



Volume 6, Issue 5

Summer 2015



Letter From the President

By Lela Hersh, ASA

Welcome to our final issue of the 2014-2015 season.

It has truly been an honor to serve as your president this past year. The efforts of all of our volunteers have been amazing. They were instrumental in making *The Four Pillars of the Healthcare Industry: A Review of the Reimbursement, Regulatory, Competitive, and Technological Environment for Healthcare Valuation* a huge success. The class had the highest attendance since this course has been offered. Chicago member Park Johnson, ASA and I were there the first day to welcome attendees. The facility, arranged by Mary Warmus, ASA, was a perfect venue for those coming in from out of town. And of course, many thanks to Ed Detwiler, ASA, who spearheaded the program from the beginning.

In early May, Chicago was proud to host the Windy City Welcome at the Rock Bottom Lounge. This was our unique Chicago welcome to fellow appraisers and to those taking the Principles of Valuation classes and the 15-Hour USPAP. Members traveled from a variety of places such as the Bahamas, Canada, California, Colorado, Virginia, Florida, New York, Minnesota, New Jersey, and Texas to take the classes.

Our get-together event the first evening illustrated ASA's ability to foster information exchange at an international level.

Just a few weeks ago, our MTS Chair Jim Nutter, ASA, welcomed speaker Art Pincomb, ASA and other Chicagoans to *Understanding Mines & The Issues Appraisers Face*. And finally, we added a 7-Hour USPAP class to our schedule to meet the demand from our Chapter. Look for the Chapter to bring back another class in 2016.

We will end the year in June with our End-of-Year Dinner and Meeting at Roy's. Also, save the evening of June 18 for *Appraisers Night at the Cell* (Chicago White Sox vs. Pittsburgh Pirates).

Thanks to the Board – Jordan Donsky, ASA, David Koller, ASA, Brian McCabe, ASA, and Judy Moody, ASA; our chairs and volunteers, and to all of you for your support. It has been a wonderful, productive, and motivating year.

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Have ideas for chapter seminars, events, or speaker suggestions? Know someone who should be featured in an upcoming issue? Let us know!
Administrator@asachicagochapter.org

ADVANCEMENTS

MTS/Machinery & Equipment:

Jeffrey Doyle, ASA
William Jaqua, ASA
James C. Knightly, ASA

Appraisal Review & Management/ Business Valuation:

Bruce Parisi, ASA

Congratulations!

Internship Opportunity

Edward G. Detwiler & Associates, Ltd.
1580 North Northwest Highway, Suite 212
Park Ridge, IL 60068 * www.egdetwiler.com
Valuations of Healthcare and Scientific Equipment

Edward G. Detwiler & Associates, Ltd, a professional firm with affiliate firms throughout North America, performing valuations and projections of value for financial, legal and healthcare businesses and providers is looking for a research intern. Duties include: market research for healthcare equipment, primarily diagnostic imaging, radiation therapy, surgery, robotics, laboratory and pharmacy. In addition, opportunities exist to work with other appraisers, hospital, clinical and technical personnel and networking potential.

Ideal candidate will have a technology or finance related major with technical aptitude. Applicant should also have career goals in line with position/company, maturity and professionalism and strong verbal and written communication skills.

The duration of this paid internship will be 6 months, with potential for a permanent position. Applicants should contact: Ed Detwiler: [847-202-9900](tel:847-202-9900), egd@egdetwiler.com

Help us win Best Chapter!

Let's cap off a fantastic year of activities and events as we apply for Best Chapter and Outstanding Achievement in PR for the 2014-2015 year.

Your help is needed. Please send materials relating to the time period July 1, 2014 to June 30, 2015 for the following:

- ✓ Any articles you have written for professional publications
- ✓ Speeches or appearances (a copy of your presentation in electronic format is preferable)
- ✓ Any articles or mentions about you professionally
- ✓ Teaching or speaking engagements at conferences or for groups
- ✓ Authoring or co-authoring of publications or other???
- ✓ Anything and everything printed about you and your professional contribution to the appraisal industry.

Please send all submissions to mary.antonakos@gmail.com. If you are not sure if the submission is applicable, please email Mary Antonakos, AM. – THANK YOU!

Chapter News

USPAP Requirements for Accredited PP, GJ and MTS Appraisers

By Patricia Atwood, ASA, Personal Property Chair

Bottom line: accredited ASA PP, GJ and MTS appraisers will soon be required to take USPAP every two years. By far the easiest way to do this is to take the 1-day “update” version, which has no test.

According to the most recent text of *Personal Property Appraiser Qualification Criteria* from the Appraisal Qualifications Board (AQB) of The Appraisal Foundation:

“...as part of continuing education hours, the appraiser must successfully complete an AQB-approved 7-Hour Personal Property USPAP Update Course, or an AQB-approved 15-Hour Personal Property USPAP Course every two calendar years current with each new issue of USPAP prior to expiration to the standards document life.”

For more details: see the full text on the website of The Appraisal Foundation and look under “AQB,” Appraisal Qualifications Board. <https://netforum.avectra.com/eWeb/DynamicPage.aspx?Site=TAF>

Thanks to the volunteer organizational efforts of Chicago Chapter president, Lela Hersh ASA, we have had many convenient and cost-effective opportunities to take the class in person in the past two years. More local Chicago classes are in the works for next year after the new 2016-2017 edition of USPAP comes out, and these will be announced via email and posting on the ASA Chicago Chapter website.

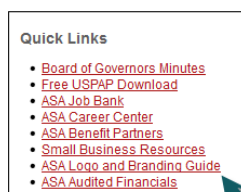
For information on the online version of the class, check the ASA calendar of upcoming classes.

ASA has a new Logo

As the new ASA logo is now copyrighted, it is incumbent on all of us to use the correct logo which now has this symbol ® and NOT ™

We are asking for all designated members to replace previous versions of the ASA logo you are using with the legally registered version of the ASA logo. The logo file and Branding Guide are available for immediate download from ASA’s website.

Login, go to Quick Links on the left where you will see “ASA Logo and Branding Guide”.



OLD



NEW



What We Have Been Up To...

BVA Luncheon April 23, 2015 By Rick Warner, ASA



The Chicago Business Valuation Association hosted Professor Aswath Damodaran (New York University Stern School of Business) during its April meeting at the Standard Club in Chicago. With over one hundred Chicago-area business valuation practitioners in attendance, Dr. Damodaran challenged traditional thinking regarding the cost of capital. His presentation was titled “The Cost of Capital: Misunderstood, Misestimated, and Misused!” Dr. Damodaran discussed a number of issues including whether the risk-free rate should be normalized, how the equity risk premium should be estimated, problems with historical equity risk premiums, and, in perhaps the most controversial part of his presentation, Dr. Damodaran challenged current thinking regarding the applicability and magnitude of any “size premium” when estimating a cost of capital.

Dr. Damodaran always presents compelling arguments and challenges us as professionals to be consistent in our approaches to developing estimates of cost of capital and to be aware of allowing bias to unwittingly (or consciously) drive our valuation judgments. We look forward to hearing more from Dr. Damodaran regarding cost of capital estimation and other valuation issues in the future.

Windy City Welcome at Rock Bottom Brewery May 7, 2015



Those who attended our *Windy City Welcome* at the Rock Bottom Restaurant & Brewery on May 7 truly experienced being a part of an international organization. Approximately 70 people from far-ranging locations such as the Bahamas, Canada and California who attended the national course enjoyed meeting fellow appraisers after their first day of either teaching or taking BV, ARM and USPAP courses. To kick-off these multi-disciplinary courses at the Hilton, Chicago showed its Midwestern hospitality at a Private Happy Hour & Networking event. Both current members and aspiring appraisers enjoyed hors d'oeuvres and mingling in a private space.

The organizer, Jim Nutter, ASA, welcomed the group and introduced Chicago Chapter President Lela Hersh, ASA. The tables all had a card welcoming members and listing all the exciting programs coming up in May and June.

Four Pillars of the Healthcare Industry – April 24-25, 2015

By Ed Detwiler, ASA



Kevin Syberg and
Robert Cimasi, ASA



Steven Pratt and
Robert Cimasi, ASA

The Chicago Chapter of ASA was instrumental in hosting the two-day course entitled “The Four Pillars of the Healthcare Industry” in Oakbrook Terrace on April 24th and 25th. This course is a major part of the Multi-Disciplinary Healthcare Valuation Education Program designed and implemented by the ASA Healthcare Special Interest Group (HSIG). Along with four webinars covering each of the disciplines, this course leads to an

Advanced Education Certificate of Completion. The Chicago Chapter sponsorship not only guaranteed a financial stop-loss provision, but also supplied the labor and materials necessary to support the two-day course. The Chicago Chapter volunteers provided check-in and administrative assistance, arrangement of the meeting facility, refreshment breaks and lunches. There were 27 attendees from all over the United States. The of Chicago chapter was represented by volunteers Lela Hersh, ASA, Chapter President, Ed Detwiler, ASA, HSIG Member, Mary Warmus, ASA (also a student), and Park Johnson, ASA,



Randall Ortman

who all worked hard to make the course a comfortable and enjoyable experience for the students and instructors. The instructors, all of whom are outstanding

luminaries, covered the various aspects of Healthcare Valuations, lead by Robert Cimasi, ASA, of Health Capital Consultants, and Chair Emeritus of HSIG. The instructors included:

Randall Ortman, Esq. of McDermott Will & Emery

Steven Pratt, Esq. of Hall, Render, Killian, Heath & Lyman, P.C.

Phillip Street, Esq. of Paul Hastings LLP

Kevin Syberg, Professor, Saint Louis University, College for Public Health and Social Justice

The students and the instructors all were delighted with the program and the facilities, a challenge the chapter took on and met with great success. The event also was supported by the public relations efforts of the Chicago Chapter, ASA International Headquarters, and the ASA Healthcare Special Interest Group.

Included in an ASA International News article was the following statement from Todd Paradis:

“ASA’s Chicago Chapter has been instrumental in helping ASA achieve these registrant milestones. The Chapter’s efforts included providing local marketing and onsite logistical support. Activities to promote classes included website announcements and e-blasts to local members and prospects, while onsite logistical activities included the hosting of ASA’s HCWG – The Four Pillars of the Healthcare Industry class. A special thank you to Chapter volunteers Edward G. Detwiler, ASA and Mary Warmus, ASA who helped arrange and coordinate the HCWG class site location and food and beverage logistics.”

USPAP May 18, 2015



On Monday, May 18, ten Chicago Chapter members from Business Valuation, Machinery & Technical Services, and Personal Property, gathered at the UBS building for the final 2014-2015 Chicago offering of the 7-Hour USPAP class.

The instructor, Sandra Tropper, ASA, reviewed all the USPAP changes and the rationales, and discussed the common USPAP errors, discrepancies, and misconceptions. Tropper also highlighted some of the changes to the upcoming USPAP effective 2016 through 2017. The day ended with a review of numerous case studies, and a Q and A session involving most disciplines.

Inquiring Mines May 12, 2015 By Jim Nutter, ASA

On Tuesday, May 12 at the UBS building in Chicago, 18 ASA members enjoyed a lunch and presentation from Art Pincomb, ASA of [Associated Geologist, Inc.](#) The presentation, *Inquiring Mines: Understanding Mine Appraisals & The Issues Appraisers Face*; was a comprehensive overview and discussion of mining appraisals touching on topics and questions from each of the ASA designations.

Pincomb lead the conversation with a discussion of the types of minerals, the approaches to value, what can be valued and how value is defined, the equipment and land utilized, as well as the cash flows of the business. Appraisers from all disciplines joined in the conversation in this unique event. Pincomb was informative and fostered a healthy, active dialog. The event provided a concentrated glimpse into an industry few get the opportunity to engage.

Gems and Jewelry Coursework May 16-17, 2015 By Michael Holtzman



On Saturday and Sunday, May 16-17, Chicago hosted an advanced Gem & Jewelry class. Cigdem Lule, PhD and Christopher Smith, president of American Gem Laboratories in NY taught GJ209b - *Masters Class - Recognizing Treated Gems and Origin Issues* in the Mallers building in Chicago.

This advanced laboratory class provided participants with updated gem treatment data along with techniques for making point of origin determinations for many popular gemstones. Fifteen ASA members from throughout the US attended this important class developed exclusively for the American Society of Appraisers. ASA offered an examination for the Master Gemologist Appraiser designation to qualified applicants at the end of the class on Sunday.

Upcoming Events

Aloha and Save the Date!



End-of-the-Year Meeting and Dinner

Thursday, June 11, 2015

6:00 – 8:30 p.m.

Please join us for our end-of-the year meeting and enjoy a delicious Hawaiian Fusion dinner at Roy's, 720 N State St in Chicago. Congratulate our chapter members on their accreditations and advancements, see the 2015/2016 Board sworn in, and see who has won this year's awards. This is a no-cost, members-only event. Please RSVP by June 1, 2015 to administrator@asachicagochapter.org

<https://www.roysrestaurant.com/locations/il/chicago>

A Night At The Cell US Cellular Field June 18, 2015

Baseball and a Patio Party on Thursday, June 18
Patio Party begins at 5:40 p.m.

White Sox vs. Pittsburgh Pirates at 7:10 p.m.

Join us for a pregame Patio Party as the Sox take on the Pirates at U.S. Cellular Field! The Patio Party consists of an all-you-can-eat buffet with a delicious menu catered by Baseball Buffet featuring BBQ ribs, Cajun chicken, fried chicken, hot dogs, hamburgers, side salads, wine, Miller and Pepsi products. The Patio Party begins when the gates open and runs for two full hours. The Patio provides an excellent field-level view from the right-center field warning track. It's a great place to watch batting practice and the first half-hour of the game. Outfield Section 104 tickets are included in the price.

Go to our Chicago Chapter ASA website to register:

<http://www.asachicagochapter.org>

EARLY BIRD SPECIAL UNTIL June 10:

\$45 per member and \$55 per non-member

Regular Rate after June 10:

\$60 per member and \$70 per non-member

Location:

U.S. Cellular Field

333 W. 35th Street, Chicago, IL 60616

International Appraisers Conference Mirage Hotel & Casino, Las Vegas October 18-21, 2015

The 78th annual International Appraisers Conference (IAC) will take place at the lush Mirage Hotel & Casino, located in the heart of the Vegas Strip.

Continuing a proud tradition of providing the highest-level education and networking for appraisal experts, this year's IAC features more than 40 sessions of the most comprehensive educational programming available, taught by the world's preeminent thought-leaders from all appraisal disciplines.

Held in conjunction with the Advanced Business Valuation Conference, joint sessions and social events will provide unique opportunities to network and interact with more than 750 attendees and exhibitors from around the world, specializing in Appraisal Review & Management, Business Valuation, Gems & Jewelry, Machinery & Technical Specialties, Personal Property and Real Property.

ASA is proud to announce that Helivalues (whose President Sharon Desfor, ASA is a Chicago Chapter member) has agreed to become the Presenting Sponsor of the conference.



Chicago Appraisal Times



Chicago Appraisal Times is an online newsletter published by the Chicago Chapter of the American Society of Appraisers, an international, non-profit organization that teaches, tests and awards designations in all appraisal disciplines, including Business Valuation, Gems and Jewelry, Machinery and Technical Specialties, Personal Property and Real Estate.

Chapter Contact Information

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Website: <http://www.asachapter.org>



Chicago Chapter Board

President: Lela Hersh, ASA
1st VP: Jordan Donsky, ASA
2nd VP: David Koller, ASA
Secretary: Brian McCabe, ASA
Treasurer: Judy Moody, ASA

Discipline Chairs

Business Valuation: Mary Warmus, ASA
Gems & Jewelry: Michael Holtzman
MTS: James Nutter, ASA
Personal Property: Patricia Atwood, ASA
Real Property: Jeffrey Kirk, ASA
Membership Chair: Patricia Atwood, ASA

Other Positions

ICAP Rep: P. Barton DeLacy, ASA
Joseph Calvanico, ASA
Newsletter: Suzanne Varkalis, AM
Rick Warner, ASA
PR: Mary Antonakos, AM
Website: David Kollar, ASA
Jaime Dolewski

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Website: <http://www.appraisers.org>

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The American Society of Appraisers is an international organization of appraisal professionals and others dedicated to the education, development and growth of the appraisal profession. ASA is the oldest and only major organization representing all disciplines of appraisal specialists, originating in 1936 and incorporating in 1952. ASA's headquarters is in the metropolitan Washington DC area. This newsletter represents the members of the Chicago Chapter of the American Society of Appraisers.