

PHILADELPHIA CHAPTER

AMERICAN SOCIETY OF APPRAISERS

JAN./FEB. 2002

PRESIDENT'S MESSAGE

Fellow Chapter Members and Friends:

Our November meeting provided good evidence as to the virtues of local chapter gatherings. On the morning of our meeting, I found myself in a bit of a panic since I had discovered that our scheduled speaker was ill and no replacement would be available. Knowing that ours is a group of professionals who routinely turn challenges into opportunities, however, I was certain that we would be able to fashion an interesting program somehow.

Well, what do you know—one of our candidates for admissions, Tess Kissinger, has a relatively unique specialty involving the appraisal of dinosaur art (forgive me, Tess, for the imprecise description). Luckily, Tess speaks regularly on her topic and was able to give an impromptu mini-program. Because our program had developed a free-form format, we also had additional time for fellowship and good cheer.

The local chapter meetings of the ASA provide a unique opportunity to network with interesting, high quality professionals with incredibly diverse backgrounds and areas of expertise. Participation at the local chapter provides a special opportunity to ask questions, trade war stories, refer business and learn about the science and art of appraisal—even if the speaker calls in sick!

With that set up, I would like to invite all chapter members to attend our breakfast meeting on January 16th at Williamson's. Look for a flyer to be mailed to you shortly. In the meantime, I hope that all had a joyous holiday season and prosperous New Year!

Best Regards,
Mark Penny, President

COMMITTEE NEWS

Admissions Committee Chair, John Ohanian recommended new applicants for approval: Mark Shyrock (BV), David Routzahn (BV), Tess Kissinger (PP), and Fred Bertsch (BV). Two applicants from the Lancaster chapter were added to our roster: Robert Shaffner (PP) and David Coffman (BV). Their mentors are Ted Harski and Ed Wilusz, respectively.

Public Relations has received approval for an ad placement in the Directory of Corporate Counsel of PA, NJ and DE. There is also the possibility of placing an ad in the Phila. Estate Planning Council book.

Advancement Committee Chair Charlie Dixon wants to wish everyone a Happy Holiday and thank those who make the extra effort to come to the meetings. Charlie is continuing to call Candidates regarding their standing in the accreditation process and ASA in general. Charlie asks for everyone's continued support!

Tom Schied (MTS) and Robert Haas (BV) were interviewed and approved for advancement at the Chapter level. Peter Hagialas (MTS) will be interviewed for advancement. Good Luck!

Scheduled Meetings

January 16, 2002 --BREAKFAST MEETING

Williamson's Restaurant - City Line Ave.

Board of Directors

Breakfast at 8:00 A.M.

Board of Directors meeting immediately following.

Presentation Topic:

January 16, 2002 – Breakfast Meeting; Business and Real Estate Considerations relative to the selection of commercial sites by Scott Bastian, PA Real Estate Marketing Association

Wednesday, March 20, 2002

Wednesday, May 15, 2002

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DOT.COM CORNER

BV: <http://www.multexinvestor.com> Analyst Report focusing company analysis/ Provided in-depth company information such as five-year financials and company descriptions ripped right out of the 10-K's. Industry and sector searches will also help you find a list of competitors.

PP: www.oldpianos.com provides a good resource for values on (what else?) old pianos.

We are looking for all disciplines to share their dot.com sites. Please forward your favorite sites to the Editor.

HAPPY NEW YEAR TO OUR MEMBERS AND THEIR FAMILIES!

..... Contact the Editor by phone at (215) 441-8060...or...

Your Chapter Officers

If you ever have any questions or ideas to share:

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NOTICE: THE CHAPTER IS MOVING TOWARD ELIMINATION OF THE PRINT VERSION OF THIS NEWSLETTER TO AN E-MAIL VERSION. While we do not know exactly when this will happen, we want all chapter members to be aware of the future of this newsletter.

Ask George...

George D. Sinclair, MAI, FASA, will answer your questions relating to the appraisal industry. He will utilize his expertise with assistance from the Philadelphia and International ASA members. Send your questions to "Ask George", Keystone Appraisal Company, 2009 Chestnut St., Phila., PA 19103 or you can FAX 215-564-6561, phone 215-564-2070 or e-mail Keyappco@aol.com

Q. I am a personal property appraiser and have been requested by my client to send my report to them electronically. Can I do this and still comply with USPAP?

A. The appraiser doing this must understand the requirements of the statement on Appraisal Standard #8 (SMT-8) as contained in USPAP. On summary, this standard, which has the full weight of a standards rule, states that: "An electronically transmitted report is a written report and must meet the USPAP reporting requirements."

However, if you do an electronically transmitted report, you must comply with the *Record Keeping* section of the Ethics Rule of USPAP. This section applies to all reports and permits storage on electronic, magnetic or other media. A true electronic and/or paper copy of the transmission must be retained by the appraiser. A paper copy of an electronically transmitted report is not required.

THE "PRIVACY ACT " AND APPRAISERS Charles Basch, Esq.

Numerous articles and analyses have been published regarding the Gramm-Leach-Bliley Act (G-L-B Act) and its impact upon various industries. Only a very few of these discussions, however, explored the Act's relationship to the appraisal profession. In researching such data in my capacity as counsel to the Philadelphia Chapter of ASA, I reached the conclusion that the most succinct commentary was prepared by The Appraisal Foundation in an Article published in June 2001 and titled "The Appraisal Foundation White Paper: Privacy Regulation and the Appraiser". This Chapter Newsletter intends to basically summarize The Appraisal Foundations' advice to appraisers in that publication; but as an interested reader you may wish to obtain a copy of the entire Article by contacting the Office by telephone, fax or website (as listed at the end of this commentary).

The purpose of the G-L-B is to protect consumers' personal information from being disclosed or released by a financial institution without notice and without permission. Compliance with that law became mandatory on July 1, 2001.

The Federal Trade Commission (FTC) thereafter adopted regulations to implement the Act. Those regulations apply to activities including "appraising real or personal property;" i.e., the Act can be enforced against persons who are not financial institutions. Accordingly, an appraiser who received non-public personal financial information from a financial institution or directly from a consumer who is a client in the course of performing an appraisal consignment will be held responsible for compliance with the Act and its regulations.

In an appraisal practice, publicly available information could include publicly recorded deeds and mortgage notes, dates of sale as publicly recorded, parties to a sale as publicly recorded, and sales price in jurisdictions that publicly disclose such information. Conversely, for commercial property and business valuations, the disclosure of financial statements that include personally identifiable information would be covered by the Act and its regulations.

When a lender is the appraiser's client, the lender will be required to provide an appropriate "Privacy Notice" with an opt-out provision to the consumer; and the lender should inform the appraiser as to any privacy related restrictions or information provided to the appraiser relative to the FTC Regulations and the G-L-B Act. (continued on page 3)

Or by FAX (215)763-6966...or e-mail oldchina@aol.com....

CHAPTER NEWS

Upcoming Events! Mark your Calendar:

March 20, 2002 – Dinner Meeting: Power Point Presentation on the Appraisal of Aircraft and Related Property by Richard Schuster, ASA. Regional Governor Lorraine Smith, ASA will be present for this meeting.

May 15, 2002 – Dinner Meeting: “Victorian Oddments and Reminders of the Past” by Shirley Swaab, ASA. Shirley specializes in Antiques & Decorative Arts and is a noted lecturer. Join Shirley in recreating the niceties of a time that may never be recaptured! You may bring to the lecture any objects you wish to show and discuss.

MEMBERS IN THE NEWS!

Sam Luceno, ASA, CBC, was awarded the Wally Stabbert Leadership Award at the annual conference of the Institute of Certified Business Counselors (ICBC) in Las Vegas, NV last October. Sam was instrumental in the restructuring and updating of the Institute and served as the 2000-2001 President.

The Institute of Certified Business Counselors was incorporated in 1975 and has members throughout the U.S. and Canada. It is an association composed of accountants, appraisers, attorneys, business brokers, consultants, financiers, merger & acquisition specialists and other intermediaries who specialize in assisting small to medium size family and closely-held businesses. All members subscribe to a strict Code of Ethics, which assures clients, customers, and other professionals the highest level of integrity, knowledge and service. Numerous government agencies and committees use the Institute and its members as an information source on matters regarding small to medium sized businesses. For more information, please contact Richard Tannenbaum, CBC, CCIM, at 760-413-2220 or [str-@msn.com](mailto:rtannen@msn.com)

MEET THE CANDIDATES

Tess Kissinger (PP) is a principal with the firm of Walters & Kissinger located in Philadelphia. Computer-literate, Tess is a professional artist/designer and museum curator, specializing in natural history museum exhibits and publications. A graduate of Carnegie Mellon University with a BFA in painting/design, her specialty is dinosaur art!

Mark Shyrook (BV) is relatively new to this profession and is self-employed. He has a Master's in Business Administration and has changed careers from 18 years of experience in Sales/Marketing to Financial Analysis. While currently seeking to join a firm, Mark is in pursuit of his accreditation with ASA plus designation with the Association of Investment Management and Research.

Frederick “Chuck” Bertsch (BV) is principal with F.C. Bertsch & Co., Inc., a consulting firm advising corporations and individuals on corporate development strategies, transactions and related subjects. Chuck earned his MBA from Wharton and has more than 20 years experience in finance, corporate development and business planning.

David Routzahn (BV) is with Hempstead & Co. and works with Mark Penny. David has an MBA in finance with Drexel. He is a financial analyst/project manager, multi-talented professional with experience in the commercial and investment banking industries. He has been with Hempstead since 2000 as an associate appraiser. He just took the USPAP exam!

PRIVACY ACT (cont'd from p.2)

The lender should specify any information for which a consumer has exercised an opt-out right (meaning the consumer has directed the lender not to share information with outside organizations). Thus, in order to comply with the Privacy Rule, the appraiser must take steps necessary to ensure that information obtained from a lender client has been obtained in conformance with that Rule and then must ascertain the status of that information as public or non-public and if the consumer opt-out privilege applies (including specific restrictions on re-use of that information). This analysis is also in conformity with the 2002 version of USPAP, whose current draft definition of confidentiality directs compliance with “privacy laws and regulations applicable to an assignment.”

On the other hand, when the consumer directly contracts with the appraiser, the appraiser is responsible for providing a Privacy Notice with an opt-out provision. The Notice should clearly specify which re-uses of the non-public personal information are contemplated. In this situation, the appraiser should develop forms containing a Privacy Notice with an opt-out provision per the FTC Privacy Rule, and provide it to his or her client.*

In essence therefore, the appraiser should ask lender-clients as to what information provided in the context of an appraisal assignment is protected by the FTC Privacy Rule and the G-L-B Act and of that information, what disclosure is prevented pursuant to the provisions of the Rule and Act. Likewise, when an appraiser contracts directly with a consumer, the appraiser should take steps to ensure that the consumer's non-public personal information is protected and that the consumer is provided with the necessary Notice regarding disclosures.

You may wish to note the following information for direct contact: *The Appraisal Foundation*, 1029 Vermont Ave., N.W., Suite 900, Wash., DC 20005. Tel.202-347-7722; Fax202-347-7727. www.appraisalfoundation.org

*For further interpretation of the Act or FTC Regulation, contact Chapter Counsel, Chuck Basch, Esq.(Tel.215-887-9000; Fax215-887-1670). Chapter counsel will also be available to draft the appropriate “Privacy Notice” for Chapter members at a modest cost.

NOTE: NEWSLETTER

DEADLINE: February 25, 2002

☺ **BARRY'S BLURB OF THE MONTH: Why are a wise man and a wise guy opposites?—George Carlin**

....or snail mail to: Susan Golashovsky ASA, 180 Jacksonville Rd., Ivyland, PA 18974

LAST WORD: "Believe you will succeed. Believe it firmly, and you will then do what is necessary to bring success about." Dale Carnegie

CALENDAR OF UPCOMING COURSES AND EVENTS

Unless otherwise noted, contact the ASA Education Department at (800) ASA-VALU

ASA Courses, Meetings, Chapter Offerings and Conferences (For National Offerings, Please see Newline Publication)

- January 24-27, 2002—Cancun, Mexico **2002 Midterm Conference**. Call ASA at (800) ASA-VALU
- August 25-28, 2002, **2002 Int'l Appraisal Conference**, San Diego, Calif. Call (800) ASA-VALU
- July 14-16, 2003, **2003 Int'l Appraisal Conference**. Call ASA at (800) ASA-VALU

Open Examination Sites

- February 2, 2002—Manhattan Beach, CA (located at ASA course site)
- March 16, 2002—Chicago, IL (located at ASA course site)

For further information, contact ASA's Accreditation Coordinator at (800) ASA-VALU

MENTORS WANTED

men·tor (m n tor, -t r)n. 1. A wise and trusted counselor or teacher. 2. **Mentor** (*Greek Mythology*. Odysseus's trusted counselor, in whose guise Athena became a guardian and teacher of Telemachus. V. *Informal/men·tored*, **men·tor·ing**, **men·tors** v. intr. To serve as a trusted counselor or teacher, especially in occupational settings, v.tr. To serve as a trusted counselor to teach to (another person). [French Mentor, from Latin Ment r, from Greek. See men-in Indo-European Roots.] Webster's definition: **men·tor**. Pronunciation: "men-"tor, -t&r. Function: noun. Etymology: Latin, from Green MentOr. 1. Capitalized: a friend of Odysseus entrusted with the education of Odysseus' son Telemachus. 2. A: a trusted counselor or guide b: tutor, coach - men•tor•ship/noun

New Candidates to the Philadelphia Chapter of the American Society of Appraisers are fortunately a recurring element of prospering. How many of you can say you weren't first a candidate? Indeed most of us must say that and what a help it is to have a mentor, one who can show the ropes to new candidates for membership. As the admissions chair, I have the good pleasure to call on members of our chapter to be mentors. If you would like to volunteer for such an opportunity, you will find that the reaccreditation credits will accelerate your attainment of 100 hours. Please call me at 215-997-7220 or e-mail your desire to be a mentor to oohanian@pbgw-cpa.com. We can never have too many eager mentors.

---John Ohanian, ASA
Director, Financial Valuation Services,
Pritchard, Bieler, Gruver & Willison, P.C.

NEW BOOKS

JOURNAL: *Ceramics in America 2001*, Robert Hunter, Editor. The Chipstone Foundation of Milwaukee introduces a new full-color annual publication that examines the role of historical ceramics in the American Context. Available through University Press of New England for \$55.00 www.upne.com (23 S. Main St., Hanover NH 03755-2055). Toll Free orders: 800-421-1561. Fax: 603-643-1540. (\$35.00 at Amazon.com!-Ed.)

ASA

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