

AMEA APPRAISER

Information and education dedicated to appraisal excellence

JULY 2002

Board of Directors

President

Richard H. Levy, CEA
Pearl Equipment Co. Inc.

First Vice President

Nathan J. Arnold, CEA
Arnold Equipment Co.

Second Vice President

Craig C. Hilpipre, CEA
Hilpipre Auction Co.

Treasurer

Randy R. Stevens, CEA
Lee Stevens Machinery Inc.

Immediate Past President

John Gabalis, CEA
Hallmark Company

Presidential Appointees

James L. Heppner, Jr., CEA
Linder Machinery Co. Inc.

Ronald J. Koster, Sr., CEA
Koster Group

Directors

Richard H. Bass, CEA
Rudolph Bass Inc.

John S. Greene, CEA
FL Sales Inc.

Jean A. Harris, CEA
Harris Machine Tools, Inc.

David C. Hodgkins, AEA
Piedmont Machinery of Charlotte Inc.

Past Presidents

1983-84	Norman Adler, CEA
1984-86	Daniel J. Lengyel
1986-88	Roland R. Grenier, AEA
1988-91	Fred S. Mervis, CEA
1991-93	Michael D. Rosen, CEA
1993-95	David N. Lang, CEA*
1995-97	James L. Heppner, CEA
1997-99	Ronald J. Koster, Sr., CEA
1999-01	John Gabalis, CEA

* Deceased

Record Keeping

by Rick Levy, CEA AMEA Board President

If an appraiser is never again asked about his or her work once it is published, record keeping is not particularly important. If one expects this to be typical of the appraisal profession they are in a galaxy far, far away. Keeping up with both your appraisal files and personal records is a must.

USPAP requires that work product and files be kept for five years after preparation or at least two years after disposition of legal proceedings in which the appraiser gave testimony, whichever is later. It is your responsibility to comply with this requirement. You cannot rely on your client or some other party to keep up with the files. Similarly, it is your responsibility to keep up with your professional designation continuing re-

quirements. These are needed to maintain certification or accreditation.

As you submit continuing education activities to AMEA we will credit your educational account accordingly, but other than USPAP we do not maintain the specifics of your qualifying course work. Should you need to provide specifics to verify your credentials for some legal proceeding or alternative credentialing organization, it is up to you. The ability to present your credentials or back up files as required, in an orderly and efficient manner will only add to your status as a professional. Help us to maintain the status of our organization as the leading capital goods appraiser credentialing organization.

On Meeting Members

by Mary Flynn Boener Executive Director



I thoroughly enjoyed spending more than telephone time with our members at the convention. I realize that I must get to know you for me to provide the best services possible from our association. While travelling the last few months, I met with over 150 members and potential members. All of whom want the same things: advertisement, referrals, education, a knowledgeable association and fellowship. The difficult part is presenting it all in a way that is acceptable to all of you. My process has definitely streamlined and I e-mail information or referrals, answer e-mails

and phone calls quickly and I try to provide clear cut instructions with regard to changes in membership and standards.

We are putting our association on different search engines and web sites on the Internet and are researching other advertising venues. We are continually receiving requests for appraisers to do appraisals. And, this year, for education, October 17th and 18th, we are providing the Uniform Standards of Professional Appraisal Practice (USPAP) course with a Machinery and Equipment knowledge base in Cleveland. The course is filling quickly. If you are interested in taking it, please contact the office. We are opening registration to the public on August 15th.

The Benefits of Learning USPAP

by Micheal R. Lohmeier



While congressional hearings were underway in the 1980s pointing fingers at those that may, or may not, have contributed to the real estate and banking debacle, representatives of nine of the leading appraisal societies in North America, including the American Society of Appraisers, took initiative and formed an ad hoc committee. Their primary objective was to develop a singular set of standards to be used by appraisers and users of appraisal services. The results of their endeavors became the *Uniform Standards of Professional*

Appraisal Practice (USPAP).

Today the *USPAP* has been recognized as the generally accepted appraisal principles by Congress as well as private industry. The *USPAP* is implemented (amended and created), interpreted, and illustrated with opinion(s) by the Appraisal Standards Board of The Appraisal Foundation. Since the Appraisal Foundation is not a government agency, the Appraisal Standards Board does not have the authority to create law or make public policy. The *USPAP* receives its authority only by law, regulation, agreement (contractual), or by choice.

At the onset of teaching *USPAP* I typically start by asking a couple of questions. One of the questions is why someone would 'choose' to comply with *USPAP*. The responses I get vary between 'to protect ourselves as appraisers' to 'because my boss says I have to.' I certainly wouldn't argue with either answer. However each reveals a lack of

Opportunities for Professional Advancement

Machinery Dealers National Association (MDNA) **Weekend With The Pros**
October 18 - 20, 2002 • Cleveland, OH • Key Marriot in Downtown Cleveland

AMEA will present:

USPAP and the AMEA membership exam

October 17th and 18th, 2002

Contact: amea@amea.org

Mould & Die Exhibition

August 28-31 Hong Kong

Contact: www.mould-die.com

AMEA Membership Exam

September 10 Chicago, IL

Contact: amea@amea.org

AMEA Board of Directors Meeting

September 11 Chicago, IL

Contact: amea@amea.org

International Society of Appraisers

Core Course in Appraisal Studies

August 17-23 San Francisco, CA

September 28-October 4

Toronto, Ontario Canada

Contact: Crista Davis

courses@isa-appraisers.org

American Society of Appraisers

15 Hr USPAP Course

August 23-24 San Diego, CA

October 4-5 Dallas, TX

November 22-23 Lisle, IL

December 13-14 Tysons Corner, VA

Contact: www.appraisers.org

7 Hr USPAP Update Course

October 4 in Dallas, TX

November 22 Lisle, IL

December 13 Tysons Corner, VA

Contact: www.appraisers.org

Intertool Expo

October 22-25 Moscow

Contact: intertool@msi-fairs.com

For additional information contact AMEA at +1 703 836 7900 or amea@amea.org

Please take a look at our Web Page: www.amea.org

Websites containing more course and appraiser information are as follows:

- American Society of Appraisers, www.appraisers.org ●
- The Appraisal Foundation, www.appraisalfoundation.org ●
- The Appraisal Institute, www.appraisalinstitute.org ●
- Appraisers Association of America, www.appraisersassoc.org ●
- Equipment Appraisers Association of North America, www.eaana.org ●
- International Society of Appraisers, www.isa-appraisers.org ●
- www.irwa.com ● www.lincoln-grad.org ● www.middletontraining.com ●

Benefits of USPAP

Continued from page 2

understanding of the deliberate intentions behind the *USPAP*.

Without digressing through a 4,000 year history of the evolution of ethical thought and the elevation of expectations on professional behaviorism, I start the class by simply providing the appraisers with a couple of the variables that were the elementary catalysts behind the development of the *USPAP*. I identify *USPAP*'s primary objective and who *USPAP* is developed (and developing) for.

A quick read of the *Preamble* in the *USPAP* reveals that its primary objective is 'to promote and maintain a high level of public trust in appraisal services as performed by appraisers.' It further delineates that the *USPAP* is intended for both 'appraisers and users of appraisal services.' I then spend a few minutes providing the appraisers with a birds-eye view of the inherent, and invaluable, benefits of the *USPAP* before, during, and after an appraiser's engagement. This helps to provide the appraisers with a foreshadowing of things that are going to come up over the next couple of days, as well as providing a paradigm that they can refer back on. The following are some of the fundamental benefits that the *USPAP* provides and the very reasons that so many appraisers and users of appraisal services have voluntarily chosen to incorporate the *USPAP* into their own engagement and valuation diligence exercises. Using the acronym BENEFITS will help you identify some of them.

- **B**asis is provided to enable appraisers to judge their own work and the work of their peers;
- **E**nables clients, intended users, and those members of the public having a relationship with the appraiser a basis to determine whether they are/were well serviced;
- **N**o knowledge of appraisal (i.e. those having no knowledge) can use the *USPAP* as a reference tool to understand what they can expect from appraisers;
- **E**nforcement mechanism to be used by competent authorities for appraisers' ethics and standards;
- **F**acilitates ethical obligations of 'what's right' and 'what's wrong' underlying appraisers' general conduct, appraisal development, and appraisal communication activities;
- **I**nsists on pre-assignment conditions of competency which includes the abilities to make decisions and the abilities to act on those decisions;
- **T**ransmitting effective levels of communication that are clear and are not misleading (such as false advertising);
- **S**ocietal responsibilities of, and by, appraisers maintained through the inherent expectations of being objective, impartial, independent, and without accommodation of personal interest.

There are a great number of other benefits that *USPAP* produces indirectly. *USPAP* compliance will assist in minimizing appraisers'/users' foreseeable and unforeseeable risks (E&O insurance should not be considered a tool by appraisers), it will maximize organizational efficiencies while simultaneously negating wasteful activities and expenses, appraisers' intellect will elevate naturally thereby increasing competencies, and it can be used as a tool to mentor staff.

For larger organizations such as county equalization departments, assessors' offices, and national appraisal companies, *USPAP* synergizes the support staff's activities with that of the appraisers' activities to create a collectively focused team environment. Salespeople promoting appraisal services will communicate from a legitimate basis that the appraisers are held responsible for (such as pre-engagement disclosures of competency.) For those employed by the government, or those that service the government, *USPAP* compliance ensures taxpayer-protections from corruption and abuse from those having malevolent political agendas or predisposed to personal self-interests. The benefits for understanding and capabilities for utilizing the *USPAP* are limited only to the extent of the appraiser's professional mind.

As a caveat I would advise one area of caution. Once you understand the true intentions of the *USPAP*, and the synergy it creates between 'engagement-diligence' and the 'appraisal process', you will become much more aware of your thoughts, your actions, and you will forevermore think of appraisal within a 3-dimensional frame of mind. Your engagement agreements will increasingly become much more proactive by nature and you will identify the 'meeting-of-the-minds' activities with greater articulation. Your consciousness of the *USPAP* will not confine itself to the engagement and the appraisal's submittal, but will continue to evolve as you realize your responsibilities as an appraiser extend into the areas before and after engagement. This recognition will cultivate healthier appraiser-client relationships and will in turn foster greater opportunities.

I look forward to meeting with you in October for a memorable 2 day exploration of the *USPAP*. The information covered will be done on both a beginner and advanced level as we will address the very basics of the *USPAP*. Please wear comfortable clothing and the only prerequisites to the class are to come with an open mind, develop camaraderie with the other appraisers in attendance, and to have a lot of fun.

Micheal R. Lohmeier is the Principal for Lohmeier Valuation Services which provides property tax, appraisal, and consultation services. He is a nationally recognized instructor of appraisal education including the *USPAP* and has served in both private appraisal and public assessment endeavors.

Behind Closed Doors

by Hugh "Red" A. Freeze, Jr. CEA



At great expense and a day early, ahead of the 2002 MDNA Convention in Orlando, your AMEA Board convened at 8:00 a.m. for a full day of meetings insuring that AMEA's members secure the position of the premier machinery and equipment appraisal association.

Pretty faces abound. Richard Levy, CEA, president of AMEA, conducted the meeting according to Robert's Rules, and with John Gabalis, CEA, AMEA Immediate Past President lending credence. The entire board, with little exception, was present and ready with ideas and policies that will positively forge AMEA. We take the efforts of these board members for granted. AMEA is growing.

Growth of AMEA will help to secure our status as appraisers. Our present membership is approximately 265. Most AMEA members are also MDNA members. However, the solicitation for and acceptance of Associate Membership and more MDNA members will assure growth. It might even lead to a convention of just AMEA appraisers....

MDNA chapter enlistment has to focus on education as to appraisal potential. Some do not know the financial benefit of appraising as a business. I understand that as of late, the FDIC is requiring USPAP credentialing for an evaluation of real estate in excess of \$20,000. Personal property changes are also happening. AMEA plans to target the banking and financial industry to educate them on the benefits of using an AMEA appraiser. *The Appraiser* will now have a Lender's Corner section to do just that.

AMEA's "The Makings of a Plant Deal" program viewed the lighter side of our business featuring "I Want Out Inc." with emphasis of appraisal to auction and included possible pitfalls like "Abes lunch wagon" with Mr. Bob Atherton and "The EPA" with Mr. Nate Arnold. It was educational and entertaining.

Executive director, Mary Flynn Boener is exactly that. Her presence and due diligence throughout the meeting was exemplary. Mary is proactive in membership recruitment and fostering of current members.

AMEA's doors are open. You are invited, welcomed and wanted. Just ask, as I did, and you will be recruited.

Lender's Corner

Our section for you, the lender, to read about trends written for you by our members. If your firm is interested in a speaker coming to a meeting, please contact AMEA at +1 800 537 8629.

AMEA APPRAISER

The *AMEA Appraiser* is published by the
Association of Machinery and Equipment Appraisers
 315 S. Patrick Street • Alexandria, VA 22314-3501 • USA
 Phone: +1 703 836 7900
 Fax: +1 703 836 9303
 E-mail: amea@amea.org
 Internet: www.amea.org
 Mary Flynn Boener
 Executive Director
mary.boener@amea.org



All of our members are listed on our Web site at www.amea.org

Optical Comparators, etc.

by David C. Hodgkins, AEA

Optical Comparators and related Inspection Equipment: There are quite a variety of machines on the market with different specifications and equipment included which would effect the value structure. Factors such as screen diameter, type of projection system, type of Surface Illumination System, type and capabilities of Digital Readout Systems, etc. All will be determining factors of appraised value of the machines. Considering the additional tooling that each machine might have, it would be advantageous to contact a company that knows these types of machines.

AMEA Certification and Accreditation

Continuing Education

CREDIT HOUR REPORT FORM

ITEM	BACK-UP	CEC HOURS
1. USPAP Course	Certificate	15 hours
2. Attending Weekend With The Pros	Certificate	8 hours
3. Teaching a valuation course	Program	8 hours
4. Submit an article which is being or has been published	Article	4 hours
5. Attending MDNA convention seminars	This form	1 hour for each hour
6. Attend valuation seminars	Certificate	1 hour for each hour
7. Submitting detailed auction reports to AMEA	Auction Report	2 hrs/ auction day
8. Attending MDNA Chapter meetings w/o AMEA	This Form	1 hour
9. Attending MDNA Chapter meetings with AMEA	This Form	2 hours
10. Attending trade shows	Proof of Attendance	1 hour
11. Attending class seminars at trade shows	Certificate	1 hour/hour attended
12. Presenting a seminar on appropriate topics	Program	4 hours
13. Approved presentation to an industry related audience appraisal related topics	Program	4 hours
14. AMEA Board meeting attendance	This Form	2 hours
15. AMEA approval of bi-annual appraisal (AMEA will credit, no form required)		2 hours
16. *AAA, ASA, EAA, ISA, etc. courses submit proof	To be Determined	

Circle the corresponding number above, attach back-up and submit form to:
 AMEA, 315 S. Patrick Street, Alexandria, VA 22314 Fax: +1 703 836 9303

Your Name _____

Company Name: _____

Ph./Fax/E-mail: _____

Continuing Education Date(s): _____

Instructor's Name if Applicable: _____

****AMEA encourages members to seek educational opportunities and present them to the Certification and Accreditation Committee for credit. All continuing education hours are subject to approval and verification by the Certification and Accreditation Committee.***

Please copy this form for multiple use.

New Members* and Member Updates

Mr. Clyde Batavia CEA
Phone: +1 510 985 1881
Fax: +1 510 985 1786

***Mr. Robert Breakstone CEA**
Equipment Exchange Co.
of America, Inc.
10042 Keystone Drive
Lake City, PA 16423
Phone: +1 814 774 0888
Fax: +1 814 774 0880
bob@eeclink.com
www.eeclink.com

Mr. Mark Clar CEA
Phone: +1 510 985 1881
Fax: +1 510 985 1786

Mr. David A. Falk AEA
Phone: +1 585 436 6300/2490
Fax: +1 585 436 1441

Mr. Michael F. Feinstein CEA
umtl@io.com

Mr. Edward "Ned" O. Flick CEA
5620 Centronia Road

Mr. Fred R. Franke CEA
Hoff Machinery
223 Fairwood Place
Rockton, IL 61072
Phone: +1 815 624 7238

Fax: +1 815 624 6138
fredfranke@aol.com

Mr. Sidney E. Ganz AEA
sales@abbottmachineco.com
www.abbottmachineco.com

Mr. Michel Goldkind AEA
michel@raco.com

***Mr. John Greenberg AEA**
Union Standard Equipment Company
Union Confectionery Machinery Company
801-825 East 141st
Bronx, NY 10454
Phone: +1 718 585 0200
Fax: +1 718 993 2650
john@unionmachinery.com
www.unionmachinery.com

Mr. Ronald E. Higgs AEA
jhiggs@cyberia.com
higgs@nfdc.net

Mr. Barry A. Laney CEA
laney@vnet.net

***Mr. David Loethen AEA**
Asset Management & Sales
854 Legends View Drive
Eureka, MO 63025
Phone: +1 636 938 9922
Fax: +1 636 938 9989

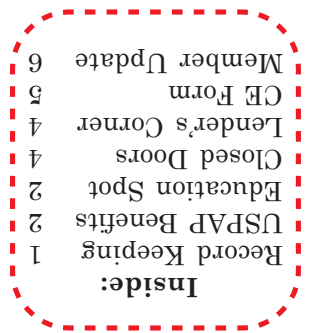
dloethen@amsionline.com
www.amsionline.com

***Mr. Jon Pelletier AEA**
Equipment Technologies, Inc.
19 Park Avenue
Hudson, NH 03051
Phone: +1 603 881 5253
Fax: +1 603 881 5304
jon@equiptech.com
www.equiptech.com

***Mr. Ken Regal AEA**
Regal Equipment
4171 State Route 14
Ravenna, OH 44266
Phone: +1 330 325 9000
Fax: +1 330 325 7900
regalequip@earthlink.net
www.regalequipment.com

***Mr. Marco Sarti AEA**
Winternitz Inc.
235 Anthony Trail
Northbrook, IL 60062-2016
Phone: +1 847 272 0440
Fax: +1 847 272 0604
marco@winternitz.com
www.winternitz.com

Mr. Joseph Weiswasser CEA
metalworking@rcn.com



**Association of Machinery
and Equipment Appraisers**
315 South Patrick Street
Alexandria, VA 22314-3501 USA
Phone: +1 703 836 7900 or
+1 800 537 8629
Fax: +1 703 836 9303
www.amea.org
amea@amea.org

