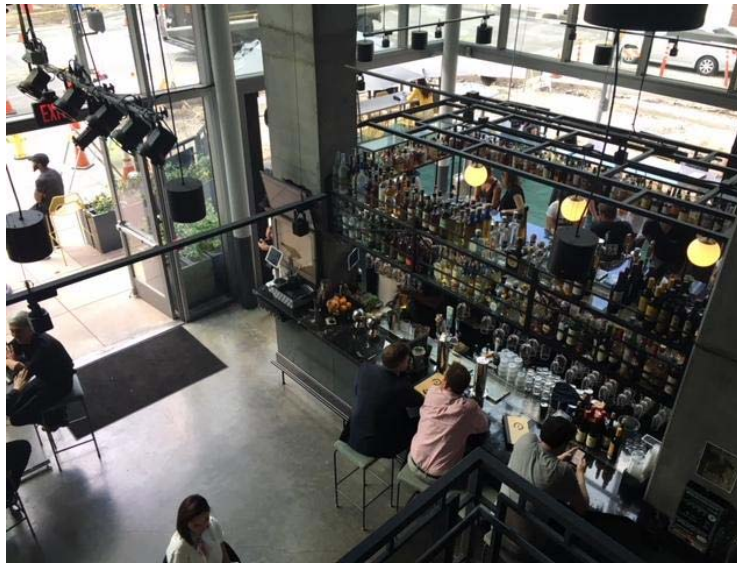
**DID YOU KNOW????????? You shop----and Amazon GIVES !!**

**When you shop at smile.amazon.com,  
Amazon donates to your favorite charitable organization.**

**About AmazonSmile**

**Our Summer Mixer was held June 14th at  
"PRANK"**

They are located at 1100 S. Hope Street in the South Park area of DTLA.  
And if you missed it.....YOU REALLY MISSED IT !!!  
What a "Happening" Place!



**Thanks to our great Sponsors that made this Mixer Possible:**

ERIC STUCKY, MAI  
STEVE NORRIS, MAI  
CHARLES BAKER, SRA  
CASEY MERRILL, MAI  
CUSHMAN & WAKEFIELD  
STEVE JOHNSON, MAI  
MOORE REAL ESTATE GROUP  
INTEGRA REALTY RESOURCES - LOS ANGELES  
RICHARD HAMMEL, MAI  
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**Leadership Development and Advisory Council  
(LDAC) 2018 in Washington D. C.**



### 2018 LDAC Attendees in Washington, D.C.

It was an honor to have six SCCAI Members in attendance at LDAC this year, three of which served in event leadership. Charles Baker and Jacinto Munoz did the chapter proud serving as Discussion Leaders for the event with me serving as Vice Chair. We had four discussion groups whose main focus was on the survival and growth of the Appraisal Institute and its members. The discussion topics and respective Discussion Leaders were as follows:

- Residential Outreach - Growing the SRA Brand  
Charles Baker, SRA
- Where are the Best Opportunities for Appraisers in the Future  
Jeff Harris, MAI
- Building and Expanding the Professional Community?  
Michael Lamb, MAI, SRA, AI-GRS, AI-RRS
- Growing our Profession out of the Box  
Jacinto Munoz, MAI, SRA, AI-GRS, AI-RRS

All of the Discussion Leaders did an amazing job. Their topics were thought provoking and relevant to the issues that appraisers and the Appraisal Institute are facing. I am very proud to announce that, out of the four discussion leaders, Jay Munoz was elected 2019 LDAC Vice Chair and will be serving with me next year in leading the event. It will be an honor to serve with him.

For those who wonder whether the National organization listens to what its members have to say, Scott Robinson (2016 National AI President and current Strategic Planning Committee Chair) was in attendance. He sat through all 8 hours of discussion groups and took 24 pages of notes, all of which consisted of input from 100 LDAC participants from all over the country, including three participants from the Southern California Chapter.

Speaking of that, the Chapter sent three outstanding participants this year: Bob King, SRA (2nd Year); Beth Finestone, MAI, AI-GRS (2nd Year); and Casey Merrill, MAI (1st Year). As Vice Chair, I had the privilege of sitting in on all of the discussion groups and hearing contributions from all of our participants, and I was truly impressed by the wisdom, insight and enthusiasm of our attendees. They did our chapter proud.





L-R Steve Henry, Bob King, Beth Finestone,

Casey Merrill, Jay Munoz, Charles Baker  
 LDAC provides the best platform I have seen in years, meaning the interaction with our national leadership. Charles, Jay, and I spent a significant amount of with our National President, President Elect, and the rest of the Executive Committee. All of them are concerned with and dedicated to the growth and prosperity of the Appraisal Institute.

Participants also spent an afternoon lobbying on Capitol Hill. All attendees had the opportunity to talk to their Senators and Representatives or members of their staffs. The talking points with Congress this year dealt with Appraisal, Safety, and Soundness. Specifically, our members asked their Representatives to oppose one-off waivers, exemptions, allowances, etc. as a way of dealing with appraisal requirements and appraiser scarcities and to instead consider reforming the overall appraisal regulatory structure. The "ask" to our Senators was to continue call for broader review of appraisal regulatory structure.

LDAC is one of the most fulfilling, fun events I have attended as a professional. Over the past five years I have made professional and personal contacts from all over the country, some of whom I am honored to count among my closest friends. I cannot put into words what LDAC has meant to me and my personal and professional growth. I highly recommend it to anyone with an interest in the prosperity of our profession. We are always looking for thoughtful, enthusiastic chapter members to attend this event. If you are interested, please contact me to learn more.

Sincerely,  
 Steve Henry, MAI  
 2018 LDAC Vice Chair

**2018 Education Committee**  
**Jacinto Munoz, MAI, SRA, AI-GRS, AI-RRS**  
**Education Committee Chair**

We are half way through another year and education is moving along. The chapter hosts three market trends seminars each year, with the LA/Orange County being held in January, the Santa Barbara/Ventura Market Trends in February and the Inland Empire in June. The most recent Inland Empire Market Trends Seminar was held on June 7, 2018 at the Doubletree Inn in Ontario and was an astounding success, but this is no surprise, as we owe Jennifer Hafner, Bob King, Christie Santolucito, Mike Ader, Nancy Summers, and Alex Liu a debt of gratitude for their amazing work. Like every committee within our vast chapter, the planning and hard

work of this committee, which they make look seamless, is evident in the quality of the events, as it is no easy task to find expert speakers who represent a broad cross-section of disciplines, so we thank you immensely. If you are interested in becoming a part of this outstanding team please contact me at [jzen0912@verizon.net](mailto:jzen0912@verizon.net)

It should be noted that Power Point presentations from each segment are available on the chapter <http://www.sccai.org/education/speaker-presentations/>

#### THE INLAND EMPIRE MARKET TRENDS TEAM



L-R Jennifer Hafner, Alex Liu, Christie Santolucito, Mike Ader,  
Nancy Summers Jay Munoz, Bob King

Despite technology making our lives easier for the most part, we seem to be continually strapped for time, as today's business environment is so much faster paced than ever before. As a result, it becomes increasingly more difficult to not only manage work-life balance, but we must also find time to fit in continuing or designation education, so many of our members default to taking courses online or with lower-quality providers. However, I have always found it tremendously beneficial to attend events in a classroom setting with the Appraisal Institute, as we not only receive the high-quality education that the Appraisal Institute is known for, but we are afforded the opportunity of interacting and networking with our peers, which can lead to professional contacts or friendships that will last throughout our careers. With this said, I want to remind everyone that we have some incredible course offerings on the horizon, which include new courses that are rolling out for the first time as well as some of your old favorites that are as follows:

- July 18, 2018 (La Palma) - Advanced Land Valuation: Sound Solutions to Perplexing Problems
- July 19, 2018 (Santa Monica) - Economics and Valuation of Outdoor Advertising
- August 13-19, 2018 (Ontario) - Advanced Concepts and Case Studies
- August 13-19, 2018 (Woodland Hills) - Supervisory Appraiser/Trainee Appraiser Course
- September 10-14, 2018 (Costa Mesa) - Review Theory - General
- September 20, 2018 (La Palma) - 7-hour National USPAP Update Course
- September 27, 2018 (Ontario) - Federal and California Statutory and Regulatory Law Course

We never want to cancel courses, so please support the local chapter by registering for these SCCAI courses early!! Also, if there are specific requests for courses or seminars that you would like the chapter to offer, please feel free to reach out to anyone on the Education Committee or the fantastic women, Linda or Lianna, that we have running the largest chapter

in the organization.

As always, I would like to remind members of the Southern California Chapter of another huge benefit, the Mason-Thornton Scholarship Program, which is a scholarship fund that was established to help candidates pay for their designation classes. If you have not already done so, please visit the Chapter Website for a comprehensive list of upcoming courses and seminars as well as information on how to apply for the Mason-Thornton Scholarship. I look forward to seeing members at upcoming events!

## Scholarships Available .....

### **The Southern California Chapter's Mason - Thornton Scholarship Program**

The Mason - Thornton Scholarship Fund is a Trust Fund sponsored and managed by the Southern California Chapter of the Appraisal Institute. The sole purpose of the Fund is the awarding of financial scholarships to Designated Members and Candidates in good standing for courses presented by the Appraisal Institute leading to a professional designation in the Appraisal Institute.

[Application and Information](#)



## **2018 SCCAI Residential Symposium**

**Took Place April 26, 2018 at the Rio Hondo Country Club in Downey**

**The turnout for this first time event was excellent.**

**Look for the SCCAI Residential Symposium to be an annual Chapter event**

***Thanks to our great team that organized this years seminar.***



L-R Rick Morris, Michele Rogers, Michael Tidwell, Manisha Hunter, Charles Baker, Linda Whittlesey, Matthew Cook

**Interested in becoming a part of this dynamic group?  
Contact Charles Baker, SRA, AI-RRS [cbaker@appraisalpros.com](mailto:cbaker@appraisalpros.com)**

**Randy Bell's Real Estate Damages  
Class was a big success!  
We will be offering Randy's class again in 2019!**



## Comprehensive Exam Prep

Gary DeWeese, MAI, and an instructor for the Appraisal Institute for more than 20 years, is offering his Comp Exam prep material for sale. The cost is \$300 for the Income, \$150 for the Sales, \$150 for the Cost/HBU and \$150 for the General module material. If you purchase the first 3 modules, the General module material is free. The material is based on multiple choice type problems with detailed solutions illustrated. The material is electronically delivered the same day as ordered.

For more information about the material, to read student reviews, and learn how to order go to [www.garydeweese.com](http://www.garydeweese.com) or contact Gary directly at [garydeweese@comcast.net](mailto:garydeweese@comcast.net) or 925-216-8751.

The materials were developed by Gary DeWeese and are not sponsored or endorsed by the Appraisal Institute

## *SCCAI 2019 Chapter Elections*

Thursday, June 7, 2018  
Doubletree Hotel  
Ontario, California

### CHAPTER MEETING AND ELECTION

A General Membership Meeting and Election was held at the 21st Annual Inland Empire Market Trends Seminar.

The meeting was called to order at 8:00am by 2018 SCCAI President Charles Baker, SRA, AI-RRS.

President Baker called for an election of Chapter officers for 2019:

- Summarized the duties of the Chapter's nominating committee.
- Stated the policy for petitioning additional nominations and that no petitions had been received 15 days prior to the General Meeting and Election
- Introduced the 2019 nominees as follows:

#### 2019 Chapter Officers:

Beth Finestone, MAI, AI-GRS	Chapter President
R. Casey Merrill, MAI	Chapter Vice President
Steve Henry, MAI	Chapter Treasurer
Jacinto Munoz, MAI, SRA, AI-GRS, AI-RRS	Chapter Secretary

#### Representatives to Region VII Committee: 2019 & 2020

R. Casey Merrill, MAI, 2018 Chapter Vice President  
Paul Wook MAI  
Myung Cha, MAI  
William Jones, MAI

Rick Morris, SRA  
John "JJ" Gobell, Jr., MAI  
Peter Crane, MAI, AI-GRS

Alternate Representatives to Region VII Committee 2019

Diana Hsu, MAI  
Charles Thomas, Candidate  
Christine Santolucito, Candidate  
Jeanelyn "Joy" Kwong, Candidate  
Scott Thompson, MAI  
Eric Cross, MAI

President Baker:

- Called for an election of the aforementioned officers, regional representatives and regional alternates.
- The nominees passed by a voice vote.
- Declared that the aforementioned officers, regional representatives, and alternatives were duly elected.

Recording Secretary:

Steve Henry, MAI  
2018 Chapter Secretary



**In light of the fires and mud slides in the Ventura and Santa Barbara Counties the Southern California Chapter has donated \$25,000 to AIRF. This was the largest single donation that the foundation has ever received.**

**Southern California Chapter MEMBERS.....**

**Emergency Financial Assistance - Appraisal Institute Relief Foundation**

**The Appraisal Institute Relief Foundation is available to provide emergency financial assistance to those who may need it. If you need assistance, or are aware of any eligible recipients who may, please contact the Appraisal Institute Relief Foundation at [relieffoundation@appraisalinstitute.org](mailto:relieffoundation@appraisalinstitute.org)**

**For more information or complete the application below:**

**[Download Appraisal Institute Relief Foundation Application for Assistance](#)**

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