



President's Message

Communications

I have noticed during my near decade on the Los Angeles board, our chapter struggling to change from an organization that was run 'traditionally' with regular monthly meetings to a more diversified model that fits the demands of our members' lifestyles. Over the years, when discussion of how to restructure the chapter to meet our members needs have come up, invariably someone mentions a book titled *Bowling Alone* by Robert D. Putnam. In the book, the author discusses how we have moved from a culture in the 1950s and 1960s where things like Rotary, PTA and Scout Meetings were an integral part of the fabric of the community, to a much more eclectic and less group-oriented society. ASA, like other groups, is working with this social change.

The board has looked how to adapt to these changes to **your** needs. We realize that the traditional model, which focused on a dinner meeting at TAIX restaurant once a month for cocktails and networking, was no longer working in many of our members' schedules. We have tried a number of different ways to provide the networking we all need to sustain and grow our practices. At times it has been a wonky process, but I feel we are now on a good track to having a full schedule, which contains flexibility.

What has become key to this new system is our ability to communicate with you electronically. That is why it is important that you keep your information up to date on the website. Make sure to log in to your account and check your contact information.

Help us to communicate with you, so we can make sure to provide you with one of the most important services the chapter has to offer - promotion of your business. The website has become the mode for us to communicate education opportunities with you.

We cannot help to move this project along alone. We need your help. First, make sure that your information is up to date. If you would like to give back to the chapter, you can do so by providing content for the newsletter or the website, or send an idea for a program.

Your contribution can be as quick and easy as forwarding an article to the newsletter editor that you feel would be of benefit to other members, or sending me an email with an idea for a program.

The more we all contribute, the more that will be available for everyone.

Also, please make sure to vote for next year's board. If you have any questions about the process, contact our executive administrator, Deborah Ann at dmarshall@appraisersla.com.



Paul E. Dooks, ASA
President

Best, Paul

UPCOMING EVENTS

see website for details
www.appraisersla.com

UPCOMING PROGRAMS

Tuesday—May 14, 2013

*Appraisal Discipline
Collisions and Recycling
Joint dinner and program with
AI & ASA. (Page 7)*

NEXT BOARD MEETING

*4:00 pm Luminarias Restaurant-
followed by the 5/14
program.*

*In honor of Mothers Day
and May!*

*A mom's hug lasts long
after she lets go.
~Author Unknown*

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WELCOME NEW CANDIDATE(S)

"After membership approval, applicants have 10 months to Pass the ASA Ethics exam (open book exam taken on ASA's Web site), Pass the 15-hour National Uniform Standards of Professional Appraisal Practice USPAP) course and exam Real Property applicants may provide their current state license in lieu of the 15-hour USPAP requirement. Upon completion of these requirements, you will become a Candidate." * The Los Angeles Chapter of ASA would like to welcome our new candidate (s):

Susan Yackley - Personal Property

The Yackley Group | 1930 N. Hoover Street | Los Angeles, CA 90024
Phone: (323) 630-0122 Fax: NA | Susan.yackley@gmail.com

Marc C. Asbra — Business Valuation

Stout Risius Ross | 25505 Sinclair Place | Stevenson Ranch, CA 91381
Phone: 310-846-8898 | Fax: 866-855-5135
Email: masbra@srr.com | Website: www.srr.com

Michael G. Rabe — Business Valuation

Gursey Schneider | 1888 Century Park East, Suite 900
Los Angeles, CA 90067
Phone: 310-691-1823 | Fax: 310-557-3468
Email: mrabe@gursey.com | Website: www.gursey.com

Tamar Sinanian — Personal Property Fine Arts

4641 Fulton Avenue, Apt #302 | Sherman Oaks, CA 91423
Phone: 818-632-4162 | Fax: None Listed
Email: tamarsinianian@gmail.com

"Individual commitment to a group effort - that is what makes a team work, a company work, a society work, a civilization work."

~Vince Lombardi

ADVANCEMENTS

"Your advancement to Accredited Member (AM) or Accredited Senior Appraiser (ASA) is complete once: The International Board of Examiners approves your full-time appraisal experience, educational background (i.e., college degree) and appraisal report(s), determines that you completed and passed the education requirements of your discipline and determines that you passed the comprehensive examination for your discipline (if applicable). When all the requirements have been approved, you will be awarded your designation and provided with your AM or ASA certificate (*this will be mailed to your chapter President within four to six weeks after your designation is awarded*). ** The Los Angeles Chapter of ASA would like to congratulate the following Members in their advancement (s).

NONE FOR THIS MONTH

ASA-CA Chapters: Spring Report

Our paid lobbyist Don Reisner and I met with James Martin the new, interim Director of the Office of Real Estate Appraisers (OREA). Mr. Martin is hoping for a permanent appointment to this position by July, 2013.

Jim has been an "in the trenches" appraiser since 1977 working predominately in the Sacramento area. The good news for real property appraisers is that he understands the work environments of the self-employed fee appraiser as well as the staff appraiser within an institution.

His lengthy time in the industry has given him the opportunity to develop relationships with BV and M&E appraisers also. Jim and I have many similarities in our career paths, as well as our love of the valuation industry.

Don Reisner, Jim Martin and I spent 2 hours together reviewing issues that pertain to all valuers. Then we examined some of the more recent changes in the industry.

Jim does not see any drastic changes happening for the next 3 - 6 months. I asked Jim about the possibility of an OREA newsletter and he enthusiastically responded that producing a newsletter is a top goal for him this year.

During our meeting, we confirmed the number of active licensed appraisers at approximately 12,500. Down from 41,000 several years ago. Of the licensees, 50% are Certified Residential, 27% Certified, General, 16% Residential Licensees and 7% Trainees.

Jim's major concern is the lack of recent college graduates interested in pursuing a career in the real property valuation industry.

The Federal Government is advocating increased reciprocity between states in their licensing. If the Federal Government is successful, bills such as Nevada's that requires their licensed appraisers to have an office in Nevada, may become a moot point.

OREA is working with the Appraisal Management Companies (AMCs) to keep them in compliance with current laws.

OREA is working on a comprehensive definition of an AMC. They are collecting information from the other 49 states to see what is the most effective and accurate way to come up with this definition. How an AMC is defined will become important to other ASA disciplines in the future. OREA wants to clearly define the AMCs' function to the AMCs, Appraisers and the Public.

Up until now, AMCs have primarily impacted Real Property Appraisers. It has come to our attention that other disciplines are starting to see the AMCs involved in the processing of their valuation assignments.

ASA-CA will continue to apprise you of OREA's actions, and as we become aware of other legislative activities that could also affect other disciplines. we will seek out that information as well. If you are aware of legislative information, activity or concerns that could affect your discipline, please do not hesitate to contact your ASA-CA representative Randall Blaesi, your Chapter President, or myself.

We represent you and are here to provide a link between you and the State of California's legislative process. Thank you for your continued support of this very important committee.

Respectfully submitted,

Karen J. Mann , ASA – RP (Urban & Residential), ASA – RP Committee member, & ASA-CA Chair

You can contact me at : karen@mannaappraisal.com

Recap April 16—8th Annual Fair Value Conference

Contributed by Gazelle Raye Wichner, ASA

The 8th Annual ASA Fair Value Conference was held at the Omni Hotel in downtown Los Angeles on April 16, 2013. The day-long program was organized and hosted by Ray Rath, ASA, and featured seven highly-esteemed speakers who spoke on a range of topics involving fair value concepts.

The program began on the regulatory side, with an update on standards and related rules. Anthony Aaron, ASA, CFA, FRICS and member of the Appraisal Foundation Board of Trustees provided attendees with a brief history of the Appraisal Foundation and the International Valuation Standards Council (IVSC) and provided an overview of the current and projected regulatory environment for business valuation professionals.

George Wilfert, Deputy Director of the Public Company Accounting Oversight Board (PCAOB) then took the podium to shed light on observations related to auditing fair value measurements for financial instruments and non-financial instruments, stressing the importance of verifying the accuracy of underlying data and testing management's significant assumptions for reasonableness, and the care necessary in using the work of a specialist.

By mid-morning, the program segued to the entertainment/media sector with Christian Jester, PwC's Assurance Partner & Southern California Technology, Entertainment & Media Practice Leader. Mr. Jester's presentation involved fair value considerations in financial statement audits, including business combinations, financial instruments and common stock, and projected that fair value measurements will be an area of greater scrutiny by the SEC and PCAOB in the near term.

The morning program concluded with a lively presentation by Roger Grabowski, FASA, co-author with Shannon Pratt of *Cost of Capital: Applications and Examples 4th Ed (2010)* on expected cash flows in valuation. Fresh from a 5th Edition book retreat, he shared cautionary tales of over-adherence to standard textbook models, and outlined common mistakes in the pricing of risk.

After a buffet lunch and networking onsite, the group reconvened for the afternoon program, which began with PwC's Pedro Santos highly technical discussion of warrants valuation and derivatives, including the value impact of dilution (participant dilution and non-fair value dilution) and the application of lattice, Black-Scholes, and Monte Carlo models.

Mark Hayden of Deloitte Touche then discussed the AICPA Task Force Update for the Determination of Fair value of Portfolio Company Investments Held by Venture Capital Private Equity Firms. Mr. Hayden outlined the draft in process, as well as the projected changes to the Practice Guide, including definitions and valuation concepts.

The timely and informative conference wrapped with a discussion of the testing of goodwill impairment, derived from the AICPA's Accounting and Valuation Guide (Working Draft, including general concepts and valuation techniques, accounting considerations and measuring fair value of a reporting unit).

Programs such as the ASA's annual Fair Value Conference are invaluable for valuation professionals who wish to stay abreast of the latest rules and techniques, as well as providing an excellent networking opportunity. ■

Recap April 17— Development Plans . . .

By Bridgette Saylor

On April 17th, the Los Angeles chapter had the opportunity to attend a talk and tour of Union Station in downtown Los Angeles, titled *Development Plans for Historic Union Station and Countywide Transit Projects*. Organized by Michael Bradford, ASA, the event featured talks by Los Angeles County Metropolitan Transportation Authority (MTA) officers Greg Angelo and Cal Hollis.

The event began with networking and a buffet lunch, followed by the two speakers. Greg Angelo, Director of Real Property Management and Development at the MTA, gave an interesting and informative talk on transit oriented development at metro transit stations, including the recent major developments at the Hollywood & Vine station, Wilshire & Vermont and the current development at Westlake and MacArthur Park.

Cal Hollis, Metro Executive Officer for Countywide Planning, gave a fascinating report of Measure R projects that have been completed or are currently underway, including, among others, the Exposition Blvd. Light Rail Transit, Phase I (downtown to Culver City) and the Gold Line Extension to Azusa. Collis also outlined the Union Station Master Plan, giving a brief history into the background of Union Station, as well as the challenges associated with its expansion and future development.

After the two speakers, guests were given a walking tour of Union Station, seeing its historic building as well as both the Light rail and subway lines. They were also given a 101 on using the Los Angeles Metro system. It was a well-attended event, with appraisers from all disciplines who came to learn about the Los Angeles transit system and historic Union Station. ■

Photo's compliment of Paul Drooks, ASA



MTA's Greg Angelo and James Blackman, ASA



Group in front of the first floor mural.

"Special thanks to Jim Blackman, ASA at the MTA, for his assistance in making this event possible."



Lobby of MTA Headquarters



Chapter President Paul Drooks, ASA presents Steven Davis his ASA



Bridgette Saylor and Charles Carmona, ASA



Steven Davis, ASA, Randall Blaesi, ASA, Noel Burndahl, ASA at the April Board Meeting



Doug Nason, ASA, Vice Presidents Christine Lee, ASA Analee McClellan, ASA



June & Holly Claman listening to Jackie our tour guide give some history about Union Station.



ASA -LOS ANGELES

CHAPTER CONTACT

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ASA –LA

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Barry J. Alperin, ASA Barry-alperin@msn.com

As a member, you can contribute to the chapter by providing relevant content for our newsletter.

SUBMIT NEWSLETTER ARTICLES TO

info@appraisersla.com

CANDIDATES AND NEW MEMBERS

Do you have questions about

- certification
- exam proctoring
- advancement

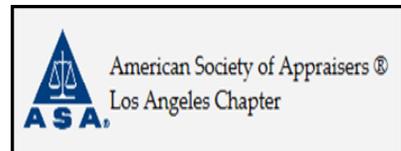
Call our Membership Chair

Noël R. Burndahl

(626)301-9277

All mothers are working mothers.

~Author Unknown



Appraisal Discipline Collisions and Recycling

*A business valuation case study about real property
Or...a real property case study that involves a business*



Our ongoing concern: Who is qualified and Why

A multidisciplinary presentation
by Dennis A. Webb, ASA, MAI, FRICS

The practice area generally referred to as “going concern” valuation is inherently multidisciplinary, and would seem like an area where the two disciplines overlap. But that only works on a good day – there is usually a huge gap. This case study highlights the chasm that separates us, and how each can bring competency to an ongoing public service disaster.

Please join us for our annual joint chapter dinner, for networking and for insight into an area of valuation practice that affects business, real property, machinery and personal property appraisers alike.

DATE: Tuesday, May 14, 2013 **TIME:** 5:00 pm check in, 6:00 pm dinner followed by program

LOCATION: Luminarias Restaurant, 3500 W. Ramona Blvd., Monterey Park, CA 91754

COST: Early registration \$45.00 | After May 5, 2013 late registration add \$15.00.

REGISTRATION:

ASA Members and guests, www.appraisersla.com / Events

AI Members register <http://www.sccai.org/>



Linda or Lianna 818-957-5111

2 hours ASA CE approved

2 hours OREA approved



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