

PHILADELPHIA CHAPTER

AMERICAN SOCIETY OF APPRAISERS NOVEMBER 2000

PRESIDENT'S MESSAGE

Dear ASA members,

Everyone is talking about the ASA/NAIFA merger. Many issues of concern have been raised and few answers have been received. On behalf of our chapter, I have forwarded a letter to ASA National President Amoling requesting additional information, specifically involving the role of the regional Governors and the continuance of local chapters. The ASA board of Governors meeting on October 21st will provide an opportunity to discuss and vote on this consolidation and reorganization. We will keep you informed of the results of this meeting.

After a lengthy discussion at our last board meeting, it was unanimously agreed that a resolution be forwarded to the Board of Governors to expand the Philadelphia Chapter's Board of Directors to 15 members. This should include four past presidents, and two more appointed directors. These appointed directors should be determined from the memberships' two largest disciplines.

We are looking forward to a great meeting this November which will include a round table discussion for each discipline. Our guest will be Mary Simon who will speak in Coaching Negotiations. Our January breakfast meeting will be free to all members and feature something of interest for all.

If you know a prospective member, inform our secretary, Lorri Bednarek, who will arrange a n introductory free dinner at the meeting.

Yours in service,
BARRY S. SLOSBERG, ASA

ASK GEORGE.....

Guest appraisers will answer your questions relating to the appraisal industry. They will utilize their expertise with assistance from Philadelphia and International ASA members. Send your questions to "Ask George", c/o Editor, Phila. Chapter Newsletter. This month's guest appraiser is Susan Golashovsky ASA. Reference source is The Appraisal of Personal Property: Principals, Theories, and Practice Methods for the

Professional Appraiser by the American Society of Appraisers.

Q. As a PP Candidate, I am interested in how other appraisers handle a situation whereby you are asked to do an appraisal and find some of the objects in question do not have the value the owners think it has.

A. With the advent of "The Antiques Roadshow", this scenario seems to occur quite often. The professional appraiser is aware of how his behavior in a client's home influences not only his own credibility but that of the profession as a whole. Having a certain amount of psychological insight into human nature is just as important to a client relationship as having an in-depth knowledge of an appraisal specialty. For example, it is appropriate for the appraiser to recognize and respect a client's sentimental attachment to family heirlooms, regardless of monetary value, and thus to project to the client a respect for their family historical associations, while at the same time being able to teach the difference between sentimental association and actual monetary value. The way an appraiser handles the objects, regardless of taste level, monetary value, or even stress level in the face of cataloging multiple objects is essential in forming an atmosphere of trust and comfort. Being thoughtful and non-judgmental in dialogue with the client can go a long way in establishing trust and diplomatic relations. This will be measured well into the future in terms of whether or not a client's trust and respect have been earned to a point at which the client willingly and unreservedly refers new business to the appraiser in years to come.

Scheduled Meetings

November 15, 2000

Williamson's Restaurant - City Line Avenue

Board of Directors-4:00 PM

5:30 P.M.-Cocktails, 6:00 P.M.-Dinner

*Wednesday, January 17, 2001

Wednesday, March 21, 2001

Wednesday, May 16, 2001

*Special Breakfast Meeting 8AM followed by Board of Directors Meeting

Your Chapter Officers

If you ever have any questions or ideas to share:

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COMMITTEE NEWS**Board Appointments**

The following members have been appointed to the Board of Directors:

Gary Friedlander, ASA (BV) Steve Harski, ASA (MTS)
Judith Lepow, ASA (PP) Seth Weiss, ASA (RP)

Admissions Committee

- Six applicants were interviewed and assigned mentors. They are as follows:

<u>Candidate</u>	<u>Mentor</u>
Nicole Mayer (BV)	John Barton, ASA
Connie Hershey (PP)	Shirley Swaab, ASA
Michael Smith (BV)	John Ohanian, ASA
Michael Saponara (BV)	Bonnie O'Rourke, ASA
William D'Anjollel (PP)	Rochelle Eisenberg, ASA
Eugene Pinto (BV)	Gary Friedlander, ASA
Richard Warner (MTS)	Charles Dixon, ASA

Advancements Committee

- One candidate was interviewed and recommended for advancement: Mark Caltagirone (BV)

Program Committee

- Chairperson Mark Penny announced that the November meeting would be round table discussions for each discipline and Mary Simon will speak about "Coaching Negotiations".

DOT.COM CORNER

Here are some RE websites:

www.AppraisalToday.com general
www.lochsheil.com FEMA flood maps

PP websites:

www.google.com search engine
www.herosandlegends.net autographs/H' ywood memorabilia
www.antiqueclockspriceguide.com clocks
www.utome.com interactive silver marks identification
www.collectitnow.com collectibles and more

...or by FAX (215)763-6966

APPRAISER'S ERROR & OMISSION INSURANCE – 2000 UPDATE Charles Basch, Esq.

According to a recent national survey of appraisers, 77% carry E&O insurance. Whether or not to have E&O insurance is an individual decision/ However, some appraisers' clients do require E&O insurance. If you don't have E&O insurance, you are self insuring; and statistically, few appraisers are sued (as compared with real estate agents). An alternative to insurance is to set aside money, say \$5,000. to \$10,000 for defense costs, assuming, of course, you are not found to be at fault.

Note, however, that a corporate form of ownership will not protect you from professional liability claims. In the past, many appraisers incorporated, erroneously thinking it offered such protection. Therefore, if you have substantial assets and do high-risk appraisals, you must consider protection of your assets either through insurance or otherwise. If this subject is of interest to you, consult Chapter Counsel, Charles Basch, Esq.

If you do have E&O insurance, be sure not to let your coverage lapse; you won't be eligible for prior acts of coverage. When appraisers are sued, it is typically 2 to 3 years after the event. Therefore, you must have continuous coverage between the date of the event and the date you are sued in order to cover the prior act. When changing insurance companies, be sure you get prior acts coverage; you should not have to pay an extra premium if you have had no lapse in coverage.

E&O insurance is very different from home or auto insurance. If you have a fire or auto accident, you are covered if you have insurance at the time of the event. But appraisers' E&O coverage is on a "claims made" basis. Both the appraisal and the claim must be made during the period you have insurance—which is why you must have the continuing prior acts coverage.

Current rates for E&O insurance are competitive and not unreasonably high. Additionally, some appraisers or appraisal firms should certainly be insured because of unique circumstances, such as doing high-risk appraisals like development work. Generally, there are certain primary factors affecting rates, such as: residential real estate appraisals as compared with commercial or other appraisal disciplines; the size of the firm, the location of the office; the volume of appraisal work; the experience of the appraisers; and, of course, the selected policy limits and deductible.

You can use a local insurance agent for E&O coverage but few agents are familiar with the nuances of the small market for appraisers' insurance. Be sure your agent can shop for coverage with several insurance companies. If you need assistance with selecting an insurance agent or insurance company, you may wish to consult with Chapter counsel.

(Substantive data for the above article was provided by the publication "*Appraisal Today*".)

FEATURED DISCIPLINE: PERSONAL PROPERTY

THE GREAT COMMANDMENTS OF PAINTED FURNITURE by Peter S. Seibert, Heritage Center Museum, Lancaster
(Taken from *The Keystone Auctioneer*, Summer 2000 edition. – Ed.)

1. **Guilty until found innocent.** Always presume a piece of furniture is false until you have had a chance to study both the paint and the construction. Too many mistakes are made by looking at only one of these details.
2. **We are dealing with old and used furniture; it should look that way.** Pieces should demonstrate wear in all the right spots. Chairs should have stretcher as well as back rail wear. Chests and clocks should be banged from vacuums. A piece that appears to be unworn must be carefully examined.
3. **They may have been great cabinetmakers and decorators, but their spelling sometimes left a lot to be desired.** Chests frequently feature decoration that includes the phonetic spellings of last names, things such as "Iik" for Illig. Also note that the German word for chest—kist/kis—frequently appears on the exterior of such pieces. (For example: Elakist may be shortened for Ella's chest.) Similarly, Pennsylvania Germans irregularly feminized last names by adding "in" onto the end of a word. (For example: Potzer became Potzerin, Nissley to Nisslesin.)
4. **Irregularities of surface texture are par for the course.** Most pieces of painted furniture have irregular surfaces due to the varying build-up of dirt and finishes as well as due to exposure to a range of light conditions. These subtle changes are nearly impossible to fake and therefore are our best tool in determining surface problems.
5. **Learn your geography; it can help in figuring out where a piece originated.** Great similarities exist between furniture made in Berks, Lebanon and Northern Dauphin Counties. Similarly, there is a relationship between chests made in Lancaster and southern Dauphin Counties. Learning from where a family came is often a good clue in determining the age of the piece.

....or e-mail oldchina@aol.com....

Commandments (cont'd from p. 3)

6. **Cabinetmakers did not always paint the decoration.** Current research shows that the same decorator appears to have worked on cases made by different cabinetmakers. Be careful in dismissing a piece of furniture that shows construction differences with a similar piece if both were decorated by the same hand.
7. **Be wary of painted dates.** The oldest trick for furniture fakers is to add a date. In particular be wary of benchmark dates such as 1776, 1785 and 1799. While many painted pieces were marked with years, these usually refer to either the birth date or the time of coming of age for an owner.
8. **Blacklight a suspect piece but remember that a new finish, using old methods, can appear as right.** Blacklighting the surface of a suspect piece is always useful as new paint or construction will often fluoresce differently. However, by applying a uniform new finish, one can mask the inconsistencies of old vs. new repairs.
9. **An ounce of research is worth a pound of speculation.** Very little has ever been written about Pennsylvania painted furniture. Sadly, this means that much bad information is floating around among collectors. Spending a little time with established references such as *American Painted Furniture* by Fales or *The Pennsylvania-German Decorated Chest* by Fabian can help in learning about various schools and styles.
10. **Wear is good, repairs are okay, repaint is fatal.** Like with all good antiques, healthy wear is a sign of use and therefore a good clue that the piece is genuine. Repairs are not ideal but if done honestly can be further proof of age. Repaint is the ultimate evil and should be avoided at all costs.

CALLING ALL APPRAISERS! John Ohanian, ASA

The Philadelphia Chapter of the American Society of Appraisers is the third largest chapter in the United States. It would do well for our chapter to have newsworthy items generated from the members of our chapter to be published in the ASA Newsline International Monthly Newsletter.

Do you have nay articles that you have recently published or have you spoken at a professional seminar? These are newsworthy items that can me summarized months and with appropriate photographs, we might find that one or more of us can have a presentation on behalf of our Philadelphia Chapter in the ASA Newsline. It is up to each of us individually to present the Philadelphia Chapter as a vibrant multi-disciplined appraisal chapter.

If you have one or two sentences or one or two paragraphs that you would like to share about any presentations or articles that you have been instrumental in that promote the appraisal industry, our chapter or yourself, please e-mail, fax or send via snail mail to me.

E-mail: ohanian@pbgw-cap.com

Fax: 215-997-7208

Mail: O. John Ohanian, Jr. ASA, c/o PBGW, 590 Bethlehem Pike, PO Box 485, Colmar PA 18915.

Help us maintain a high profile!



BARRY'S BLURB OF THE MONTH:

" Don't sweat the petty things and don't pet the sweaty things! "

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

5 NEW PP SPECIALTIES!!

The personal property committee has announced additions to the specialties available for ASA testing and accreditation:

- Clocks
- Sports Collectibles/Memorabilia
- Firearms (previously “Guns”) covering small hand-held weapons, antique/contemporary
- Textiles--Quilts (previously “Textiles”)
- Textiles—General (previously part of “Textiles” – covers all textiles except quilts)

New examinations (in machine-gradable format), study guides and bibliographies are now available for these specialties.

CHAPTER MENTOR PROGRAM Charles C. Dixon, ASA

What is it? It is a program that brings together an Accredited Senior Member with an ASA Candidate. The Senior Member promotes and guides the Candidate through the advancement process to help the Candidate gain their ASA designation. A mentor is available to answer the Candidate’s questions, help them understand how to advance, study for examinations and monitor their progress.

What is the benefit? For Candidates, it is one on one help and guidance through the advancement process. The mentor should be a first person, sole source of information for the Candidate so he/she does not become discouraged or overwhelmed in the process of finding information and answers. Additionally, the Candidate might receive some education and/or training in their discipline and an opportunity to network with other industry professionals.

The Chapter will benefit from increased membership, professionalism enhancing the appraisal profession, and the new ideas and knowledge brought in with the Candidates. A well-run program will enhance Candidates feelings for the ASA and the Chapter as a whole. A Chapter can apply for the “Best Chapter Mentor Program” and achieve recognition from ASA and our colleagues, as well as win a \$250.00 award.

The Mentor will benefit from the good feeling of helping a fellow appraiser to 1) become designated and 2) to become more professional. A mentor can receive two re-accreditation points per month up to a total of twenty points per year for their time and effort. The Chapter President will certify the number of points awarded each mentor.

Are you interested in becoming a Mentor? If you are an Accredited Senior Appraiser, you can become a mentor. A chapter should have at least two mentors available in each discipline depending upon its size. It is recommended that a mentor have no more than five Candidates assigned to him or her at any given time. Please contact your Chapter President or Mentor Program Chairperson.

We are calling for Senior Members to get involved so Candidates will advance quickly and with confidence in our mentor program.

BUSINESS VALUATION INFORMATION PARTNERS

- Mergerstat - This division of Houlihan Lokey and Zukin will offer ASA members access to the Mergerstat Library of merger and acquisition information. Customized formats will be available exclusively to ASA members.
- *Shannon Pratt’s Business Valuation Update* – access to the online version of the *Business Valuation Update*. The Court Case Commentary is offered free. You can also find court cases in the E-Letter.
- Mercer Capital Management, Inc. – ASA members will be able to download the *National Economic Review* newsletter at a special price.

FEMA FLOOD MAPS AVAILABLE

As reported in the Appraisal H.Q. Bulletin Board (www.appraisalhq.com/ubb/FORUM7/HTML/000005.html), the Lochshiel Corporation has FEMA flood maps for most of the U.S. completed. This completion is a prelude to having all of the maps digitized, geocoded for the internet. You may go to their website at www.lochsheil.com for more information or call 1.888.356.6362.

LAST WORD: Nothing makes a person more productive than the last minute.

CALENDAR OF UPCOMING COURSES AND EVENTS

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

ASA Courses, Meetings, Chapter Offerings and Conferences

- November 2-3, 2000 – Philadelphia, PA
19th Annual Advanced Business Conference. Call Bonnie O'Rourke, ASA, at (215) 568-2440 or e-mail borourke@kroll-ogara.com
- July 22-25, 2001 – Pittsburgh, PA
2001 International Appraisal Conference. Call ASA at (800) ASA-VALU.
- August 25-28, 2001 – San Diego, CA
2002 International Appraisal Conference. Call ASA at (800) ASA-VALU.

Open Examination Sites

- November 1, 2000 – Philadelphia, PA (BV Conference)
- November 19, 2000 – Chicago, IL (located at an ASA course site)
- February 11, 2001* Manhattan Beach, Calif.
- February 17, 2001 – Corpus Christi, TX
- June 10, 2001- Chicago, Ill.
- July 22, 2001 – Pittsburgh, PA
- September 23, 2001 – Washington DC
- November 18, 2001 – Chicago, Ill

New Books available

- “*Valuing Machinery and Equipment*” is the new MTS textbook available from ASA for \$69.95. Explains description/classification of machinery; introduces important technology; explains concepts and methodology; discusses essentials of report writing/ethics. Order by calling (800) 272-8258 (for credit card orders).
- “*Milrad Book on Art Law*” published by ASA in February 2000.

ASA

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