

DISCIPLINARY REPORT

January 17, 2008

AB-05-85 ; AB 06-69 On November 17, 2007 the Board revoked the State Registered appraiser license of Wayne Hollingsworth. Hollingsworth failed to respond to the Board's request for a copy of an appraisal in a discipline action, failed to notify the Board of his current address and did not appear at the administrative hearing in these cases.

Violation: §34-27A-20(a)(15); §34-27A-16 Code of Alabama, 1975.

AB 04-34 On November 17, 2007 the Board approved a Consent Settlement Order from a Certified Residential Appraiser for a private reprimand. Licensee agreed to pay an administrative fine of \$1,500 and complete a comparative analysis course. Licensee failed to provide a work-file of the subject appraisal report to the Board when requested in the course of an investigation of a complaint. The Licensee only provided a copy of the subject report. Licensee failed to develop the appraisal by using accepted appraisal techniques and methodology, committed substantial errors that rendered the appraisal non-credible. This violation was committed by developing and reporting the appraisal using dissimilar sales from superior subdivisions as comparable sales when similar sales were available in the subject's market area. The result of the use of the dissimilar sales was a substantial overvaluation of the subject property. Licensee failed to accurately set forth the appraisal report in a manner that was not misleading. **Violation: 1-1(a), 1-1(b), 1-1(c); 2-2(a); 1-5(b), 1-4(a), 2-1(a), Ethics Rule, Record Keeping USPAP; 2000 Edition, §34-27A-26, Code of Alabama, 1975.**

AB 05-188 On November 17, 2007 the Board approved a Consent Settlement Order from a Certified Residential Appraiser for a private reprimand. Licensee agreed to pay an administrative fine of \$2,000 and complete a sales comparison course and exam. 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 its 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. **Violation: 1-1(a), 1-1(b), 1-2(h), 1-3(b), 1-4(a), 1-4(b), Competency Rule, USPAP, 2005 Ed., §34-27A-26, Code of Alabama, 1975.**

AB 06-38 On November 17, 2007 the Board approved a Consent Settlement Order from a Certified Residential Appraiser for a private reprimand. In the original appraisal and the revised appraisal, the licensee utilized sales of homes in a superior neighborhood when

there were sales available in the subject neighborhood. The licensee failed to analyze and document the adjustment for location between the neighborhood. Licensee committed a series of errors that, although individually might not significantly affect the results of the appraisal, in the aggregate affects the credibility of the results. The errors are as follows: In subject area of report, states that subject is proposed construction when home is existing; In the Improvements section of report has under construction box checked when home is existing; In Improvements section of report has basement area listed as being 1,341 square feet when it is actually 2,377 square feet; In the Improvements section of the report has the basement finished area as 77% when it is 44%.; Under finished area above grade it is listed as 7 rooms, 3 bedrooms, 2.5 baths, when it should read 12 rooms, 4 bedrooms, 3.5 baths; In the sales comparison approach under room count, it shows the subject having 12 rooms, 4 bedrooms, 3.2 baths, sale 1 shows 10/5/4.5, sale 2 shows 10/4/3.5, sale 3 shows 9/5/4.5, sale 4 shows 10/4/3.5 and sale 5 shows 8/4/3.5 and all of the sales received the sale \$3,000 adjustment; Under the reconciliation section of the report, it shows indicated value from sales comparison approach as \$680,000, cost approach as \$647,700 and opinion of value as \$825,000. On certification page of report has the opinion of value as \$825,000. The Licensee did not identify the scope of work necessary to produce a credible appraisal where the Licensee did not include support for the adjustments made in the analysis of the comparable sales. Licensee did not properly analyze the sales data reported in the appraisal. Licensee made un-supported adjustments. **Violation: 1-1(a), 1-1(c), 1-2(f), 1-4(a), USPAP 2005 Ed**

AB 05-126, AB 05-128 On November 17, 2007, the Board issued a private reprimand to a Certified General Appraiser for two commercial appraisals. The Licensee signed a Consent Settlement Order and agreed to complete a 40 hour General Applications course with exam before accepting any further commercial appraisal assignments or within 18 months. The violations were:

AB 05-126 The licensee made numerous mistakes and omissions and typos that render this appraiser as non-credible. The licensee stated the effective date of his appraisal as the date of his inspection. Since this was a Prospective Market Value of the Leased Fee Estate, the date should have been after the date of the report. The licensee did not include a statement of hypothetical condition that the subject was being appraised subject to the improvements being constructed. The licensee failed to include any justification for the reported land value. Licensee did not include any actual cost estimates from developer and the licensee did not include a Developers Profit in his cost estimate. No mention is made in the appraisal report or the work file as to time of completion of the proposed improvements **Violations: Standards Rule 1-1(c), 1-2(d), 1-2(h), 1-4(b)(i), 1-4(h), USPAP, 2005 Ed.**

AB 05-128 The licensee made numerous mistakes and omissions and typos that render this appraiser as non-credible. The licensee stated the effective date of his appraisal as the date of his inspection. Since this was a Prospective Market Value of the Leased Fee Estate, the date should have been after the date of the report. The licensee did not include a statement of hypothetical condition that the subject was being appraised subject to the improvements being constructed. The licensee failed to include any justification for the reported land value. Licensee did not include any actual cost estimates from developer and the licensee did not include a Developers Profit in his cost estimate. No mention is

made in the appraisal report or the work file as to time of completion of the proposed improvements **Violations: Standards Rule 1-1(c), 1-2(d), 1-2(h), 1-4(b)(i), 1-4(h), USPAP, 2005 Ed.**

AB 05-127, AB 05-129 On November 17, 2007, the Board issued a private reprimand to a Licensed Real Property Appraiser for two commercial appraisals. The Licensee signed a Consent Settlement Order The violations were:

AB 05-127 The licensee made numerous mistakes and omissions and typos that render this appraiser as non-credible. The licensee stated the effective date of his appraisal as the date of his inspection. Since this was a Prospective Market Value of the Leased Fee Estate, the date should have been after the date of the report. The licensee did not include a statement of hypothetical condition that the subject was being appraised subject to the improvements being constructed. The licensee failed to include any justification for the reported land value. Licensee did not include any actual cost estimates from developer and the licensee did not include a Developers Profit in his cost estimate. No mention is made in the appraisal report or the work file as to time of completion of the proposed improvements **Violations: Standards Rule 1-1(c), 1-2(d), 1-2(h), 1-4(b)(i), 1-4(h), USPAP, 2005 Ed.**

AB 05-129 The licensee made numerous mistakes and omissions and typos that render this appraiser as non-credible. The licensee stated the effective date of his appraisal as the date of his inspection. Since this was a Prospective Market Value of the Leased Fee Estate, the date should have been after the date of the report. The licensee did not include a statement of hypothetical condition that the subject was being appraised subject to the improvements being constructed. The licensee failed to include any justification for the reported land value. Licensee did not include any actual cost estimates from developer and the licensee did not include a Developers Profit in his cost estimate. No mention is made in the appraisal report or the work file as to time of completion of the proposed improvements **Violations: Standards Rule 1-1(c), 1-2(d), 1-2(h), 1-4(b)(i), 1-4(h), USPAP, 2005 Ed.**