

**EUGENE PASYMOWSKI, MAI**  
**STATEMENT OF PROFESSIONAL QUALIFICATIONS**

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**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
- Real estate tax assessment appeal

**Sample Appraisal report - [Historic Townhouse - RealStat Regression Analysis](#)**

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, houses of worship, 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<br>Appraisal Institute, Chicago, Illinois<br>www.appraisalinstitute.org | 1992 to Present<br>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<br>Commonwealth of Pennsylvania<br>State of New Jersey         | Certificate Number: GA-000263-L<br>Certificate Number: RG 01870 |
| Real Estate Instructor<br>Commonwealth of Pennsylvania   | Certificate Number: RI-004223                                   |
| Real Estate Broker<br>Commonwealth of Pennsylvania   | Certificate Number: RB044803-L                                  |
| Real Estate Broker Member<br>Tri-State Commercial and Industrial Association of Realtors®              |   |

## SEMINARS/PUBLICATIONS

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

*Real Estate Appraisal Seminar, "Statistics - Regression Analysis,"* Villanova University, April 2017

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

*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**

Philadelphia, Pennsylvania

1981 to 1985

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

|   |                              |
|---|------------------------------|
| <b>U.S. Department of Labor – Region II (New York, New Jersey, Puerto Rico, Virgin Islands)</b><br><b>Program Officer for Northern New Jersey</b> | 1970 to 1974                 |
| <b>Center for Community Studies - Temple University</b><br><b>Research Associate</b><br>Philadelphia, Pennsylvania                                | 1967 to 1970                 |
| <b>National Teacher Corps</b><br><b>Instructor: Economics and History</b><br>Eastern High School, Washington, DC                                  | 1966 to 1967                 |
| <b>Edgewater Hotel</b><br><b>General Manager</b><br>Pasymowski family owned and operated 125-room hotel<br>Atlantic City, New Jersey              | 1961 to 1964<br>1951 to 1964 |

### VOLUNTEER & COMMUNITY SERVICE

|   |                 |
|---|-----------------|
| <b>Fort Ticonderoga</b><br><b>Past Trustee and Elected Life Member</b><br>Ticonderoga, New York<br><a href="http://www.fort-ticonderoga.org">www.fort-ticonderoga.org</a> | 1993 to Present |
|---|-----------------|

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

|  |                          |
|--|--------------------------|
| <b>Spring Garden Civic Association</b><br><b>President</b><br>Philadelphia, Pennsylvania | 1976 to 80<br>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

- |  |  |
|--|--|
| • Saint Joseph's Preparatory School Alumni Association | <a href="http://www.sjprep.org">www.sjprep.org</a>       |
| • Villanova University Alumni Association              | <a href="http://www.villanova.edu">www.villanova.edu</a> |
| • Ardrossan Beagles, Radnor Hunt, Malvern, PA          |  |

### EDUCATION

|  |                         |                      |
|--|-------------------------|----------------------|
| St. Joseph's Prep School               | Villanova University    | Antioch University   |
| The Jesuit High School of Philadelphia | Villanova, Pennsylvania | Yellow Springs, Ohio |
| High School Diploma, 1960              | BS Economics, 1964      | MA in Teaching, 1968 |

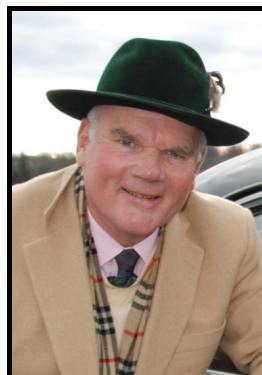
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## REAL ESTATE COURSES AND CONTINUING EDUCATION SEMINARS

### 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, Private 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     |
| New Jersey Pennsylvania Appraisal Statutes   | May 2017       |
| Appraiser Law & Regulations  | May 2017       |
| 7-Hour National USPAP Update Course  | June 2017      |
| Business Practices and Ethics  | October 2017   |
| Pennsylvania Appraisal Statutes, Regulations & Board Policies                              | May 2019       |
| New Jersey Appraiser Law & Regulations   | May 2019       |
| -Hour National USPAP Update Course   | May 2019       |
| General Appraiser Market Analysis and Highest & Best Use                                   | June 2019      |



Eugene Pasymowski, MAI





**PPC San Francisco**

**23rd Pan Pacific Congress of Appraisers, Valuers and Counselors**

**San Francisco, California, September 16-19, 2006**

**"The Valuation Revolution: New Partners, Borderless Markets, Innovative Technology"**

## *Best Paper Award*

*The Organizing Committee wishes to express our profound thanks to:*

**Eugene Pasmowski, MAI**

*For contributing to the 23rd Pan Pacific Congress of Appraisers, Valuers and Counselors  
in San Francisco, CA from September 16 - 19, 2006*

Russell Hunter, MAI  
Honorary Chair, Organizing Committee

Richard D. Powers, MAI, SRA  
Appraisal Institute 2006 President