

October 18, 2012

Appraisal Standards Board
The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005

Via email to: asbcomments@appraisalfoundation.org

**Re: Comments on the Second Exposure Draft of Proposed Changes for the 2014-15 Edition
of the *Uniform Standards of Professional Appraisal Practice***

The New York State Society of Certified Public Accountants (NYSSCPA), representing more than 28,000 CPAs in public practice, industry, government and education, welcomes the opportunity to comment on the above captioned exposure draft.

The NYSSCPA's Business Valuation Committee deliberated the exposure draft and prepared the attached comments. If you would like additional discussion with us, please contact Martin Lieberman, Chair of the Business Valuation Committee at (212) 937-8426, or Ernest J. Markezin, NYSSCPA staff, at (212) 719-8303.

Sincerely,


Gail M. Kinsella

President

Attachment

**NEW YORK STATE SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS**

COMMENTS ON

**COMMENTS ON THE SECOND EXPOSURE DRAFT OF PROPOSED CHANGES FOR
THE 2014-15 EDITION OF THE *UNIFORM STANDARDS OF PROFESSIONAL
APPRAISAL PRACTICE***

October 18, 2012

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New York State Society of Certified Public Accountants

Comments on

The Second Exposure Draft of Proposed Changes for the 2014-15 Edition of the *Uniform Standards of Professional Appraisal Practice*

General Comments

The Business Valuation Committee of the New York State Society of Certified Public Accountants (NYSSBV) has reviewed the Second Exposure Draft of Proposed Changes for the 2014-15 Edition of the *Uniform Standards of Professional Appraisal Practice* (the “Exposure Draft”) and has summarized its comments as follows.

Section 1: Proposed Retirement of STANDARDS 4 and 5 (including proposed edits to the Conduct section of the ETHICS RULE)

The removal of STANDARDS 4 and 5 does not impact the practice of business valuation. We therefore have no comment.

Section 2a: Proposed Revisions to the DEFINITION of “Assignment Results”

We believe the definition of “Assignment Results” is too broad. Results are final. Therefore, we propose adding the word “final” in front of each of the “opinion(s) or conclusions...” in the definition and bullet points.

By defining “Assignment Results” as final, this would eliminate the possibility of draft reports falling into the definition of Assignment Results. This would eliminate additional legal costs arising from the inclusion of draft reports as evidence in litigation.

This would also bolster public trust, eliminating confusion and arguments coming from the comparison of draft reports to the final Assignment Result.

Section 2b: Proposed Revisions to the DEFINITION of a “Report”

We disagree that appraisal reports would include draft reports. In litigation, this would require appraisers to reconcile from draft 1 to draft 2 to draft 3, *etc.* changes in the assumptions, conclusion and opinions and their impact on value. If a report, whether written or oral, is believed to be final, is recalled, and another report is issued in its place, both reports should be defined as final reports.

We agree that there should be a linking of the definition of a "Report" to when the certification is signed by the appraiser and the report transmitted to the client.

We agree with the removal of the comment.

Our proposal of the verbiage would be:

Line 344—any communication, written or oral, of a final appraisal or final appraisal review

Line 345—assignment that is transmitted to the client upon completion of an

Line 346—assignment or any other intended user, as defined in the final report or oral communication of

Line 347—a final appraisal or final appraisal review. For written communication a signed certification would be part of the report.

Section 3: Proposed Revisions to the RECORD KEEPING RULE

We believe that the retention of all written reports is not necessary. As outlined in our responses to Sections 2a and 2b only final reports should be retained.

We proposed the following verbiage:

Line 358—true copies of all final written reports

Line 360—electronic copy of the entire final report

Line 362—summaries of all final oral reports

Line 364—the support for all changes to a final revised report

Section 5: Proposed Revisions to the Definition of “Scope of Work”

We agree with the proposals in the Exposure Draft.

Section 6a: Report Options (includes proposal for one report option in STANDARDS 2, 8 and 10)

As STANDARDS 2 and 8 apply to Real Property Appraisal, Reporting and Personal Property Appraisal, Reporting, respectively, we are not commenting on the proposed changes.

We agree with the proposed changes to Standard 10.

Section 7: Proposed Revisions to the COMPETENCY RULE

We agree with the proposals in the Exposure Draft.

Section 8: Proposed Revisions to the PREAMBLE – When do USPAP Rules and Standards Apply?

We agree with the proposals in the Exposure Draft.