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FAMILY LAW: Professional appraisals provide the best ammunition

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Should you need to know the value of personal property, such as an art collection or even one single work, in order to determine a settlement for your client, it may be prudent to consult a professional appraiser, and get a complete certified Appraisal. In many family law situations, one needs to establish the value of personal property. Also, the very process of producing an appraisal, with all the research, documentation, reporting on condition, compiling receipts, and so on, can help to sort out some property disputes.

The accumulated work file can also be called upon as further proof, even if not specifically used in the appraisal report. All Appraisers who comply with the *Uniform Standards of Professional Appraisal Practice* are required to keep the work file for five years.

Auctions:

We all love the auction houses, but they are not in the business of providing proof good enough to stand up in court. Appraisals from auction houses are used as an estimate of what they think they ought to realize at their next auction.

Auction houses want you to put your merchandise into their auction and may provide a free or inexpensive service.

auctions, by their very nature are unpredictable and this is what makes them so entertaining and interesting. The hammer price at an auction may range from something like orderly liquidation to higher than retail. There are many concurrent factors influencing the outcomes at auctions. Not all lots sell.

Auction results are always considered as part of the whole picture in writing a complete appraisal report, but don't give an accurate picture on their own.

Vendors:

Vendors are not considered objective enough, even though they may know a lot about what they are selling. In fact, I use reports and opinions from vendors within the context of my appraisals. the value opinion takes into account all vendor opinions, plus many other sources.

History

Back in the 1980's or earlier, appraisals for fine art and collectibles were often done by the dealers or vendors, or even by the artists themselves. Obviously they were not always objective, nor did they have the training or direction or motivation to formulate detailed value opinions. Their appraisals were based on little or no research or facts. They merely stated that, in their opinion, something was worth a certain amount. This does not stand up in court even when the opinion is from a recognized professional. These opinions served as real appraisals simply because there were not many people available to provide anything better.

The appraisal profession, like any other professions, required standardization of rules, procedures and ethics. To this end, the *Uniform Standards of Professional Appraisal Practice (USPAP)* were developed in 1986 and 1987 by an ad hoc committee made up of representatives leading appraisal organizations in the U.S. The Appraisal Foundation (authorized by the US Congress) copyrighted the USPAP in 1987. In 1989, the Appraisal Standards Board of the Appraisal Foundation was established. The USPAP had been adopted by the Foundation's member organizations. These standards, the USPAP, are now recognized as the accepted standard of appraisal practice. Appraisal societies, like the American Society of Appraisers require their members' reports to adhere to the USPAP.

Compliance:

Generally, to be used in a legal context an appraisal must have a signed certification and must comply with USPAP. The appraiser should be a member of a recognized appraisal organization. The appraisal should be objective, at arms-length, with no remuneration contingent upon the outcome, and it should be produced with due diligence. Due diligence simply means that no stone has been left unturned in the pursuit of relevant data, and all facts that would in any way influence the value conclusion have been considered and documented.