



**Southern California
Chapter**

Your 3rd Quarter 2019 News & Updates

President's Letter

Beth Finestone, MAI, AI-GRS

SCCAI 2019 President



President's Message

It's hard to believe that summer is over, and we are beginning the last quarter of 2019. For me, the last quarter has been an exciting time, my first grandchild, an engagement (my daughter) and a business expansion. I feel blessed to have such joy in my life and to be so fortunate in the business opportunities that have presented themselves to me. Much of my success in business stems from surrounding myself by amazing professionals, most of which I have met through taking SCCAI courses, volunteering and or attending SCCAI events. I urge all of you taking the time to read this to get involved. Not only will you make new friends, enjoy yourself, and give back to your profession, you will build a network that will benefit you in your career. In October we held the 2nd Annual Residential Symposium, that was chaired by Charles Baker and co-chaired by Linda Whittlesey. The committee members were Manish Hunter, Michael Tidwell, Michelle Rogers, Mike Cook, Craig Gilbert, Bob King, Jason Fischman, and Rick Morris. The event was enjoyed by all that attended and I want to thank the entire committee for working so hard to make it a success. We were fortunate enough to have our National President, Steven Wagner, in attendance at the seminar. Steve and our National Board are committed to serving the needs of our residential members and are working to strengthen the identity of the residential designations. Having Steve travel from Indianapolis to attend was a real bonus and shows his commitment to our residential members. Steve, thank you so much for being attendance and for speaking at our event. It meant a lot to all of us to have you there. As we enter into the last quarter of the year, I want to remind everyone of the remaining events we have scheduled for this year.

- Heritage Night honoring Bob Lea is being held on October 24th at the Omni Hotel, in Downtown Los Angeles. I hope to see everyone there to support Bob and all of our past presidents.
- Annual Litigation Seminar is being held on November 7th at the Sheraton Hotel in Cerritos. This event is being chaired by John Ellis and will be a fantastic event. I hope to see everyone there.
- Linda Zimmer's Retirement Party is being held on November 14th at Smitty's Grill in Pasadena. Linda has touched so many of us in our professional lives that I hope everyone can attend to toast Linda and give her the sendoff she deserves.

Wishing everyone a wonderful fourth quarter in your personal and business lives!

2nd Annual Residential Symposium Article Submitted By: Linda Whittlesey, SRA

Our Chapter held its second annual Residential Symposium on Tuesday, September 17th at the Rio Hondo Country Club in Downey. Chapter President Beth Finestone, MAI, AI-GRS opened the event and welcomed the participants. Event Chair Charles Baker, SRA, AI-RRS gave an overview of the day's speakers. I had the pleasure of introducing our National President, Stephen Wagner, MAI, SRA, AI-GRS. Steve graciously flew out to California specifically to speak at our symposium. In his presentation, Steve detailed the time, money and effort the Appraisal Institute has committed to serving its residential members. He discussed the current legislative efforts being conducted on behalf of the residential sector. Steve was also very pleased to share about the successful projects being produced by the Residential Appraiser Project Team (RAPT).

The symposium featured four moderated panels and three individual speakers. The topics discussed included regulatory updates, diversification, appraiser liability, valuation of solar, lender assignments and the future of appraisal. The attendees were also treated to an insider's view of California politics from Mike Belote, President of California Advocates. Mike's sage distillation of the impact of new legislation was enlightening and well-received.

We wish to acknowledge our generous sponsors. A very sincere thank you to our luncheon sponsor, Datamaster and all of our additional sponsors: Parcel Quest, LIA Administrators & Insurance Services, Appraisal Pros and Bradford Technologies. Their support makes our event possible. Thank you also to the Residential Symposium Committee Members that helped make this event a success.



NOW OPEN FOR REGISTRATION!

**October 24, 2019
Heritage Night Dinner & Program
Omni Hotel
Los Angeles, CA
Honoree: Robert Lea, MAI
[Registration Form](#)**

**November 7, 2019
52nd Annual Litigation Seminar
Sheraton Cerritos
Cerritos, CA
[Register Here](#)**

The 2019 Southern Branch Team

Chair: Robert M. Contant, Jr. MAI
Vice Chair: Matt T. VanEck, MAI
1st Advisor: Winnie Houston, MAI
2nd Advisor: George Paquette, SRA
3rd Advisor: Alexander Jaffe, MAI

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

On August 15 we held a breakfast meeting at the Back Bay Conference Center and our guest speaker, Lynette Bartlomain, AI-GRS, of Landmark Research Group, gave an interesting presentation on real estate damage economics and valuation. Examples of appraisal problems included properties affected by natural disasters and homicides, quite different than lending work! Our audience was thoroughly engaged and Ms. Bartlomain concluded our meeting with sharing appraisal methodology necessary for tackling these unique appraisal problems.

Robert Contant, MAI

The 2019 Northwestern Branch Team

Chair, Adam Dembowitz, MAI
Vice Chair, Bradley Stern, Candidate
1st Advisor, Jan Kelly, Candidate
2nd Advisor, Jerardo Arciniega, Candidate
3rd Advisor, Marcus Espinoza, MAI, SRA, CCIM, ASA

Did that just happen? Is summer already over? Amazingly, we're gearing up for the home stretch. I hope you're well rested and ready for the big push to close out the year.

If you missed it, on July 18 at the Spitfire Grill in Santa Monica we hosted Luigi Major, MAI of HVS. Luigi delivered a fascinating presentation on Hospitality Trends and Risks, in which he discussed national and local hospitality market activity and transactions. Luigi also discussed current and future changes in the hospitality market, and highlighted those changes with examples from local properties. As with some other property types and market indicators, the hospitality sector is showing signs of a potential slowdown in the near future.

On September 19 at the Spitfire Grill in Santa Monica, Howard Klein, CPA, CFA presented "Assessment of Real Property in California," in which he shared his decades of experience in real estate tax assessment and appeal issues. Mr. Klein discussed examples demonstrating scenarios that trigger reassessment. His presentation touched on topics including reassessment upon change in ownership, property purchase, legal entity transfers, long term leases, and new construction. Mr. Klein also provided specific property examples, including some from his years at Macerich.

My time as Chair is almost at an end, and it's been my pleasure to spend the year with all of you. If you are interested in learning more about volunteering next year, please let one of us know. Thank you.

Adam Dembowitz, MAI

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

Appraisal Institute California Government Relations Committee (AICGRC) Fall 2019 Report

The AI So-Cal chapter graciously hosted the AICGRC fall in-person meeting in Santa Ana on September 18, 2019. All five California AI Chapters were represented at the meeting. John Maus ARA attended as the representative of the California Chapter of the American Society of Farm Managers and Rural Appraisers who is a committee member.

Also in attendance were our lobbyist Mike Belote and Scott DiBassio, the Appraisal Institute's staff State & Industry liaison. Both Mike Belote and Scott DiBassio brought us information many of you will be interested in. Much of this information has to do with the core functionality of our industry within the ever more complex regulatory system.

During the morning discussion session we hosted four industry guests. Our morning discussion focused on items and issues of importance to appraisers that are currently in "political play." Our guests were:

- Paula Konikoff, JD, MAI, AI-GRS, 2019 Chair of the AI Professional Standards and Guidance Committee, also 2019 Chair of the Body of Knowledge Committee Chair. Paula was also the 2008 Appraisal Standard Board Vice Chair.
- Paul Chandler, MAI, CEO of The Property Science Group Inc.
- Michael F. Ford, Vice President & Chairman Peer Review Committee of The American Guild of Appraisers.
- Gazelle Raye Wichner, ASA, MAI, CCIM 2019 Vice President of the LA Chapter of The American Society of Appraisers.

We had a congenial and productive meeting. The discussed topics which are likely the ones of greatest interest to most appraisers were:

- Potential impact of Dynamex/AB 5 on appraisers, appraisal firms, and AMCs
- Evaluations - Should AICGRC pursue a statutory California exemption to allow appraisers to perform lender evaluations without all of the Standard 2 reporting requirements.
- Statute of Repose (similar to a statute of limitations for appraisers & appraisals)
- Mandatory AMC/appraiser fee disclosure
- Split roll ballot initiative
- The California Consumer Privacy Act (CCPA)

Some of the more important meeting details included the following:

Very early in 2019 it appeared the ASB was wavering on its commitment to allow multiple intended users for restricted use reports (Standard 2-2(b)) in the 2020-2021 USPAP. Consequently, Mike Belote brought us Senator Bates as the sponsor of SB131. SB131 would have extended California's legislative relief from the single intended user requirements of Standard 2-2(b). After the ASB got back on track with multiple intended users of restricted use reports, we let SB131 die.

We are very appreciative of Senator Bates being willing to listen, and work so hard for, for such a small constituency. Senator Bates has long been a friend of appraisers. We appreciate Senator Bates hard work for us this and many years in the past.

Scott DiBassio told us that The Appraisal Standards Board (ASB) is working on amending USPAP Standard 2 and 4 to make them more friendly for appraisers to perform lender evaluations. Consequently, there is probably not a reason to pursue such appraiser evaluation exemptions from USPAP State legislation in the 2020 session.

Additionally, Scott told us that there is movement on the Federal level to require separate disclosure of appraisal and AMC fees. Again, pursuing state legislation mandating separate disclosure of appraiser and AMC fees this coming year is probably not something we should spend our limited financial and volunteer resources to seek. Let's see what comes out on the Federal side.

In deep analysis of California Department of Industrial Relations (DIR) regulations and policies, Scott DiBassio may have discovered why (besides political lobbying) appraisers are not included with lawyers, doctors, accountants, architects, and engineers in their effective exclusion from SB5 created regulations. This is the employee verses independent contractor legislation.

Going back to its core, likely the reason we were not included in the "professional" exemptions is the DIR defines professions as state licensees, where typically the state license requires a college degree in the field. Such examples are, medicine, accounting, engineering or the law. Of course, that is not the California State licensing requirement for appraisers.

With that said this coming year the AICGRC lobbyist Mike Belote will pursue opportunities for an SB5 regulatory carve-out for appraisers. However, please keep in mind, the legislative and even judicial SB5 battles next year will be of epic proportions. This is not some quiet backwater political issue. This will most likely be full body contact politics. Reasoned thought is seldom a part of such contentious politics. It will likely be all political lines with little situation to situation consideration. No one likes it, but it is how such partisan politics is typically resolved. Nevertheless, Mike will see what he can get done for us.

In our spring AICGRC report we discussed that the 2018 bills AB 375 and its amendment SB110 were passed and enrolled. This legislation is commonly known as the California Consumer Privacy Act (CCPA). Few appraisers or appraisal companies will be directly impacted by CCPA. Mostly CCPA will directly only impact appraisal entities which are divisions of large national brokerage firms.

Over simplistically CCPA requires large companies, and commercial purveyors of data to provide a public portal to their data. Through this portal anyone can search for what is legally defined as personal information such as their name and a huge laundry list of data types. Also, through this portal anyone can delete their personal information. It is simply soon to be a legal right to delete their personal data from these commercial databases.

We had significant discussion relating not so much about direct impacts upon appraisers but more so relating to impacts on data purveyors providing data to appraisers. For instance, common data providers, such as MLS, CoStar, or CompStak are likely to be impacted. The question is what will become of our commercially available data if the public starts gutting their "personal information" from these data sources. Just because information is "public information" such as names recorded on a deed, does not mean that the public cannot delete that personal information from data purveyors' databases.

It will continue to be public information which you are free to go to the recorder's office to find and read. However, that information may become gutted from commercially available sources who organize the data and create search engines in ways that we can find what is useful at the moment.

This is a very challenging political issue for appraisers. The privacy political movement is very strong, and currently no politician wants to represent an invasion of privacy interest. In the realm of quite thoughtful consideration most people expect that appraisers need to have

access to the information necessary to perform appraisals. Much of that appraisal necessary information is now legally defined as personal information that people are now entitled to delete from any data purveyor database.

Mike's staff reads every bill and amendment in the legislature looking for things which may impact appraisers. We work with Mike in keeping him up to date on where appraisers stand relative to common issues. Mike comes back to us if he is unsure what our position might be. Mike is well aware of our concerns regarding the availability of the data we need to perform our services. The good thing for us is every legislator, and legislative analyst knows if they have a question about appraisals or appraisers that Mike will get them that information.

Personal information and the public's right to delete their personal, even "of public record information" which is also legally defined as personal information is going to be a challenge for the appraisal industry. Fortunately, Mike is there to represent our interests when they are under attack. While in politics you cannot expect to win all the time, it is certain that you will lose if you are not even represented in the arena. For that we appreciate Mike's thirty plus year representation of our industry in the California legislature.

We reached out to the California Assessor's Association (CAA) regarding the split roll initiative. We discovered that most Assessors are concerned that they do not have adequate staff of appraisers qualified to appraise each commercial and industrial property in their county every three years. If passed, the split roll initiative will likely stress demand for our diminished numbers of licensed general appraisers.

As a final note in the spring report I mentioned the New Jersey US District Court case of McNamara v Grewal. It is very possible that the New Jersey US District Court will render a decision in this case this fall or early winter. As litigations typically go, in this case there are multiple vanes of claims. However, the complaint is an interesting read on the subject of USPAP, and TAF viewed through the lense of constitutional law. If you are interested that case may be found at;

<https://www.millersamuel.com/files/2019/02/Doc-1-McNamara-v-Grewel-et-als-Complaint-20190107.pdf>

Ronald G. Garland, MAI, SRA, 2019 AICGRC Vice Chair

2019 Education Committee Newsletter

Kory M. Felix, MAI

Education Committee Chair

As we are approaching the end of the year, it is a great time to get in qualifying or continuing education. The Southern California Chapter strives to offer the best programs, one of which includes the recently held Residential Symposium, chaired by Charles Baker. Thank you to all the speakers for sharing their unique knowledge on the latest topics concerning residential appraisal.

We have a number of offerings in the coming months. With a whopping 19 speakers, the Litigation Seminar is not one to miss! Hear from the attorneys and appraisers at the forefront of the various litigation fields.

October 29, 2019 - (La Palma) Business Practices and Ethics

November 7, 2019 - (Cerritos) Litigation Seminar

For a more complete list of our upcoming programs and to register for upcoming events, please visit the chapter website (<http://www.sccai.org>)

Lastly, please keep in mind that the Southern California Chapter encourages members to take advantage of the Mason-Thornton Scholarship Program. The sole purpose of the program is to award financial scholarships to Designated members and Candidates in good standing, for courses presented by the Chapter leading to a professional designation in the Appraisal Institute. The chapter website has links to applications for this scholarship program, as well as additional national scholarship opportunities. Please make sure you visit the website to learn more about these opportunities.

Congratulations to our Newly Designated Members

Jeremy Bagott, MAI, AI-GRS

Eric Dicus, MAI

Jerardo Arciniega, MAI

Michael Chappell, MAI

Bruce E. Diller, MAI, SRA, AI-GRS

Viren M. Kapadia, MAI

Timothy Comer, MAI

Daniel J. Sydor, MAI

John F. Walter, MAI

Daniel Lee, MAI, AI-GRS

Mark Moore, MAI

Andrew Meschewski, MAI

Philip E. Moore, Jr., MAI, AI-GRS

David Naranjo, SRA

David A. Williams, MAI, AI-GRS

Brendan M. Flynn, MAI

Robert A. Ohana, Jr, MAI

Adam Anderson, MAI, AI-GRS

Alden Katagihara, MAI



A PROGRAM TO BUILD THE FUTURE LEADERS IN THE APPRAISAL PROFESSION

Next Gen is a new effort by the Chapter to promote a social environment where young professionals in real estate appraisal can meet one another and network with many of the experienced appraisers in our chapter. Our goal is to connect a new generation of appraisers to network with both new and seasoned appraisers in the industry.

Program Features:

Next Generation Mixers: Networking opportunities to create relationships with other new appraisers in the industry.

Mentorship Program: Be paired with a mentor in the industry to receive advice regarding training, education and industry knowledge from a seasoned professional.

If you are interested in joining the Next Generation group, please respond to this email address and we will add you to our contact list. Any questions? Please feel free to respond to NextGen@sccai.org

SCCAI'S JOBS BOARD ON THE CHAPTER WEBSITE

When is the last time you looked at the JOBS BOARD on the Chapter Website?? There are many job opportunities just waiting for you!

And, as a member of SCCAI YOU can post a ad on the Jobs Board FREE! That's right.....if YOU are looking for an opportunity your ad is free.

Check out the [JOBS BOARD](#) TODAY !!!

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](#)

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 or contact Gary directly at garydeweese@comcast.net or 925-216-8751.

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



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