

## EUGENE PASYMOWSKI, MAI

### STATEMENT OF PROFESSIONAL QUALIFICATIONS

502 Fairmont Drive, Chester Springs, Pennsylvania 19425  
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www.realstat.com realstat2010@aol.com

#### **RealStat<sup>®</sup>, Inc.**

#### **Chief Executive Officer**

Chester Springs, Pennsylvania

1987 to Present

As Chief Executive Officer of this real estate appraisal firm specializing in the valuation of all types of properties, developed RealStat<sup>®</sup> a hedonic econometric multiple regression analysis computer software program based on Microsoft<sup>®</sup> Excel<sup>®</sup> for the sales and rental comparison approach to real estate valuation. RealStat<sup>®</sup> has been successfully applied to the valuation of residential, commercial & industrial, properties. Assignments have included:

- Forensic analysis
- Market analysis
- Lease survey
- Economic feasibility
- Permanent financing
- Insurance claims
- Eminent domain
- Distressed properties
- New construction
- Special purpose properties
- Land Subdivision & Development
- Real estate tax assessment appeal

Subjects of these appraisal and consulting assignments have included office buildings, analyses for acquisition/disposition, historic properties, hotels, retail shopping centers, automobile dealerships, single family homes, apartment buildings, residential developments, storage warehouses, distribution warehouses, manufacturing facilities, Steel plants, light & heavy industrial plants, cogeneration (electric/steam) utility, college campus, research and development facilities, banks, pharmaceutical research and resort facilities.

In addition to these applications and subject properties serves as an expert witness: U.S District Court Philadelphia, U.S. Bankruptcy Courts in Philadelphia, Trenton, and Boards of Tax Assessment in Connecticut, Massachusetts, New York and Pennsylvania.

Conducted continuing education seminars on the application of econometrics to the valuation of real estate for the Appraisal Institute that was approved by the State Boards of Real Estate Appraisers in PA, NJ, MD, VA, DE & DC), Assessors Association of Pennsylvania, and Greater Philadelphia Realty Board.

Best Paper prize was awarded to Pasymowski at the bi-annual Pan Pacific Congress of Real Estate Appraisers, Valuers and Counselors conference: *Econometric Solutions of Real Estate Valuation*, San Francisco in September 2006. Award selected by a panel of real estate experts and econometricians representing countries from the entire Pacific Ocean Rim including United States, Canada, Mexico, Japan, Taiwan, Korea, Australia, Philippines, Indonesia, Singapore, Malaysia and New Zealand. Click:

*Econometric Solutions for Real Estate Valuation - English*  
[http://www.realstat.com/download/EconometricSolutions\\_english.pdf](http://www.realstat.com/download/EconometricSolutions_english.pdf)

## RECENT REAL ESTATE APPRAISAL EXPERT WITNESS AND LITIGATION SUPPORT SERVICES

- Appraisal for litigation involving alleged fraud by the developer of a 40-story 300-unit luxury high rise residential condominium building. Performed a simultaneous estimate of market values for each of the 300 condominium units. RealStat regression analysis software calculated the \$/SF value of gross living area, \$ value increase per floor, contributory value of eight views and time series estimate of a downward change in market value from years 2008 to 2010.
- A forensic real estate appraisal review analysis was performed to verify the credibility of the market value estimate. The subject was a 250,000 SF industrial facility located on 150 acres. The comparable land sale prices were converted to an average price \$/acre and treated as if they were a fungible commodity that is sold based on a unit price such as gold (\$/Troy oz.), gasoline (\$/gallon), etc. Real estate is not a fungible commodity. This resulted in a profound distortion of the real estate market data, causing an erroneous and unreliable value conclusion. The following table illustrates this. The price per acre range is \$23,528 to \$35,000 with a median of \$31,799 and an average of \$30,732 that suggests these sales are similar but this is a merely a mathematical coincidence. The % adjustments based on the average \$/acre ranged from -20% to +20% with an average -4.3% and a median of -15%. The necessary actual \$ adjustments to arrive at the subject estimated value of \$5,400,000 ranged between \$2,652,000 (97%) and \$5,225,000 (2986%) with an average of \$4,336,943 (1192%) and a median of \$5,001,000 (1253%). The reported sales were not comparable to or competitive with the subject estimated market value. Hence, the reported market value of the subject property was not credible.

	Sale Price	Acres	\$/ Acre	Appraiser % Adjustments \$/Acre	Estimated Market Value	Actual \$ Net Adjustments	Multiplier	Actual % Net Adjustments
Sale #1	\$ 2,000,000	61.06	\$ 32,755	20.0%	\$ 5,400,000	\$ 3,400,000	2.700	170%
Sale #2	\$ 2,747,400	86.40	\$ 31,799	5.0%	\$ 5,400,000	\$ 2,652,600	1.965	97%
Sale #3	\$ 280,000	8.00	\$ 35,000	-15.0%	\$ 5,400,000	\$ 5,120,000	19.286	1829%
Sale #4	\$ 290,000	10.20	\$ 28,431	-15.0%	\$ 5,400,000	\$ 5,110,000	18.621	1762%
Sale #5	\$ 1,550,000	65.88	\$ 23,528	15.0%	\$ 5,400,000	\$ 3,850,000	3.484	248%
Sale #6	\$ 399,000	11.86	\$ 33,642	-20.0%	\$ 5,400,000	\$ 5,001,000	13.534	1253%
Sale #7	\$ 175,000	5.84	\$ 29,966	-20.0%	\$ 5,400,000	\$ 5,225,000	30.857	2986%
Subject	\$ 5,400,000	150.00	\$ 36,000		\$ 5,400,000			
Minimum	\$ 175,000	5.84	\$ 23,528	-20.0%		\$ 2,652,600	1.965	97%
Maximum	\$ 2,747,400	86.40	\$ 35,000	20.0%		\$ 5,225,000	30.857	2986%
Average	\$ 1,063,057	35.61	\$ 30,732	-4.3%		\$ 4,336,943	12.921	1192%
Median	\$ 399,000	11.86	\$ 31,799	-15.0%		\$ 5,001,000	13.534	1253%

- Mortgage Fraud: Residential housing market regression statistical analysis study of 3,654 home sales in South Philadelphia to estimate the percent increase in home values from 2002 to 2008. The subject 65 homes in South Philadelphia were the focus of a major Federal Government criminal mortgage fraud case. Eugene Pasymowski presented evidence before Federal Judge Michael M. Baylson utilizing RealStat regression analysis software that performed a simultaneous estimate of market values for each of the 65 subject homes. Regression analysis concluded that market values increased from 2002 to 2008 and had the lenders promptly re-sold the homes most re-sales would have been sold at a break-even to a profit. The Mortgage Fraud Consulting Report - Submitted to U.S. District Court for the Eastern District of Pennsylvania - April 2009.

- Appraisal for class action litigation on behalf of a Fortune 300 company (defendant) of 85 homes in two adjacent neighborhoods located in Louisville, Kentucky. Performed a regression analysis housing market study of 2,260 home sales within a five-mile radius of the subject neighborhood to estimate the percent value change from 2001 to 2006. Performed a simultaneous estimate of market values for each of the 85 subject homes. Regression analysis concluded that the diverse subject properties did not statistically indicate that they were part of class of similarly situated homes. Judge ruled that a class did not exist and denied plaintiff's claim and dismissed the case. One year later plaintiff's lawyers filed 85 separate lawsuits and a second appraisal report was submitted. The case was settled to the satisfaction of the defendant company prior to trial.
- Performed a land use study on behalf of Sugarhouse Casino and Foxwoods Casino to map the results of proposed ordinance that would limit the location of a casino to more than 1,500 radial feet of a school, church, park, playground, residence, etc. Study concluded that the restriction would prevent a casino to operate anywhere in the City of Philadelphia and thus would constitute illegal exclusionary zoning. The land use study was submitted as evidence before the Supreme Court of the Commonwealth of Pennsylvania that ruled in favor of the casinos and against the proposed ordinance.
- Performed a forensic real estate review analysis of appraisal reports prepared by two national real estate valuation firms on behalf of opposing attorneys in a \$200,000,000 divorce litigation involving commercial real estate properties (automobile dealerships, office buildings, retail shopping mall and centers, luxury hotel, commercial land, etc.) in New York, Pennsylvania, Florida, Arizona, Colorado and California. The prenuptial agreement stated that in the event of a divorce the wife would receive \$3,000,000. The spouses' primary residence was in Florida which is an "equitable distribution" state. Equitable distribution refers to the way that spouses in Florida divide their property and debts in a divorce. While some states have community property rules requiring an exactly equal division of marital property and debts, most states require only an "equitable" or fair division. Florida law requires an equitable division but also states that in most cases equitable means equal. During the 20+ year marriage the real estate increased in value by \$100,000,000 and wife was awarded 50% i.e. \$50,000,000.

### **REAL ESTATE PROFESSIONAL DESIGNATIONS, LICENSES & ORGANIZATIONS**

MAI Member Appraisal Institute Appraisal Institute, Chicago, Illinois www.appraisalinstitute.org	1992 to Present Certificate Number: 9514
Director Philadelphia Metropolitan Chapter Appraisal Institute	1997 to 1999
Member Ethics and Counseling Regional Panel	1995 to 1999
Member National MAI Experience Review Committee	1996 to 2006
Certified General Real Estate Appraiser Commonwealth of Pennsylvania	Certificate Number: GA-000263-L
State of New Jersey	Certificate Number: RG 01870
Real Estate Instructor Commonwealth of Pennsylvania	Certificate Number: RI-004223
Real Estate Broker Commonwealth of Pennsylvania	Certificate Number: RB044803-L
Real Estate Broker Member Tri-State Commercial and Industrial Association of Realtors®	

## PUBLICATIONS

Guest Lecturer - Real Estate Appraisal Seminar, "Statistics & Regression Analysis," Villanova University School of Business, April 2017

Best Paper Prize, Pan Pacific Congress of Real Estate Appraisers, San Francisco, California, USA September 2006

*Econometric Solutions for Real Estate Valuation - English*  
[http://www.realstat.com/download/EconometricSolutions\\_english.pdf](http://www.realstat.com/download/EconometricSolutions_english.pdf)

*Econometric Solutions for Real Estate Valuation - Korean*  
[http://www.realstat.com/download/EconometricSolutions\\_korean.pdf](http://www.realstat.com/download/EconometricSolutions_korean.pdf)

*Econometric Solutions for Real Estate Valuation - Chinese*  
[http://www.realstat.com/download/EconometricSolutions\\_chinese.pdf](http://www.realstat.com/download/EconometricSolutions_chinese.pdf)

*How to Discredit Most Real Estate Appraisals in One Minute*  
<http://www.realstat.com/download/discredit.pdf>

*Real Estate is Not a Fungible Commodity - The Legal and Valuation Implications*  
<http://www.realstat.com/download/fungible.pdf>

*Appraisal Analytical Trends: Regression Analysis and the Uniform Appraisal Dataset*, by Eugene Pasymowski, MAI, National Mortgage Professional, March 2014, Magazine pp. 78-79, Physical pp. 80-81  
[http://issuu.com/nmpmag/docs/nmp\\_mar14e?e=1230807/7228281](http://issuu.com/nmpmag/docs/nmp_mar14e?e=1230807/7228281)

*Regression Analysis - Risk Avoidance Mgmt. and Forensic Analysis* by Eugene Pasymowski, MAI, Valuation Review, November 2013

<http://www.realstat.com/download/Regression%20Analysis%20-%20Risk%20Avoidance%20Mgmt%20and%20Forensic%20Analysis.pdf>

## BUSINESS, GOVERNMENT AND PROFESSIONAL EXPERIENCE

### **ACTION, the Federal Agency for Volunteer Service**

**Regional Director, GS-15**

1981 to 1985

Philadelphia, Pennsylvania

- Schedule C Appointment - approved by the Director of the White House Office of Presidential Personnel
- Sponsored by Congressman Robert Henry Michel (Illinois) Republican Leader of the United States House of Representatives, Mayor Frank Rizzo of Philadelphia and the Heritage Foundation in Washington, DC

Responsible for all senior management functions within a 7-state region: Pennsylvania, Delaware, Maryland, Virginia, West Virginia, Kentucky, Ohio, & Washington DC

### **ACTION, the Federal Agency for Volunteer Service**

**District Director - Pennsylvania**

1974 to 1981

**U.S. Department of Labor – Region II (New York, New Jersey, Puerto Rico, Virgin Islands)**  
**Program Officer for Northern New Jersey** 1970 to 1974

- Assignment March 1970: Federal Organized Crime Task Force, Office of the United States Attorney Newark, NJ
- Assignment March 1972: Federal Intergovernmental Personnel Act assignment to Rutgers University sponsored by United States Senator Harrison A. Williams, Jr. (New Jersey)

**Center for Community Studies - Temple University**  
**Research Associate** 1967 to 1970  
Philadelphia, Pennsylvania

**National Teacher Corps**  
**Instructor: Economics and History** 1966 to 1967  
Eastern High School, Washington, DC

**Edgewater Hotel**  
**General Manager** 1961 to 1964  
Pasymowski family owned and operated 125-room hotel 1951 to 1964  
Atlantic City, New Jersey

### **VOLUNTEER & COMMUNITY SERVICE**

**Fort Ticonderoga**  
**Past Trustee and Elected Life Member** 1993 to Present  
Ticonderoga, New York  
[www.fort-ticonderoga.org](http://www.fort-ticonderoga.org)

- Served as a Trustee (1996 to 2006) and elected life member of this national historic site, which has 100,000+ visitors each year.

**Spring Garden Civic Association**  
**President** 1976 to 80  
Philadelphia, Pennsylvania 1982 to 84

- As President directed a successful effort to place 1,600 Victorian homes on the National Register of Historic Places. The Spring Garden neighborhood is located within the Art Museum area of center city Philadelphia, between Spring Garden Street and Fairmount Avenue and North 15<sup>th</sup> to 25<sup>th</sup> Street.
- Selected by *Philadelphia Magazine* as one of the "79 People to Watch in 1979" for promoting historic preservation.
- Featured in the August 1984 edition of *Historic Preservation Magazine*, (National Trust for Historic Preservation) for leadership in promoting the establishment of the Spring Garden National Historic District in Philadelphia.

### **MEMBERSHIPS**

- President Ronald Reagan Alumni Association, Washington DC [www.reaganalumni.org](http://www.reaganalumni.org)
- Global Interdependence Center, Philadelphia, PA [www.interdependence.org](http://www.interdependence.org)
- Philadelphia Council for Business Economics Philadelphia, PA [www.pcbe.org](http://www.pcbe.org)
- Saint Joseph's Preparatory School Alumni Association [www.sjprep.org](http://www.sjprep.org)

## EDUCATION

St. Joseph's Prep School  
The Jesuit High School of Philadelphia  
High School Diploma, 1960

Villanova University  
Villanova, Pennsylvania  
BS Economics, 1964

Antioch College  
Yellow Springs, Ohio  
MA in Teaching, 1968

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## REAL ESTATE COURSES AND CONTINUING EDUCATION SEMINARS

### Appraisal Institute, Chicago, Illinois

Real Estate Appraisal Principles	February 1987
Basic Valuation Procedures	April 1987
Residential Valuation	April 1988
Capitalization Theory and Techniques, Part A	April 1988
Capitalization Theory and Techniques, Part B	November 1988
Appraisal of Contaminated Properties	January 1989
Case Studies in Real Estate Valuation	November 1989
Report Writing & Valuation Analysis	May 1990
Appraiser as Expert Witness	May 1992
Americans with Disabilities Act	February 1993
Discounted Cash Flow Analysis	March 1993
Money Markets & Real Estate	May 1993
Standards of Professional Practice	June 1993
Cash Equivalency	October 1993
Subdivision Analysis	October 1993
Appraisal of Retail Properties	February 1995
People With Disabilities	March 1995
Furniture, Fixtures and Equipment	March 1995
Uniform Standards of Professional Appraisal Practice	March 1995
Multiple Linear Regression Statistical Analysis	May 1995
Dynamics of Office Building Valuation	September 1995
Real Estate Tax Assessment Appeal	March 1996
Data Conformation and Verification Methods	May 1997
Economic Indicators and Real Estate	May 1997
Mock Trial - Real Estate Tax Assessment Appeal	November 1997
State Certification Update	November 1997
Development and Valuation of Assisted Living Facilities	November 1997
Understanding and Using Discounted Cash Flow Software	December 1997
Environmental Issues in Real Estate	May 1998
Pennsylvania Appraisal Statues & Regulations	November 1998
Pennsylvania Appraisal Statues & Regulations	February 1999
USPAP '99 – Review & Update	February 1999
Acquiring and Managing Market Data	September 1999
63 <sup>rd</sup> Annual Princeton Conference	June 1999
Market Makers	September 1999
Assessment Laws & Procedures	February 2000
Contemporary Legal Issues	March 2000
Real Estate Finance	April 2000
Econometric Solutions for Real Estate Valuation	May 2000
Regression Analysis in Appraisal	June 2000
Fair Housing and Related Legal Issues	March 2002
Pennsylvania Appraisal Statutes, Regulations & Board Policies	May 2001

Standards of Professional Practice, Part C	December 2001
Mark to Market Seminar	April 2002
Econometric Solutions for Real Estate Appraisal	April 2003
National USPAP Update Course	May, 2003
Scope of Work	June 2003
Real Estate Finance: Markets, Numbers & the Impact on Value & Appraisals	April 2004
Pennsylvania Appraisal Statutes, Regulations, and Policy	September 2004
2005 National USPAP Update Course	June, 2005
Appraising Convenience Stores	May 2005
Supporting Capitalization Rates	May 2005
7-Hour National USPAP Update Course & 2-Hour Pennsylvania State Regulations	June 2005
Expand Your Practice: Succeed as an Expert Witness	September 2005
Title Insurance for the Real Estate Professional	April 2006
What's New in Standard Forms	April 2006
Evaluating Commercial Construction	April 2006
Contemporary Legal & Appraisal Issues Involving Eminent Domain	July 2006
Pan Pacific Congress of Real Estate Appraisers	September 2006
Case Studies in Financial Harmonization	September 2006
Pennsylvania Appraisal Statutes, Regulations, and Policy	May 2007
Business Practices & Ethics	May 2007
Partial Interest Valuation - Undivided	October 2007
Conference on World Currency and Finance - Banque de France, Paris	May 2008
Appraising Distressed Commercial Real Estate	November 2008
Self-Storage facilities Economics and Appraisal	May 2009
Appraisal Curriculum Overview (2-day General)	March, 2010
Uniform Standards of Professional Appraisal Practice 15-hour course	May, 2010
Real Estate Finance, Value and Investment Performance	May, 2010
Valuation by Comparison	May, 2010
Business Practices and Ethics	November, 2010
Appraising the Appraisal: Appraisal Review-General	May, 2012
Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets	May, 2013
Residential Update Presentation	March 2014
Regression Modeling: Why Bad Results Happen to Good Appraisers	October 2014
7-Hour National USPAP Update Course & 2-Hour Pennsylvania State Regulations	April 2015
Real Estate Finance, Statistics and Valuation Modeling	April 2015
Real Estate Trends – Philadelphia Metropolitan Area	May, 2015
Review Case Studies - Residential	March, 2017

