President’s Letter

By Park R. Johnson, ASA

I want to welcome all of our members back for a new year. We have a new Board this year, which includes; Mike St. Martin, Patricia Atwood, Erin Hollis, Kevin Zanni and me as elected officers. We are also joined by Mike Crismyre, Carmen Sims, Mike Ackerman, Jeffrey Kirk, Michael Holtzman, Lela Hersh and John Friedman who act as volunteers in appointed positions.

We are planning a busy program of events this year, so keep on the lookout for announcements. As always, events and other useful information are posted on the Chicago Chapter website at www.appraisers.org/chicago. If there is any useful information that you think should be included, please forward it on to me and I will see what we can do to add it to the website.

I would like to thank Tim Meinhart, our outgoing president, for his efforts in leading a very successful year. We had an extensive program of events ranging from our annual golf outing to the state of capital markets event and two networking events targeted at our colleagues who were adversely affected by the economy. Additionally, our accomplishments were recognized by the ASA International organization, which awarded Chicago the Best Chapter Award. This is the sixth consecutive year that we have won this award. Chicago does well because it has a full program of events that serve the needs of its members. In order to continue to serve the membership we will be sending a questionnaire out this fall to solicit your opinion on a number of topics, to better serve your needs.

In closing, I would like to solicit volunteers. Participating in the activities of the Chapter is a wonderful way to become known in the appraisal community. Available opportunities include helping plan events and other project type activities that will not commit you for the entire year. If you are interested in participating, please let me know by telephone 312.486.1397 or email pajohnson@deloitte.com.
A Word from Our Discipline Chairs

**Business Valuation**
*Carmen Sims, ASA*

I am pleased to join the Chicago Chapter and serve as this year’s BV Discipline Chair.

By way of background, I am a senior manager with Deloitte Financial Advisory Services LLP, and specialize in valuation services for consulting, tax and financial reporting purposes. The upcoming year promises to be another exciting year for valuation professionals and should bring both challenges and opportunities. BV is currently in the process of planning for 2010, including our Capital Markets event where we look to provide you with an opportunity to hear both relevant and interesting topics affecting our profession.

As I am new to the group, I welcome any suggestions, comments or items of interest. I would also encourage all those who are interested in joining this committee to contact me at: csims@deloitte.com or (312) 486-4579.

**Gems & Jewelry**
*Michael Holtzman*

The jewelry trade locally and nationally is undergoing unprecedented stresses that will undoubtedly leave an indelible mark on the future of the trade for some time to come. Consumers will be glad to hear that prices for many diamonds and precious stones have returned to more normal levels. The only certainty for the diamond and jewelry trade is there will be fewer companies throughout the supply chain of the diamond and jewelry pipeline in the future. If you have any questions, please contact me at mholtzman@diamondchannel.com or 312.372.4650.

**Machinery & Technical Specialties**
*Michael Ackerman, ASA*

Like so many markets, the equipment market has been extremely volatile over the last year. Nothing really has any easily identifiable value until you try to sell, and we always seem to be somewhat surprised either way (selling high, low, or not at all) at liquidation and auction sales. In the last four weeks, we have seen some sunshine in the marketplace. Transactions have diversified. As discipline chair, I am happy to help with specific questions that arise in your work. I find the most helpful and meaningful way to understand our area is to go to an onsite auction. This can be difficult as they often occur during the business day, but in the long run they are helpful to those in our field. Please let me know if there are any programs you would like to see on the ASA calendar and I will do my best to organize it. I can be reached at 224.927.5300 or by email at michael@pplauction.com.

**Personal Property**
*Patricia Atwood, ASA*

Over the summer, Chicago ASA Personal Property members were active in various continuing education venues. Two members attended the ASA International Conference in Florida. Here in Chicago, ASA Chapter Newsletter Editor, Lela Hersh AM, recommended a Northwestern University class entitled, *The Art of the Print*. Four ASA Chicago PP Chapter members enjoyed participating. Our informal communications network is gathering steam. This fall I’ll complete an email list as an efficient way to pass along tips to all Chicago ASA PP members. Informally, I have received notice on upcoming events from our members including a note from Patricia Hefner that a number of members expressed interest in a lecture about the Baghdad Museum that was held at the University of Chicago. Also, I have heard interest in a potential program on forgery that Barbara Schnitzer, AM mentioned last May.

We would also like to help publicize the accomplishments of our members. Please let me know about any programs, interviews, papers or blogs that you have done as well as any honors you have received. Also let me know about upcoming programs that you think would be of interest to other PP members. I can be reached at 815.316.0032 or by email patwood@timelyantiqueappraisals.com.

**Real Property**
*Jeffrey Kirk, ASA*

The Real Property Chair activities this month have included making referrals to appraisers when potential clients call in and pursuing a relationship of camaraderie with the Chicago Chapter of the National Association of Independent Fee Appraisers, NAIFA.

For the past several years, the American Society of Appraisers has been pursuing an alliance with the NAIFA and the American Society of Farm Managers and Rural Appraisers, ASFMRA. During a recent conversation with me, Doug Biederstedt, President of the Chicago NAIFA chapter discussed the alliance with ASA and NAIFA. NAIFA extends a lower fee for seminars and meetings to members of ASA and ASFMRA. Mr. Biederstedt sends a warm welcome to ASA members who wish to attend the Chicago NAIFA chapter meetings and seminars. The ASA website indicates that the Real Property Committee (ASA-RP) has entered into an agreement with the NAIFA to develop, maintain and present joint educational offerings. Further discussions between the two chapters may lead to exchanging email lists so members can receive meeting and seminar notices from both chapters and our offering lower rates to NAIFA members who attend ASA meetings and seminars. My contact information is 815.877.6160 and email valuation@usa.com.
**CALENDAR OF EVENTS**

**SPECIAL EVENT**

TIZI MELLOUL, CHICAGO  
SEPTEMBER 24, 2009, 6:00 PM COCKTAILS, 6:30 PM DINNER  
OPENING NIGHT DINNER

**SPECIAL EVENT**

UBS BUILDING, CHICAGO  
WEDNESDAY, OCTOBER 14, 2009, NOON  
LETTERS OF ENGAGEMENT EVENT

**SPECIAL EVENT**

FIELD MUSEUM, CHICAGO  
NOVEMBER 12, 2009, 2:00 PM  
BEAUTY AND THE BUSINESS: NEW TRENDS IN THE DIAMOND TRADE

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**Letters of Engagement**

On Wednesday, October 14, ASA will hold a presentation addressing letters of engagement at the UBS Tower, 1 N Wacker Drive in downtown Chicago.

Engagement letters are usually the first formal written correspondence you have with your client. What do your engagement letters say about you and your business? Also, does your engagement letter properly set your client's expectations and protect you in case an issue arises? This session will outline the structure of an engagement letter and give some examples of what to include in your engagement letters. Various wording examples will be provided for discussion and appraisers will share their past experiences and challenges with these letters. The session will also review engagement documentation provided by banks and financial institutions and how to make sure that your interests are covered in these documents. Further details about the event will be posted on the website at old.appraisers.org/chicago.

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**Upcoming Events**

**Opening Night Dinner**

How does "a dreamy eatery out of the Arabian nights" (or so says Crain's Chicago Business) sound for dinner? Join the Chicago Chapter ASA opening night dinner at Tizi Melloul, September 24, 2009, 6:00 pm. Tizi Melloul is located at 531 North Wells, Chicago, telephone 312.670.4338. Enjoy the Mediterranean theme and catch up with your fellow ASA members. RSVP to chicagoasa@sbcglobal.net or call 1-866-261-0272 by by September 17th to guarantee your reservation, as seating is limited. When you make your reservation, please notify us of any food allergies. There is no charge for his event.

**Beauty and the Business: New Trends in the Diamond Trade**

Save November 12 on your calendar! You don't want to miss this multi-disciplinary program at the Field Museum led by Michael Holtzman. Holtzman is an expert in both gems and the business of diamonds. This is a unique opportunity to get an insider's view of this changing business. The event will include discussion on the current state of affairs of the diamond business covering the supply chain from mining to retail, including the current role of mining companies that are finding diamonds today. Questions such as how the recent downturn in the economy affects the jewelery and gemstone supply chain, and what does it portend for the future will be addressed. In addition, technology trends and the new diamond and jewelry consumers will be covered. Further details about this event will be posted on our website at old.appraisers.org/chicago.

After the presentation by Holtzman, attendees will get to view the special exhibition The Nature of Diamonds. The program starts at 2 p.m. and lasts until approximately 4:30 p.m. This event is co-sponsored by the Wisconsin ASA Chapter.
CONFERENCES

CONFERENCE
FISHERMAN'S WHARF, SAN FRANCISCO
OCTOBER 4–7
INTERNATIONAL CONFERENCE ON VALUATION OF PLANT MACHINERY AND EQUIPMENT (ICVPME) CONFERENCE

CONFERENCE
MONTREAL CANADA
October 28-31 2009
ASA Personal Property Fall Conference

Personal Property in Montreal
Bienvenu à Montréal

Join your colleagues and fellow personal property appraisers in Montréal Canada from October 28-31 2009 for the Fall 2009 conference.

The program includes a tour of some of finest collections of fine and decorative arts and material culture in Canada, including the McCord Museum, the Montreal Museum of Fine Arts, a prestigious corporate art collection, and several important commercial art galleries.

The final day of the program will highlight a valuation seminar emphasizing the collaboration between personal property and business valuers as we navigate the fascinating world of artistic copyright and the income approach to value.

International Conference: Valuation of Plant Machinery and Equipment

2009 ICVPME Conference

Now is the time to sign up for the best and most informative 2009 International Conference on the Valuation of Plant Machinery and Equipment ever. The American Society of Appraisers (ASA), the Royal Institution of Chartered Surveyors (RICS) and the Australian Property Institute (API) are sponsoring the 6th International Conference on the Valuation of Plant and Machinery Equipment Oct. 4–7 at Fisherman's Wharf in San Francisco.

This year's sessions include many topics to help address issues in the quickly-changing world we live in. Key topics will include an overview of the Global Economy and its Impact on M&E Value; and Risk Management's Role for a New Banking System.
CONTINUING EDUCATION

COURSE
NORTHWESTERN UNIVERSITY, CHICAGO
October 1-4, 2009
Introduction to Personal Property Valuation (201)

COURSE
HILTON GARDEN INN DOWNTOWN CHICAGO
October 1-6, 2009
ISA Appraisal of Antiques and Residential Contents

COURSE
NORTHWESTERN UNIVERSITY, CHICAGO
DECEMBER 3 - 6, 2009
PERSONAL PROPERTY VALUATION METHODOLOGY – RESEARCH & ANALYSIS (202)

APPRaisal of Antiques and Residential Contents
The International Society of Appraisers

ISA will offer a course to help handle one of the knotty issues many families and estates face – the valuation of a household with the personal accumulation of a lifetime. “Appraisal of Antiques and Residential Content” will be offered only once this year from October 1- 6 at the Hilton Garden Inn Downtown Chicago. The course will be taught by Karen Rabe, ISA, CAPP and David Mapes, ISA, CAPP.

This survey course will provide a broad overview of information and techniques necessary to properly identify and value items falling into the broad category of antiques and residential contents. Course sections include furniture, ceramics, glass, silver, toys and dolls, orientalia and vintage fashions as well as general household contents. The course includes an off-site field trip to Susanin’s Auctions for a hands-on survey of selected furniture and will provide access to the International Antiques Fair of the Merchandise Mart for an overview.

Enrollment is available to all appraisers and other interested parties. Cost of the course is $1,200 for ISA members and $1,470 for non-members. Registration deadline is September 28. Registration is available online at http://www.isa.appraisers.org/ISA%202009%20Course%20Registration%20Form.pdf or through the ISA office main office at (312) 891-6778.

ASA at Northwestern University in 2009
Tell Your Colleagues and Associates about ASA Classes at Northwestern University

Introduction to Personal Property Valuation
This course covers general valuation theory and principles that influence valuation; historical antecedents of modern appraisal practice, appraisal terminology; functions of appraisals and identification in the appraisal process; and factors affecting the valuation process. No previous experience required. Educational background or market experience relevant to the objects typically examined in current appraisal practice or expected to be examined in future appraisal practice helpful. This course meets for 3 ½ consecutive days

Course Level: Basic; Course Hours: 27; Exam Hours: 3. Tuition: $745

Personal Property Valuation Methodology – Research & Analysis
Dec. 3-6, 2009
This course addresses the relationship between valuation theory and market economics and statistics; matching appraisal methods to appraisal purposes and objectives; researching primary and secondary sources; uses of statistics in valuation; the work plan and its components; research design and organization; and interpretation of catalog information and prices. This course meets for 3 ½ consecutive days. Course Level: Intermediate; Course Hours: 27; Exam Hours: 3, Tuition: $745

For additional information contact Caroline Gosselin
c-gosselin@northwestern.edu
(312) 503-4846 or go to www.scs.northwestern.edu/pdp/npdp/appraisal/
CONGRATULATIONS CHICAGO CHAPTER FOR WINNING BEST ASA CHAPTER AWARD FOR THE 6TH CONSECUTIVE YEAR!

And winning Outstanding Achievement in Public Relations Award

Chicago Chapter Award Winners

Ed Detwiler wins Best Contributing Member Award and Erin Durand Hollis wins Greene-Kuehnle Scholarship Award.

Douglas Krieser, ASA Receives Fellow Designation

The Worldwide Organization of Property Professionals Acknowledges Achievement and Contribution to the Field

The Royal Institute of Chartered Surveyors Americas has announced the promotion of Douglas R. Krieser to a Fellow of the organization (FRICS). As a FRICS, Douglas Krieser has demonstrated significant career achievement in his field, showing leadership and a commitment to the RICS code in all of his work.

Douglas Krieser is a Managing Director with Valcon Partners, Ltd. He has more than 20 years in the field of valuation and has worked on a variety of tangible asset valuation and consulting projects on a worldwide basis. This accomplished professional joins a group of more than 700 individuals who, through a combination of proven experience, professional development, and significant contributions to RICS and or the profession, have achieved Fellowship status.

Advancements

Congratulations to Chicago Chapter members who have received their designations in Business Valuation

Matthew C. Jones, AM
Stephen G. Pawlow, ASA
Jasna Karamehmedovic, ASA
Ronald J. Ewing, ASA

Kudos Forthcoming

Lela Hersh, AM
Newsletter Editor

Please send any information regarding papers, awards, presentations, advancements, or any other acknowledgements you have made in the appraisal field. The newsletter will be published quarterly and your contributions will be greatly appreciated. Please send to me via email lelahersh@comcast.net or contact me by telephone at 847.780.4560.

Where did the name of Greene-Kuehnle Scholarship award come from?

According to Steve Friedman, ASA, the fund was originally created in honor of Walter Kuehnle whose son, Christopher (Kit), was Chicago Chapter president (1983-84). “Walter Kuehnle was an influential figure in real estate and was widely admired,” says Rhea Rosen, ASA. When Arnold (Arnie) Greene (president from 1977-1978) passed away in the early 1990s, the award was changed to the "Kuehnle-Greene Scholarship Fund." Eventually the names were switched to the current Greene-Kuehnle Scholarship Fund.
What’s Been Going on in Chicago at ASA?

**January Business Valuation Event**

Once again the Chicago ASA Chapter teamed up with the Business Valuation Association of Chicago (BVA) for the January presentation of the “Capital Markets”. Kevin Zanni (Business Valuation Discipline Chair) and President Tim Meinhart worked with the BVA to coordinate this event and engage knowledgeable speakers. A panel of three financial experts – Steven M. Bernard, Patrick Dorsey, and Daniel P. Howell – discussed their experiences in 2008 and their predictions for 2009. The Capital Markets presentation is always well attended by Chicago ASA members and we plan to continue this collaboration with the BVA going forward. Two CPE credits were awarded for attendance.

**February and April Networking Events**

ASA Chicago Chapter Board of Directors hosted a no-charge Networking Lunch for members only. Members who had been laid off, had recently started their own business, or may be laid off due to downsizing, were the focus of this event. Featured participants included our former Region 4 Governor Ed Detwiler (MTS), Fred Jahns (BV), Jack Chartier (MTS), Rick Worthen (MTS), and John Josko (MTS). These participants shared ideas, tips, and support, and left members knowing they have many resources to turn to within their very own chapter. Two CPE credits were awarded to attendees and participants.

Feedback from the members who attended the February event was so positive that we repeated the no-charge Networking Lunch in April. This time we had a featured speaker, Jack Heyden, partner of Gray Hair Management. Mr. Heyden is a specialist at personal reinvention and gave our Chicago member attendees advice on how to “recession proof” and enhance their careers as well as how to find new opportunities. This second event was also very well received and 2 CPE credits were awarded.

**April Business Valuation Event**

In April, we broadened the awareness of ASA to another professional business valuation organization with our presentation of “S Corporation Valuation – The After Tax Model” by Daniel R. Van Vleet. In addition to inviting the BVA, we also extended an invitation to Joe Modica, president of the Chicago Chapter of the National Association of Certified Valuation Analysts (NACVA), who graciously promoted the event to his chapter members. As a past ASA Chicago Chapter president and well-recognized contributor to business valuation education, Mr. Van Vleet did an excellent job of mesmerizing the crowd with his advanced theories. He discussed how an S corporation income approach model that does not tax affect can conclude a theoretically supportable value consistent with the Tax Court’s published opinion in Gross. Erin Hollis (Public Relations Chair and Treasurer) hosted this event, and overall we had a fantastic turnout for the presentation with many walk-in registrants at the door on the day of the event. Two CPE credits were awarded.

**May Personal Property Event**

Personal property chair, Patricia Atwood, ASA, introduced the speaker, Darwin F. Brown, who spoke about The Increased Value of Valuations: Personal Property Appraisers as Partners in the Wealth Management Process. Mr. Brown is a lawyer who concentrates his wealth management practice in estate, financial, and charitable planning. The seminar, organized by Diane Carr and Lela Hersh, AM, attracted a full house of personal property appraisers, as well as a few attendees from other disciplines, to hear Mr. Brown.

As an estate planner and lawyer, Mr. Brown brought an interesting perspective to appraisers. He spoke about the history of estate tax and its current status, and addressed several issues that were relevant for appraisers. Mr. Brown’s goal is for his client is to minimize estate tax though he is empathetic to the appraiser who cannot take the client’s needs into his/her value conclusion. To mitigate this sometimes uncomfortable position, Mr. Brown encouraged the group to follow precedent and procedure and work with the parent ASA organization as a larger body to address significant issues. Also present was Valerie A. Smith, Vice-President of DeWitt Stern Group, an insurance broker brokerage and risk advisory specializing in fine art, who answered several questions from the group.
Golf Outing
By Kevin Zanni, ASA

The ASA Chicago Chapter, 2009 Golf Classic was held on Friday, July 17 at the Sportsman’s Country Club in Northbrook, IL. It was a blast! We were blessed with fantastic weather and fun was had by all.

The format of the 2009 Golf Classic was a best ball competition to determine the winning team. We also had several closest to the pin challenges on par 3s.

This year we had a dramatic finish to determine the 2009 Golf Classic winning team. Two teams, one headed by Michael Holtzman and the other by Tim Meinhart, were tied after the initial 18 holes. Michael and Tim decided to duke it out via a putt-off challenge to claim the 2009 Golf Classic 1st prize.

Michael stepped in and drew first blood by lagging his put around 20 feet of the 30 foot distance. With the pressure on, Tim grabbed his weapon and gave it a go. Adrenaline was in the air as Tim ripped his put 40 feet, sailing 10 feet past the 30 foot distance. In the end, Tim’s putt was just off the green which allowed Michael to grab the victory for his team.

On behalf the ASA board of directors, I would like to thank the ASA Chicago Chapter membership for supporting the 2009 Golf Classic. We plan to continue this tradition next year.

2009 ASA International Conference, Orlando
By John Friedman

I recently attended the ASA International Conference in Orlando, Florida and wanted to share my observations on some the MTS sessions that I attended.

The Chicago Chapter was well represented in the first session by Doug Krieser and John Matthies who delivered an educational presentation about writing effective proposal/engagement letters. They discussed what should be included in the engagement letter (the written contract between the appraiser and the client) and stated that the engagement letter should be used to set expectations for both the appraiser and the client. Thus if the client does not provide information that is required for the appraisal in the timeframe that was agreed upon, the engagement letter allows you to adjust the fees or delivery date accordingly. They also discussed how to avoid scope creep by clearly stating what is to be appraised. Anything outside the scope of the engagement letter should require either an addendum or an additional engagement letter altogether in order to make sure you are fairly compensated for your additional time.

The Estimated Useful Life (EUL) session discussed the MTS committee’s long anticipated Estimated Normal Useful Life studies for machinery and equipment. The study will be available free to all ASA members and is expected to be published sometime within the next month. The reports will contain EULs for a multitude of equipment types which will be divided into forty five industry categories.

The Ad Valorem session was very insightful. It provided an important reminder about some of the risks associated with jurisdictional expectations. One of the panel members cited cases were appraisals were thrown out as evidence since they didn’t follow the proper legal guidelines for the jurisdiction. Thus if a certain jurisdiction calls for a self contained appraisal, any other type of appraisal report can be thrown out as evidence.

Other sessions included valuing electric generating facilities, broadcast equipment, auctions, and developing a Microsoft Access Database for handling your appraisal data and reports.
End of the Year Dinner at Nacional 27

Rhea Rosen and her husband Hy awaiting dinner

John Friedman to the left, along side Mary O’Connor, the new Regional Governor, and Steve Friedman

Kathy Lamb enjoys the evening while catching up with Ed Detwiler

Parting words from outgoing Chicago Chapter President Tim Meinhart