

DISCIPLINARY REPORT
March 21, 2019

AB 15-33 On March 16, 2017, the Board entered an order after a contested administrative hearing finding Certified General Real Property Appraiser David H. Burns, G00090, guilty of violations of the Alabama Appraisers Act and assessed an administrative fine of \$800. Burns appealed that decision to the Tuscaloosa County Circuit Court which affirmed the decision of the Board on November 28, 2018. The findings of violations are as follows: Mr. Burns, a Certified Real Property Appraiser, violated **USPAP Standards Rule 1-1(b), 2012-13 Ed.**, by failing to analyze and consider the effect on value that the property being two parcels with different characteristics would have in violation of §34-27A-20(a)(6), ALA. CODE 1975. Mr. Burns, a Certified Real Property Appraiser, violated **USPAP Standards Rule 1-4(e), 2012-13 Ed.**, by failing to value the two parcels separately by reference to appropriate data and support by an appropriate analysis of such data in violation of §34-27A-20(a)(6), ALA. CODE 1975. Mr. Burns, a Certified Real Property Appraiser, violated **USPAP Standards Rule 2-1(a), 2012-13 Ed.**, by communicating a misleading appraisal report which derived the value of two separate parcels by assigning a value to the acreage consisting of the combination of the two parcels, obtaining a per-acre value based on the value of the whole, and then multiplying the per-acre value by the number of acres in each parcel instead of assigning a value to each parcel separately by reference to appropriate data and support by an appropriate analysis of such data in violation of §34-27A-20(a)(6), ALA. CODE 1975. Mr. Burns, a Certified Real Property Appraiser, violated **USPAP Standards Rule 2-2(b)(viii), 2012-13 Ed.**, by failing to provide an adequate explanation in his appraisal reports as to why he did not utilize the income approach to value in his analysis and communication of his reports violation of §34-27A-20(a)(6), ALA. CODE 1975.

AB 18-03 On January 17, 2019, the Board approved a Consent Settlement Order with Licensed Real Property Appraiser Bonnie Lynn Burgess, L00358. Ms. Burgess agreed to complete seven hours of continuing education and pay a \$1000 administrative fine. The violations in the report are as follows: The comparable sales used by Licensee had large differences in sales prices that would indicate completely different sets of market participants and the economic principal of substitution is overlooked in the sales analysis, a basic principle for the sales comparison approach to value. Licensee failed to provide support for the adjustments made to the comparable sales in the sales comparison approach as required by Fannie Mae which states that “All adjustments must be extracted from and supported by the actions of the Market.” Licensee checked a box stating the highest and best use was the current use of the property and did not provide an analysis of the highest and best use of the subject property. The licensee stated “Site value from Chambers County Tax Records and appraiser’s knowledge of land sales in the area.” There are methods to develop and site value and neither of the stated sources are appropriate. Licensee reported 8% Physical Depreciation after having already reported an economic age for the subject of 8 years with a remaining economic life of 45 years. The licensee could not explain how the 8% depreciation was developed. Licensee’s use of

sales that would not be considered by the same market participants, making adjustments to the comparable sales that had no support from the market place, basing site value on tax values and not being able to explain where the estimate of physical depreciation came from make this appraisal report misleading. The report contained no support for adjustments made in the sales comparison approach to value and the report had no information or support for the estimate of physical depreciation used in the Cost Approach to value make users of the report unable to understand the report properly.

The report contained comparable sales that would not be considered by the same market participants and the report contained a sales comparison approach that utilized adjustments to the comparable sales that had no support from the market place. By the licensee basing the site value on tax values and by the licensee not being able to explain where the estimate of physical depreciation came from do not summarize the information analyzed or methods and techniques employed that support the opinions and conclusions in the report. The report had no summary of the support or rationale of the opinion of highest and best use, only a checked box that the current use was the highest and best use.

Violations: Standards Rule 1-1(a); 1-3(b); 1-4(b)(i); 1-4(b)(iii); 2-1(a); 2-1(b); 2-2 (a)(viii); 2-2 (a)(x); USPAP 2016 – 2017 Ed.