



Chicago Appraisal Times



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President's Letter

By Park R. Johnson, ASA

I hope that you and yours will have a happy holiday season and a prosperous new year. While there are still holes in the economic recovery, it appears as if there is some positive movement.

It has been an active fall for the chapter. We started the season in late September with our opening night dinner. In October, we followed with *Writing Effective Proposals and Engagement Letters*, presented by our own Doug Krieser. He spoke of many of the issues you want to consider in your engagement letters. The presentation was followed by a lively discussion peppered with examples from members' own experiences. In November, we had an event in conjunction with the Wisconsin Chapter that was unique among the many ASA events I have attended. Michael Holtzman, our Gems and Jewelry Chair, gave a riveting presentation on the current state of the diamond business. He covered areas of the diamond trade that many of us might participate in, such as engagement rings, some that are a little more esoteric like trophy gems, and areas which I was not even heard of such as portable wealth. Michael provided an educated discourse on structural changes that have occurred in the various levels of trade in the diamond business. The presentation was followed by a tour of the *Nature of Diamonds* exhibition at the Field Museum. Our upcoming program includes some interesting events. We have our holiday party scheduled for December. I regret if you could not sign on before we filled up as one of the strengths of a local chapter is the opportunity it affords members to establish and maintain relationships.

In January, we have our *State of the Capital Markets* event presented in partnership with the BVA. If you are wavering on attending, I would encourage you to join us. We are currently evaluating a couple of additional

discipline-specific events for later in the winter. Details will follow. I want to bring special attention to an all-day, business valuation symposium that we are planning for late spring. You will be able to get an update on what we are thinking of as proposed topics, and get a complete day's worth of continuing education credit without having to incur travel expenses. Also, we recently sent a questionnaire out to the membership. If you have not already answered it, please do so. This is your opportunity to provide us with feedback.

As you head into the holiday season, please keep your eyes open for opportunities for your fellow members. While evidence shows that the economy is picking up, many of our members are still un/under-employed. If you have any leads, please forward them to me at pajohnson@deloitte.com.

ASA Chicago Chapter Board

Chapter President:	Park R. Johnson, ASA
Chapter Vice President:	Michel M. St. Martin, ASA
Chapter Vice President (2)	Patricia H. Atwood, ASA
Chapter Membership Chair	Michael R. Crismyre, ASA
Chapter Secretary	Erin Durand Hollis, ASA
Chapter Treasurer	Kevin Michael Zanni, ASA

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A Word from Discipline Chairs

Personal Property News

Patricia Atwood, ASA

Streamlined Procedure for AM to ASA Advancement

There have recently been some changes to the procedure for advancement from Accredited Member of ASA to Accredited Senior Appraiser. The most important change is that only a single report is required for advancement from AM to ASA. Two reports are still required to advance from Candidate to AM.

Here is the report requirement:

One (1) report that must be a Fair Market Value, Self-Contained appraisal report that includes at least three (3) or more properties and if appropriate or applicable, those properties should be different types of objects. It is preferred that the appraisal report be submitted using a PDF file.

Please note that reports must contain all of the required elements on the most recent checklist. We have posted this checklist on the Chicago Chapter website.

<http://www.appraisers.org/chicago>. Look under the "News" heading. The other AM to ASA requirements to be submitted along with the report have not changed. They are, as follows: Completed accreditation application, accreditation application fee, appraisal experience log, one fair market value self-contained appraisal report, as previously described, Candidate checklist for the report submitted.

IRS Appraisal Item Format

Did you know that the Art Advisory Panel of the IRS has a preferred individual appraisal item format? Here's the link: http://www.irs.gov/pub/irs-utl/appraisal_item_format.pdf.

We have also posted this link under "News" on the Chicago Chapter website: <http://www.appraisers.org/chicago>.

Machinery & Technical Specialties

Michael Ackerman, ASA

We've seen quite a lot of activity during the past several months in the equipment auction and liquidation arena. There was an encouraging but uneven increase in equipment values through the late summer into the early fall. This optimism continues, but is partially offset by the typical annual year-end rush to market equipment. The rush seems to be stronger this year than in recent years and is partially causing a decrease in equipment values. We have not seen the increase in appraisal activity that I assumed would come at this time.

Attendance at the Fabtech 2009 Trade Show in November was stronger than expected. Again, this was encouraging, but was somewhat offset by the [Chicago Tribune](#) article lamenting the loss of manufacturing capability for the United States as a whole. I encourage you to read the [Chicago Tribune](#) article which can be found at <http://www.chicagotribune.com/business/columnists/chi-mon-burns-manufacturing-jobsnov23,0,1480175.column>.

Real Property

Jeffrey Kirk, ASA

One of the biggest professional challenges facing real property appraisers is finding quality education opportunities to fulfill certification requirements on a limited schedule. I have listed some resources for you. Be sure to verify ahead of time that individual courses are registered for credit with the State of Illinois. You can find several classes offered.

- Go to the ASA website (www.appraisers.org) and select Education in the left-hand column.
- The Appraisal Institute also offers quality classroom Real Property education at (www.appraisalinstitute.org/education) and select Illinois.
- The Appraisal Institute offers quality online Real Property education at (www.appraisalinstitute.org/education) and select online Education in the left-hand column.
- The National Association of Independent Fee Appraisers and the American Society of Farm Managers and Rural Appraisers offer quality real property education and will be highlighted here in the Newsletter as courses are scheduled.

Educational Events

Panels, Workshops and Symposia

PANEL DISCUSSION

THE STANDARD CLUB

JANUARY 21, 11:30 A.M.

CAPITAL MARKETS PANEL

ORGANIZED BY THE CHICAGO ASA CHAPTER

WORKSHOP

PLACE TO BE DETERMINED

MARCH (SPECIFICS TBD)

APPRAISAL WORKSHOP AND DINNER

ORGANIZED BY THE ASSOCIATION OF MACHINERY & EQUIPMENT APPRAISERS

SYMPOSIUM

MAY 21

ADVANCED BUSINESS VALUATION SYMPOSIUM

CO-ORGANIZED BY THE CHICAGO ASA CHAPTER AND THE BUSINESS VALUATION ASSOCIATION OF CHICAGO

Panel Discussion

Carmen Sims, ASA

Please join us for a panel discussion on the state of capital markets at 11:30 a.m. on Thursday, January 21, 2010 at the Standard Club. Details will be forthcoming.

Workshop

John Josko, ASA

In March, the AMEA (Association of Machinery & Equipment Appraisers) will invite the ASA MTV Members to a two-hour, hands-on machinery and equipment appraisal workshop, followed by a dinner with the Chicago Chapter of the Machinery Dealers National Association. The date, location, and time will be announced as soon as the event has been finalized. Over the past five years, the ASA and AMEA have presented several of these successful joint hands-on meetings.

Symposium Not to be Missed

Erin Hollis, ASA

On May 21, 2010, the Chicago ASA Chapter is co-sponsoring an Advanced Business Valuation Symposium with the Business Valuation Association of Chicago. This day-long event will be held in Chicago and features **keynote speaker John A. Moag, Jr.** of Moag & Company. Mr. Moag is CEO of Moag & Company, former chairman of the Maryland Stadium Authority, former head of Legg Mason's sports investment banking group, and former partner at Patton Boggs LLP. Moag & Company is known for their work with the NBA, the Atlanta Hawks, Atlanta Thrashers, Baltimore Ravens, San Diego Padres, and Milwaukee Brewers. Well respected and highly experienced, Mr. Moag is *the* go-to guy when the sports, media, and entertainment industries need investment banking and advisory services. In 2008, Mr. Moag handled New York real estate billionaire Stephen Ross' purchase of 50 percent of the Miami Dolphins, Dolphins Stadium, and the developable land around the stadium. The completion of the deal marks the first ever billion dollar sale of a professional sports franchise in the United States. Other Symposium speakers include **Roger Grabowski, Robert Reilly, Larry Levine, and Daniel Van Vleet.** Presentation topics and more information will follow shortly; registration will begin in January

Continuing Education Courses

COURSE

NORTHWESTERN UNIVERSITY, CHICAGO

February 25-28, 2010

Personal Property Valuation Report Writing (203)

COURSE

LOWES ANNAPOLIS HOTEL, ANNAPOLIS, MARYLAND

April 8 - 10, 2010

Multidisciplinary Report Writing (203)

COURSE

NORTHWESTERN UNIVERSITY, CHICAGO

APRIL 15-18, 2010

PERSONAL PROPERTY VALUATION: THE LEGAL AND COMMERCIAL ENVIRONMENT (204)

COURSE

NORTHWESTERN UNIVERSITY, CHICAGO

APRIL 19-20, 2010

NATIONAL UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP) (100)

COURSE

MANHATTAN BEACH MARRIOTT, MANHATTAN BEACH, CALIFORNIA

June 10 – 12, 2010

Multidisciplinary Report Writing (203)

ASA Multidisciplinary Courses

Of Interest to Real Property Appraisers

Real Property appraisers have the opportunity to fulfill education requirements. Some classes on Report Writing will be offered in early 2010, including April 8-10 at Indianapolis, Maryland and June 10-12 in Manhattan Beach California. Both classes are \$725 and registration is available at the ASA website at www.appraisers.org.

ASA at Northwestern University in 2010

Tell Your Colleagues and Associates about ASA Classes at Northwestern University

Personal Property Valuation Report Writing

Feb. 25-28, 2010

This course discusses the components of a written appraisal report; the development of the appraisal narrative and strengthening appraisal-writing skills in valuing property for insurance scheduling; and online market research and analysis of market data to complete an individual appraisal using course materials introduced in earlier courses. \$745.

Personal Property Valuation: The Legal and Commercial Environment

April 15-18, 2010

This course explores contracts and operating costs as they relate to managing an appraisal practice; insurance, tax law and court vocabulary in precedent-establishing cases; the expert witness: courtroom demeanor, pretrial activity and preparation; and ethical and professional standards. \$745.

www.scs.northwestern.edu/pdp/npdp/appraisal/

National Uniform Standards of Professional Appraisal Practice (USPAP)

April 19-20, 2010

This USPAP course was developed specifically for personal property specialists and covers the entire document with emphasis on the general rules and standard rules, standards pertaining to public trust, ethics, competency, jurisdictional exceptions and standards for written appraisal documents. This course is required for accreditation by ASA. \$435.

General Information

Jane Grimm Named ASA Executive Vice President



The Board of Governors of the American Society of Appraisers has announced that Jane Grimm became ASA Executive Vice President effective October 1, 2009, succeeding Laurie Saunders. Saunders had resigned in order to devote more time to her young family.

Grimm, who has served as ASA's Director of Education and Accreditation since February 2007, brings 19 years of experience in all areas of professional association management. During her time at ASA, she has implemented many time and money-saving initiatives in the Education Department, changing outdated processes, and placing emphasis on customer service. She successfully managed a 100 percent increase in on-site course offerings and held a forum with the University Partners to share successes and challenges. In recognition of her service, staff and leadership voted her the recipient of the 2009 Sylvia Wade Olson Award of Merit.

Within three months of employment at ASA, she assumed responsibility for the accreditation department and its three-member staff. Within six months of employment, she took on the hotel contracting and all logistics for the association's national course program. She also served as a member of the directors' team and the liaison for BV and ARM. Educational activities make up 42 percent of ASA's budget.

In accepting the position, Grimm said, "I believe in building strong collaborative teams of members and staff that work closely together toward a common goal." She added, "I believe that members should do what only members can do, which is to provide content, while fully engaged staff should make things easier on them by performing logistical and project management details."

In Memoriam



The Chicago Chapter of ASA is sad to report that it recently lost an ASA. Scott Christopher King, 39, formerly of Elkhart, Ind., died on Oct. 15, 2009 in Chicago. He is survived by his wife Nichole Painter and one daughter, Chloe King of Sugar Land; his parents, Christopher and Marianne King of Elkhart; one sister, Anne Marie (Jon Bumgarner) King of Indianapolis; and two brothers, Kelley (Kerry) King of Niles, Mich., and Todd (Nicole) King of Elkhart.

Scott was a 1993 graduate of Purdue University where he earned a Bachelor of Science degree in industrial engineering. He also completed a master's degree in business administration at the University of Texas in 1998. He had recently been hired as a business valuation principal for Value Knowledge, LLC, in Chicago. Formerly, he was managing director of business valuation at Duff & Phelps LLC in Houston and Chicago. Memorials may be given to Big Brothers Big Sisters of Elkhart County, 59029 C.R. 13, Elkhart, IN 46517.

General Information

Designations Awarded

The Chicago Chapter of ASA is proud to announce the following designations in Business Valuation:

Matthew C. Jones, AM,
Stephen G. Pawlow, ASA
Jasna Karamehmedovic, ASA
Ronald J. Ewing, ASA



Chicago Chapter President **Park Johnson** awarding certificate of ASA Business Valuation advancement to **David W. Howell**.



Chicago Chapter President **Park Johnson** awarding certificate of ASA Business Valuation advancement to **Jasna Karamehmedovic**.

We Want Your Kudos

Lela Hersh, AM

Please think of this newsletter as a place to both find and contribute information. Let me know the good things you've been doing in the field and any honors you or one of your colleagues have received, papers and presentations given, or any other accolades. You can email any information about yourself or a colleague to me at lelahersh@comcast.net

Caution Advised in Use of Appraisal-Related Terms

A recently published article points to the growing use by appraisers of two USPAP-related terms that could be construed as misleading: "USPAP-certified appraiser" and "USPAP-certified appraisals."

John Brenan, director of research and technical issues at The Appraisal Foundation, is quoted as saying, "The Appraisal Foundation does not certify appraisers or appraisals." The Ethics Rule of USPAP prohibits advertising in a "false, misleading or exaggerated manner."

The article by David J. Maloney Jr. appeared in the July 14, 2009 issue of *ACA Appraisers Update*.

What's Been Going on in Chicago at ASA?

Opening Night Dinner

ASA's Annual Opening Night Dinner was another sold out event. Held on September 24 at the very unique **Tizi Melloul Restaurant** in River North, Chicago members savored foods from the Mediterranean in a restaurant proclaimed "a dreamy eatery out of the Arabian Nights". While catching up with old friends and mixing with new ones, ASAs dined on fire-roasted Prince Edward Island mussels, garlic roasted shrimp kabobs, and lamb tagine with saffron couscous. Chicago President Park Johnson also congratulated and handed out certificates to four new ASAs. The spirits flowed as a continuous stream of hearty laughs and enthusiastic conversations took place over the course of the evening. It was a good time had by all and we thank the Tizi staff for their extremely attentive and friendly accommodations. Next up: Our Annual Holiday Party at HUB51.



*Left to right: **Larry Levine, Erin Hollis, and Steve Pawlow***



*Left to right: **Ed Detwiler, Bill Behrens, Emma Bienias, and Stephanie Poulakidas***



*Front row, left to right: **Pamela Bardo, Alex Gaydasch, and Diane Carr***

*Back row, left to right: **Deborah Krohn, Lela Hersh, and Patricia Atwood***



Stephanie Poulakidas and Jerry Lipman



Gary Meade and David Howell



Lela Hersh and Diane Carr



David Howell and Bruce Parisi



Park Johnson, George Vergeront, and Barton DeLacy

What's Been Going on in Chicago at ASA?

October Chapter Meeting

Writing Effective Proposals and Engagement Letters

Beginning with Samuel Goldwin's quip about verbal contracts, Chicago Chapter member **Douglas R. Krieser**, ASA, MRICS, of Valcon Partners Ltd. presented a lively discussion entitled *Writing Effective Proposals and Engagement Letters*. Whereas Goldwin famously said, "A verbal contract isn't worth the paper it is written on," Krieser demonstrated the effective use of a well-written Letter of Agreement. In a program, which was jointly prepared with Chicago Chapter member **John A. Matthies**, ASA, Krieser outlined the essential elements of the Engagement Letter and offered useful case studies as examples. Besides fielding numerous questions from the multi-disciplinary audience, Krieser also talked about the relevance of the Engagement Letter in developing the Scope of Work required by USPAP, and explained why the Engagement Letter is more than simply an agreement. He concluded with a list of an Engagement Letter's key components and a discussion of mistakes to avoid.



Douglas R. Krieser, ASA, MRICS, of Valcon Partners Ltd



October 14, 2009 Chapter Meeting at the UBS building

November Chapter Meeting

Beauty and the Business: New Trends in the Diamond Trade

On November 12 Michael Holtzman, Gems and Jewelry Discipline Chair, led a multi-disciplinary program at the Field Museum. Holtzman is an expert in both gems and the business of diamonds, and his presentation focused on the current state of affairs in the diamond business. Topics included recent and historical price trends, technology trends, and the new jewelry consumers in India and China. Holtzman's presentation included a discussion about the shortages in many polished diamond categories that are turning up in primary diamond markets around the world – mainly because of the dearth of rough diamonds available earlier in the year. He explained how the shortage, coupled with a weak dollar and tighter credit policies, created higher prices along with spot shortages in select categories - a trend that will likely continue for the near term.

After the presentation by Holtzman, program attendees viewed the special exhibition *The Nature of Diamonds* which is on view at the Field Museum until March 28, 2010. This event was co-sponsored by the Wisconsin ASA Chapter.



Presenter, **Michael Holtzman**



Chicago Chapter president, **Park Johnson** along with Wisconsin Chapter president, **Margaret F. Suralik**



Front: **George Vergeront**

Back: **Chris Wall, John Josko, and Margaret Suralik**

Diamonds Event at the Field Museum



*Front row, left to right: **Steven M. Brondino, Patricia Atwood, Margaret Suralik, Lela Hersh, Michael Holtzman, Kathy Lamb, Gayle Inbinder, and Chris Wall***

*Back Row: **John Josko, Andrew Campbell, George Vergeront, Deborah Krohn, MJ Dewittler, Ed Dewittler, and Diane Carr***

*In attendance but absent from the photograph: **Pamela Bardo and Alex Gaydasch***