

DISCIPLINARY REPORT

September 18, 2008

AB-05-184

On May 15, 2008 the Board approved a Consent Settlement order and issued a private reprimand to a Certified Residential appraiser for violations in a residential appraisal. The Licensee also agreed to pay a \$2000 fine. The violations in the report were: There is no analysis of the highest and best use by the licensee. The subject is a 40 acre tract used for single family residence. Surrounding properties are being developed as residential subdivisions with much smaller lots. Licensee did not consider any alternate uses of the property. Licensee utilized sales of homes with 3,975 s.f. to 5,027 s.f. and much higher quality construction as comparables. Subject is 1,677 s.f.. The licensee did not develop a cost approach to value, instead the licensee makes the statement that the cost approach was "not applicable due to large acreage involved." The Licensee did not determine the scope of work necessary to produce a credible appraisal when the Licensee did not gather and properly analyze comparable sales of similar size and zoned land sales to determine the value of the property as vacant and ready to be put to it's highest and best use. The licensee did not properly gather information on comparable sales of similar properties, instead the licensee used sales of superior properties. Licensee signed the report as the Mentor/supervising appraiser of a Trainee appraiser. Licensee did not carefully review the report prior to signing but has accepted full responsibility for the violations in the report.

Violation: 1-1(a), 1-1(b), 1-2(h), 1-3(b), 1-4(a), 1-4(b), USPAP, 2005 Ed., 780-X-9-.01, Appraisers Board Administrative Code.

AB 05-151

On July 17, 2008 the Board issued a private reprimand to a Trainee Appraiser. Licensee signed a consent settlement order and agreed to pay a \$900 fine and complete a 15-hour USPAP course with exam. Violations are: A copy of the appraisal report and the work file were requested in writing from Licensee on October 19, 2005 and again on July 5, 2006. A request was made via telephone on March 8, 2007. Licensee provided a copy of the appraisal report on April 25, 2007. A copy of the work file was received on September 7, 2007 after completion of the investigation. Licensee did not report that the listing for subject in the local MLS service said that subject contained 12.0 acres, the residence and a rental duplex containing 1,728 square feet with monthly rental of \$1,150. Licensee appraised 5 acres and the residence without disclosing that it was a segment of a larger property makes this a misleading appraisal report. Licensee did not adequately identify the characteristics of the property that are relevant to the purpose and intended use of the appraisal, including the location and physical and legal attributes of the subject property. There was no legal description or survey map included in the appraisal that adequately shows the subject property. The subject is a physical segment of a larger property and only an address and tax parcel ID were used to identify the property and

these refer to a property that consists of 12 acres, a single family residence and a rental duplex. The licensee's analysis of comparable sales utilized unsupported adjustments for differences in square footage, differences in baths, differences in garages and in fireplaces to the comparable sales. The licensee also did not make adjustments to the comparable sales for basement area, reporting that the subject's basement area was of no value. Yet in the Cost Approach he values this area at \$18.23 per square foot new and then applies a depreciation of 25% for a depreciated value of \$13.67 per square foot or a total value of \$10,307. The Licensee only mentions the pending sale and the proposed purchase price, he does not analyze the pending sale. The report does not contain enough pertinent information for a reader to understand the report properly: No legal description or survey of property appraised, Did not disclose that the appraised property was a physical segment, Made misleading statements that adjustments in the sales comparison approach were market extracted, but had no documentation to prove these adjustments, Did not analyze pending sale and sales listing agreement. **Violations: 34-27A-20(a)(15); 34-27A-26b), Code of Alabama, 1975, Ethics Rule, Conduct, 1-2(e)(i), 1-2(e)(v), 1-4(a), 1-5(a), 2-1(b), 2-2(b)(iii), USPAP , 2004 Edition.**

AB 06-45

On July 17, 2008 the Board issued a private reprimand to a Certified General appraiser for a residential appraisal. Licensee signed a Consent Settlement Order and agreed to pay an administrative fine of \$1700 and complete continuing education in sales comparison, income approach and USPAP. The violations are: Licensee communicated a misleading appraisal report due to being developed and reconciled from a non-credible cost approach and non-credible sales comparison analysis with a series of errors that significantly affected the credibility of the appraisal report. Licensee failed to state the contract price and date of contract within the appraisal report. Licensee failed to accurately analyze and state the neighborhood's one-unit housing price and age for the subject neighborhood. Licensee used superior sales in the sales comparison analysis of the appraisal report, when comparable sales were available closer to the subject property. Licensee failed to adjust for the superior sales used within the comparable sales analysis of the appraisal report. Licensee failed to analyze for the actual age difference between the subject and the comparables used and failed to state a reason for the lack of the adjustments. Licensee failed to state in the Sales Comparison Analysis, Comparable #2 & #3 both had a fireplace according to the data source (MLS) stated within the report. Licensee failed to analyze and make a market adjustment for the fireplaces or stated a reason for the lack of an adjustment. Licensee failed to accurately inventory the improvements of the subject property within the appraisal report. Licensee stated a concrete driveway when the Subject Property did not have a concrete driveway. Licensee failed to state the detached car storage area within the appraisal report. Licensee stated the subject home had gutters and downspouts, when the home did not have them. Licensee failed to state within the Sales Comparison Analysis the subject's detached garage. Licensee failed to state a market adjustment for the detached garage or state a reason for the lack of a market adjustment for the detached garage. Licensee failed to develop in the Cost Approach the cost of the porch and kitchen appliances in the dwelling section, but developed these cost in the "as is" value of the site improvements. These costs should not have been

developed in the “as is” value of the site improvements. Licensee failed in the Cost Approach to develop the contributing value of the detached garage. The report states in the Cost Approach comment section the data source was Marshall & Swift and local builders. The instructions were to provide adequate information for the lender/client to replicate the cost figures and calculations. The source of cost data, quality rating from the cost service and effective date of cost data was omitted from the appraisal report. Licensee failed to supply adequate data for the lender/client to replicate the cost figures and calculations used in the cost approach. Licensee stated the subject site as irregular in shape when the shape of the subject site is rectangular in shape. Licensee failed to accurately report the 2005 real estate taxes within the report, according to county records. Licensee failed to analyze for the actual age difference between the subject and comparables nor state a reason for the lack of adjustments in the Sales Comparison Analysis. The report states in the Cost Approach comment section the data source was Marshall & Swift and local builders. The instructions were to provide adequate information for the lender/client to replicate the cost figures and calculations. The source of cost data, quality rating from the cost service and effective date of cost data was omitted from the appraisal report. Licensee misstated the neighborhood’s one-unit housing price and age for the subject neighborhood. Licensee developed the cost of the porch and kitchen appliances in the “as is” value of site improvements rather than in the dwelling cost. Licensee failed to state the detached garage within the Sales Comparison Analysis and failed to state a market adjustment for the detached garage or state a reason for the lack of the adjustment. Licensee failed to calculate the contributing value of the detached garage in the Cost Approach. Licensee rendered an appraisal service in a careless or negligent manner making a series of errors that affected the credibility of the appraisal report. The violations noted within this report are indications of the careless and/or negligent manner in which the appraisal service was rendered. Licensee used superior comparable sales in the Sales Comparison Analysis without making market adjustments or stating a reason for the lack of market adjustments for the superior sales. Licensee failed to analyze for the actual age difference between the subject and comparables nor stated a reason for the lack of adjustments. According to the appraisers’ data source (MLS), Comparable #2 and #3 stated a fireplace. The fireplaces were not stated nor considered within the Sales Comparison Analysis nor a reason stated for the lack of consideration. Licensee failed to develop the cost of the porch and kitchen appliances in the dwelling cost section of the Cost Approach. Licensee failed to develop the cost of the detached garage within the Cost Approach. Licensee failed to reconcile the quality of data available from the approaches used. Non-credible data from the Cost Approach and Sales Comparison Analysis was reconciled to determine an opinion of market value. Licensee failed to state clearly and accurately the inspection by the supervisor appraiser was an exterior only inspection. Licensee failed to accurately state the 2005 real estate taxes within the report, according to county records. Licensee misstated the neighborhood’s one-unit housing price and age for the subject neighborhood, due to the failure to accurately analyze the subject neighborhood’s price and age. Licensee stated the subject home had gutters and downspouts, when the home did not have them. Licensee stated the subject property had a concrete driveway, when the subject did not have a concrete driveway. Licensee failed to state the contract date and contract price within the appraisal report. Licensee failed to state the chimney was an

old fireplace, which was no longer useable and did not indicate a market adjustment value for the subject property. Licensee in the grid of the Sales Comparison Analysis under "Other" stated the word "none". The word "none" was used as an indication of "no pool" for the subject and/or comparables. The word "none" was confusing and information was not sufficient in the report to understand the intent of the wording. Licensee in the Sales Comparison Analysis stated under "Other" in the grid of Comparable #1 the word "yes" indicating the comparable had a fence. The subject indicates a Fence/None and the word yes does not contain sufficient information to express the comparable had a fence with no pool. The report states in the Cost Approach comment section the data source was Marshall & Swift and local builders. The instructions within the Cost Approach were for the appraiser to provide adequate information for the lender/client to replicate the cost figures and calculations. The source of cost data, quality rating from the cost service and effective date of cost data was omitted from the appraisal report. Licensee failed to provide sufficient information in the appraisal report to understand the inspection by the supervisor appraiser was an exterior inspection only. **Violation: Ethics Rule, Conduct, 1-1(a), 1-1(b), 1-1(c), 1-4(a), 1-4(b)(ii), 1-4(b)(iii), 1-6(a), 2-1(a), 2-1(b), USPAP, 2005 Ed.**

AB 06-46

On July 17, 2008 the Board issued a private reprimand to a Certified General appraiser for a residential appraisal completed while licensee was a Trainee. Licensee signed a Consent Settlement Order and agreed to pay an administrative fine of \$1700 and complete continuing education in sales comparison, income approach and USPAP. The violations are: Licensee communicated a misleading appraisal report due to being developed and reconciled from a non-credible cost approach and non-credible sales comparison analysis with a series of errors that significantly affected the credibility of the appraisal report. Licensee failed to state the contract price and date of contract within the appraisal report. Licensee failed to accurately analyze and state the neighborhood's one-unit housing price and age for the subject neighborhood. Licensee used superior sales in the sales comparison analysis of the appraisal report, when comparable sales were available closer to the subject property. Licensee failed to adjust for the superior sales used within the comparable sales analysis of the appraisal report. Licensee failed to analyze for the actual age difference between the subject and the comparables used and failed to state a reason for the lack of the adjustments. Licensee failed to state in the Sales Comparison Analysis, Comparable #2 & #3 both had a fireplace according to the data source (MLS) stated within the report. Licensee failed to analyze and make a market adjustment for the fireplaces or stated a reason for the lack of an adjustment. Licensee failed to accurately inventory the improvements of the subject property within the appraisal report. Licensee stated a concrete driveway when the Subject Property did not have a concrete driveway. Licensee failed to state the detached car storage area within the appraisal report. Licensee stated the subject home had gutters and downspouts, when the home did not have them. Licensee failed to state within the Sales Comparison Analysis the subject's detached garage. Licensee failed to state a market adjustment for the detached garage or state a reason for the lack of a market adjustment for the detached garage. Licensee failed to develop in the Cost Approach the cost of the porch and

kitchen appliances in the dwelling section, but developed these cost in the “as is” value of the site improvements. These costs should not have been developed in the “as is” value of the site improvements. Licensee failed in the Cost Approach to develop the contributing value of the detached garage. The report states in the Cost Approach comment section the data source was Marshall & Swift and local builders. The instructions were to provide adequate information for the lender/client to replicate the cost figures and calculations. The source of cost data, quality rating from the cost service and effective date of cost data was omitted from the appraisal report. Licensee failed to supply adequate data for the lender/client to replicate the cost figures and calculations used in the cost approach. Licensee stated the subject site as irregular in shape when the shape of the subject site is rectangular in shape. Licensee failed to accurately report the 2005 real estate taxes within the report, according to county records. Licensee failed to analyze for the actual age difference between the subject and comparables nor state a reason for the lack of adjustments in the Sales Comparison Analysis. The report states in the Cost Approach comment section the data source was Marshall & Swift and local builders. The instructions were to provide adequate information for the lender/client to replicate the cost figures and calculations. The source of cost data, quality rating from the cost service and effective date of cost data was omitted from the appraisal report. Licensee misstated the neighborhood’s one-unit housing price and age for the subject neighborhood. Licensee developed the cost of the porch and kitchen appliances in the “as is” value of site improvements rather than in the dwelling cost. Licensee failed to state the detached garage within the Sales Comparison Analysis and failed to state a market adjustment for the detached garage or state a reason for the lack of the adjustment. Licensee failed to calculate the contributing value of the detached garage in the Cost Approach. Licensee rendered an appraisal service in a careless or negligent manner making a series of errors that affected the credibility of the appraisal report. The violations noted within this report are indications of the careless and/or negligent manner in which the appraisal service was rendered. Licensee used superior comparable sales in the Sales Comparison Analysis without making market adjustments or stating a reason for the lack of market adjustments for the superior sales. Licensee failed to analyze for the actual age difference between the subject and comparables nor stated a reason for the lack of adjustments. According to the appraisers’ data source (MLS), Comparable #2 and #3 stated a fireplace. The fireplaces were not stated nor considered within the Sales Comparison Analysis nor a reason stated for the lack of consideration. Licensee failed to develop the cost of the porch and kitchen appliances in the dwelling cost section of the Cost Approach. Licensee failed to develop the cost of the detached garage within the Cost Approach. Licensee failed to reconcile the quality of data available from the approaches used. Non-credible data from the Cost Approach and Sales Comparison Analysis was reconciled to determine an opinion of market value. Licensee failed to state clearly and accurately the inspection by the supervisor appraiser was an exterior only inspection. Licensee failed to accurately state the 2005 real estate taxes within the report, according to county records. Licensee misstated the neighborhood’s one-unit housing price and age for the subject neighborhood, due to the failure to accurately analyze the subject neighborhood’s price and age. Licensee stated the subject home had gutters and downspouts, when the home did not have them. Licensee stated the subject property had a concrete driveway, when the subject did not have a concrete driveway. Licensee failed

to state the contract date and contract price within the appraisal report. Licensee failed to state the chimney was an old fireplace, which was no longer useable and did not indicate a market adjustment value for the subject property. Licensee in the grid of the Sales Comparison Analysis under "Other" stated the word "none". The word "none" was used as an indication of "no pool" for the subject and/or comparables. The word "none" was confusing and information was not sufficient in the report to understand the intent of the wording. Licensee in the Sales Comparison Analysis stated under "Other" in the grid of Comparable #1 the word "yes" indicating the comparable had a fence. The subject indicates a Fence/None and the word yes does not contain sufficient information to express the comparable had a fence with no pool. The report states in the Cost Approach comment section the data source was Marshall & Swift and local builders. The instructions within the Cost Approach were for the appraiser to provide adequate information for the lender/client to replicate the cost figures and calculations. The source of cost data, quality rating from the cost service and effective date of cost data was omitted from the appraisal report. Licensee failed to provide sufficient information in the appraisal report to understand the inspection by the supervisor appraiser was an exterior inspection only. **Violation: Ethics Rule, Conduct, 1-1(a), 1-1(b), 1-1(c), 1-4(a), 1-4(b)(ii), 1-4(b)(iii), 1-6(a), 2-1(a), 2-1(b), USPAP, 2005 Ed.**

AB 07-18

On July 17, the Board issued a private reprimand to a Certified General appraiser for a commercial appraisal completed while licensee held a certified residential license. Licensee signed a Consent Settlement Order and agreed to pay a \$1500 administrative fine. Licensee had completed significant education courses in general appraisal since the time of the appraisal which is the subject of this complaint. Violations in the report are: The licensee stated in the report "I have performed a limited number of commercial appraisals, numerous residential and agricultural appraisals. It is my opinion, that no special actions were required to comply with the Competency provision of USPAP." The licensee admitted in the interview that she was not competent to perform this assignment and it is very evident from the report that she lacked knowledge and experience to perform this assignment competently. Licensee utilized comparable sales that were not in the subjects' market area and the sales used that were in the market area were not comparable to the subject. Licensee listed five sales of vacant land that range in sales price per square foot from \$1.68 per square foot to \$4.44 per square foot. The licensee stated in the report that none of the sales needed adjustments for any reason but came to a value conclusion of the subject site of \$4.00 per square foot. There is no analysis of the data to support this conclusion. Licensee utilized comparable rents from outside the market area of the subject property to justify a higher rental rate. Licensee utilized an overall rate that the licensee said came from comparable sales but was actually derived from using estimated income and expenses not actual income and expenses. The licensee fails to reconcile or analyze any of the data that was used in any of the approaches. Licensees simply stated the opinion of the final value. Licensee's report contains mostly filler material copied from textbooks, the report contains very little substance and there is no explanation of the appraiser's analysis and conclusions. Licensee fails to summarize the information analyzed and her reasoning

that supports her analysis opinions and conclusions, Licensee briefly stated the information and her opinions. **Violations: Competency Rule, 1-1(a), 1-4(b)(i), 1-4(c)(i), 1-4(c)(ii), 1-4(c)(iii), 1-4(c)(iv), 1-6(a), 2-1(a), 2-1(b), 2-2(b), USPAP, 2003 Ed.**

AB 07-19

On July 17, 2008 the Board issued a public reprimand to Certified Residential appraiser Joe Brashier, R00609 for a commercial appraisal report. Licensee signed a Consent Settlement Order and agreed to pay a \$2000 administrative fine and complete a 40 hour course on appraising commercial properties before accepting any commercial assignments. The violations in the report are: The licensee stated in his report: "I have performed a limited number of commercial appraisals, numerous residential and agricultural appraisals. It is my opinion, that no special actions were required to comply with the competent supervision of USPAP." The licensee admitted in his interview that he was not competent to perform this assignment and it is very evident from the report that he lacked knowledge and experience to perform this assignment competently. By capitalizing the proposed business income from the proposed automobile dealership the licensee demonstrated that he did not understand and know how to correctly employ the income capitalization approach to value. Licensee fails to use a hypothetical condition concerning the proposed construction of improvements. Licensee listed five sales of vacant land that range in sales price per square foot from \$.99 per square foot to \$4.96 per square foot. The licensee in his report stated that none of the sales needed adjustments for any reason but came to a value conclusion of the subject site of \$1.67 per square foot. There is no analysis of the data to support this conclusion.

Licensee failed to gather and analyze any comparable rental data, expense data and rates of return. Licensee took projected business income and expenses and utilized this information to arrive at an indicated value from his income approach. Licensee did not gather or disclose any estimate the time of completion of proposed improvements. Licensee failed to gather or disclose any projected cost figures, anticipated rental rates or anticipated competition at the time of completion of the project. The licensee fails to reconcile or analyze any of the data that was used in any of the approaches. Licensee simply stated his opinion of the final value. Licensee's report contains mostly filler material copied from textbooks, the report contains very little substance and there is no explanations of the appraiser's analysis and conclusions. Licensee fails to disclose a hypothetical condition concerning the proposed improvements, Licensee fails to state hypothetical conditions having to do with appraising proposed improvements. Licensee fails to summarize the information analyzed and his reasoning that supports his analysis opinions and conclusions, licensee briefly stated the information and his opinions. **Violations: Competency Rule, 1-1(a), 1-2(g), 1-4(b)(i), 1-4(c)(i), 1-4(c)(ii), 1-4(c)(iii), 1-4(c)(iv), 1-4(h), 1-6(a), 2-1, 2-2(b), USPAP 2003 Ed.**

AB 07-27

On July 17, 2008 the Board issued a private reprimand to a Certified Residential appraiser for a residential appraisal. Licensee signed a Consent Settlement Order and agreed to pay a \$900 administrative fine and complete a 15 hour USPAP course.

The violations in the report are: Licensee developed a GLA per square footage adjustment of \$170 and then used \$160 per SF to adjust the GLA in Comparable #2. Licensee failed to analyze the age difference of Comparable #3 or state a reason for the lack of an adjustment for the difference. Licensee failed to analyze the comparable sales data to arrive at an indicated value within the range of the adjusted sales price of the comparables or state a reason for the indicated value being outside of the range of the adjusted sales price of the comparables in the Sales Comparison Approach. Licensee failed to provide adequate information for the lender/client to replicate the cost figures and calculations within the appraisal report. Licensee failed to analyze the age difference of Comparable #3 or state a reason for the lack of an adjustment for the difference. Licensee failed to accurately describe the general description of the subject property. Licensee stated the subject as a 2.5 story home when the local market would consider the description of the home as a 2 story raised beach. Licensee failed to analyze the age difference of Comparable #3 or state a reason for the lack of an adjustment for the difference. Licensee failed to analyze the comparable sales data to arrive at an indicated value within the range of the adjusted sales price of the Comparables or state a reason for the indicated value being outside of the range of the adjusted sales price of the comparables in the Sales Comparison Approach. Licensee failed to provide adequate information for the lender/client to replicate the cost figures and calculations within the appraisal report. Licensee failed to provide adequate information for the lender/client to replicate the cost figures and calculations within the appraisal report. Licensee failed to provide adequate information for the lender/client to understand the difference in the time adjustments of Comparable #2 and #3 being at different rates. Licensee failed to explain the exclusion of the income approach within the appraisal report. Licensee failed to state the statutory statement for appraisers as required by the Alabama Real Estate Appraisers Act. **Violations: 1-1(a), 1-1(b), 1-1(c), 2-1(b), 2-2(b)(viii), USPAP, 2006 Ed., §34-27A-20(a)(6), §34-27A-20(a)(5), §34-27A-20(a)(7), §34-27A-3(b)(2).**

AB 07-37

On July 17, 2008 the Board issued a public reprimand to Certified Residential appraiser Ronald Holyfield, R00634 for an appraisal of vacant land which included a subdivision analysis. Licensee signed a Consent Settlement Order and agreed to pay an administrative fine of \$2500. The violations in the report are: Licensee failed to do a lot absorption study to determine lots sellout period. Licensee fails to do a cost approach. Licensee failed to identify the intended use of the appraisal, licensee did identify the purpose of the appraisal and did not seem to comprehend the difference between the intended use and the purpose. Licensee failed to use a hypothetical condition concerning the proposed construction of improvements. Licensee failed to do a cost approach. Licensee listed two prior sales but failed to analyze the sales. Subject sold April 6, 2005 for \$275,000 and again on December 19, 2005 for \$500,000. There is no analysis of the reason for the increase in sales price. Licensee's report contains mostly filler material copied from textbooks, the report contains very little substance and there is no

explanation of the appraiser's analysis and conclusions. Licensee fails to disclose a hypothetical condition concerning the proposed improvements, licensee fails to include absorption study for lot sellout, wisely failed to include sales of lots that he had used to determine estimated market value of each a lot. Licensee fails to state hypothetical conditions having to do with appraising proposed improvements. Licensee completed an assignment outside his license classification. **Violations: 1-1(a), 1-1(b), 1-2(b), 1-2(g), 1-4(b)(ii), 1-5(b), 2-1(a), 2-1(b), 2-1(c), 2-2(b), USPAP, 2006 Ed., §780- X -9-.01(e)(1), Real Estate Appraisers Board Administrative Code §34-27A-20(a)(9), Code of Alabama, 1975.**

AB 07-51

On July 17, 2008 the Board issued a private reprimand to a Certified Residential appraiser for a residential appraisal. Licensee signed a Consent Settlement Order and agreed to pay a \$1400 administrative fine and take 21 hours of selected continuing education. The violations in the report are: Licensee communicated an appraisal assignment that was misleading. The Scope of Work indicates there was an inspection of the comparables when no inspections were made. Licensee communicated an appraisal assignment that was misleading due to a non-credible opinion of market value that was reconciled from a non-credible Sales Comparison Approach. The Sales Comparison Approach contained unsupported adjustments to arrive at the indicated value. That indicated value was then used to reconcile the opinion of market value for the Subject. The Scope of Work stated that the research and verification of data was from reliable sources. Licensee failed to use reasonable diligence in the research and analysis of available sales data for the Sales Comparison section of the appraisal report. Licensee failed to collect available sales data within the immediate area of the subject to analyze in the Sales Comparison Approach. Licensee failed to analyze a sale in the immediate area of the Subject that was reported in the stated data source. The appraiser used sales from outside of the immediate area in locations superior to that of the subject. Licensee failed to analyze accurate data for the site adjustment in the Sales Comparison Approach, but adjusted the site because of the appraiser's opinion the Comparables were located in an area superior to the Subject. (location adjustment) Licensee made adjustments that were unsupported in the Sales Comparison Approach and contrary to the information from the stated data source. Licensee failed to verify and report an accurate zoning for the subject. Licensee failed to provide adequate information for the lender/client to replicate the cost figures and calculations in the appraisal report. Licensee failed to provide adequate information to the lender/client for support of the site value in the Cost Approach. Licensee failed to use reasonable diligence in the search of Comparable sales data to develop the appraisal. Licensee failed to accurately locate Comparable #1 and #2 on the Location Map Addendum Licensee failed to state the statutory statement as required by the Alabama Real Estate Appraisers Act. **Violations: Scope of Work Rule, 1-1(a), 1-1(b), 1-1(c), 1-2(h), 1-4(a), 2-1(a), 2-1(b), 2-2(b)(vii), 2-2(b)(viii), USPAP 2006 Ed. §34-27A-20(a)(6), §34-27A-20(a)(7), §34-27A(3)(b)(2), Code of Alabama, 1975.**

AB 07-57

On July 17, 2008, the Board issued a private reprimand to a Trainee appraiser for a commercial appraisal. Licensee signed a Consent Settlement Order and agreed to complete a 40 hour income approach course. The violations in the report were: Licensee utilized an archaic technique of capitalization that attempts to isolate the contributory value of the land, this technique is accurate only if the appraiser's estimated land value is accurate. Licensee's estimate of land value is questionable considering the inconsistencies in his size adjustments. The licensee's cost approach is also suspect due to no documentation of cost figures. Licensee utilized a sale in the sales comparison approach that was not an arms length transaction. Licensee utilized a sale in the sales comparison approach reporting an incorrect sales price. Licensee made several typographical and cloning of old reports errors such as referring to the subject as a bank property, statement about rental rates that does not match other data and other statements in the report that obviously do not match the subject property. Licensee utilized a sale in the sales comparison approach that was not arm's-length also utilized a sale in the sales comparison approach where the wrong consideration was reported. Licensee also utilized unsupported and inconsistent adjustments to comparable sales to derive a value opinion. Licensee utilized unsupported cost estimates in the cost approach. Cost estimates do not match recognized national cost indexes and licensee gave no support for local costs that may have been used. Licensee failed to give any information on the actual age, the estimated economic age or the estimated life expectancy of the improvements. Licensee only stated a percentage of depreciation but gave no justification for this estimate. Licensee did not collect or analyze actual rents and expenses for the subject property. Licensee did not analyze comparable data to estimate rates of capitalization of the subject property. Licensee did not collect or analyze comparable rents or expenses of other similar properties and did not base projections of future rents and expenses on clear and appropriate evidence. The licensee valued the subject property as Parcel "A" and Parcel "B" and then added the two values together to get a final value estimate of the subject property. Licensee failed to analyze any effect if any this would have on the total value of the subject property. The licensee fails to reconcile or analyze any of the data that was used in any of the approaches. Licensee simply stated their opinion of the final value. Licensee simply stated their opinion of the final value. The report does not contain sufficient information to understand the licensee's analysis and conclusions. Licensee fails to summarize the information analyzed and his reasoning that supports his analysis opinions and conclusions, licensee briefly stated the information and his opinions. **Violations: 1-1(a), 1-1(b), 1-1(c), 1-4(a), 1-4(b)(ii), 1-4(b)(iii), 1-4(c)(i), 1-4(c) (ii), 1-4(c)(iii), 1-4(c)(iv), 1-4(e), 1-6(a), 1-6(b), 2-1(b), 2-2(b)(ix), USPAP, 2005 Ed.**

AB 07-58

On July 17, 2008, the Board issued a public reprimand to Certified General Appraiser S. Lee Pake, G00027 for a commercial appraisal where Pake was the Mentor appraiser. Licensee signed a Consent Settlement Order and agreed to pay a \$2400 administrative fine. The violations in the report were: Licensee utilized an archaic technique of capitalization that attempts to isolate the contributory value of the land, this technique is

accurate only if the appraiser's estimated land value is accurate. Licensees estimate of land value is questionable considering the inconsistencies in his size adjustments. The licensee's cost approach is also suspect due to no documentation of cost figures. Licensee utilized a sale in the sales comparison approach that was not an arms length transaction. Licensee utilized a sale in the sales comparison approach reporting an incorrect sales price. Licensee made several typographical and cloning of old reports errors such as referring to the subject as a bank property, statement about rental rates that does not match other data and other statements in the report that obviously do not match the subject property. Licensee utilized a sale in the sales comparison approach that was not arm's-length also utilized a sale in the sales comparison approach where the wrong consideration was reported. Licensee also utilized unsupported and inconsistent adjustments to comparable sales to derive a value opinion. Licensee utilized unsupported cost estimates in the cost approach. Cost estimates do not match recognized national cost indexes and licensee gave no support for local costs that may have been used. Licensee failed to give any information on the actual age, the estimated economic age or the estimated life expectancy of the improvements. Licensee only stated a percentage of depreciation but gave no justification for this estimate. Licensee did not collect or analyze actual rents and expenses for the subject property. Licensee did not analyze comparable data to estimate rates of capitalization of the subject property. Licensee did not collect or analyze comparable rents or expenses of other similar properties and did not base projections of future rents and expenses on clear and appropriate evidence. The licensee valued the subject property as Parcel "A" and Parcel "B" and then added the two values together to get a final value estimate of the subject property. Licensee failed to analyze any effect if any this would have on the total value of the subject property. The licensee fails to reconcile or analyze any of the data that was used in any of the approaches. Licensees simply stated their opinion of the final value. Licensees simply stated their opinion of the final value. The report does not contain sufficient information to understand the licensee's analysis and conclusions. Licensee fails to summarize the information analyzed and his reasoning that supports his analysis opinions and conclusions, licensee briefly stated the information and his opinions. **Violations: 1-1(a), 1-1(b), 1-1(c), 1-4(a), 1-4(b)(ii), 1-4(b)(iii), 1-4(c)(i), 1-4(c)(ii), 1-4(c)(iii), 1-4(c)(iv), 1-4(e), 1-6(a), 1-6(b), 2-1(b), 2-2(b)(ix), USPAP, 2005 Ed.**

Letters of Warning were issued on the following investigations for the discrepancies indicated. This disciplinary action will be considered in any future discipline proceedings:

AB 07-114 To a Certified Residential appraiser for a residential appraisal where the sales history of the subject is misstated. Borrower purchased the lot in January, 2007 prior to the appraisal in August, 2007. There is no analysis to support the site value of \$75,000. **Violations: 1-4(b)(i), 1-5(a), USPAP, 2006 Ed.**

AB 07-115 To a Certified Residential appraiser for a residential appraisal where the sales history of the subject is misstated. Borrower purchased the lot in January, 2007 prior to the appraisal in August, 2007. There is no analysis to support the site value of \$75,000. **Violations: 1-4(b)(i), 1-5(a), USPAP, 2006 Ed.**