

DISCIPLINARY REPORT
May 18, 2017

AB 14-20 On March 16, 2017, the Board approved a Consent Settlement Order from Austin S. Kimberly, Jr., G00389 where the Licensee agreed to pay an administrative fine of \$500 and complete additional education on the cost approach. The violations cited in the report were: The workfile was incomplete, it only contained copies of multiple listings of the sale, tax data sheets for the subject and copies of the deed for the sale, there was no data to support adjustments in sales comparison approach or in support of income, occupancy or expenses used in income approach. Work file was supplemented with a rent and vacancy survey but still lacked support for Licensee's opinions and conclusions. Adjustments must be supported with market data. Licensee used actual income of the subject property and did not determine market rents, occupancy and normal expenses which indicate that the Licensee did not understand the income approach to value. Licensee committed a substantial error by not making adjustments to two comparable properties that were significantly different from Subject. Licensee committed a substantial error by using the actual income for the subject property from the prior year and not estimating potential gross income, market occupancy rates and normal operating expenses. Licensee failed to verify the comparable sales utilized in the report with a party to the transaction, instead utilizing what was labeled in the report as the Indirect Method of Verification. The Licensee mentions several types of "indirect verification" sources such as data reporting services, multiple listing services or another appraiser. It is noted that The Appraisal of Real Estate, Thirteenth Edition, page 305 states "Referencing public records and data services does not verify a sales transaction. It simply confirms that a transaction was recorded. Similarly, referencing the source of secondary data only confirms its existence and does not verify the transaction. Licensee failed to properly analyze the comparable rental data or potential gross income of the subject, instead licensee utilized actual current income. **Violations: Record Keeping Rule; Competency Rule; Standards Rule 1-4(a); Standards Rule 1-4(c)(i); Standards Rule 2-2(b)(viii); USPAP, 2014-15 Ed.**

AB 14-21 On March 16, 2017, the Board approved a Consent Settlement Order from Walker Reynolds, III, R01062 where the Licensee agreed to pay an administrative fine of \$500 and complete additional education on the cost approach. The violations cited in the report were: The workfile was incomplete, it only contained copies of multiple listings of the sale, tax data sheets for the subject and copies of the deed for the sale, there was no data to support adjustments in sales comparison approach or in support of income, occupancy or expenses used in income approach. Work file was supplemented with a rent and vacancy survey but still lacked support for Licensee's opinions and conclusions. Adjustments must be supported with market data. Licensee used actual income of the subject property and did not determine market rents, occupancy and normal expenses which indicate that the Licensee did not understand the income approach to value. Licensee committed a substantial error by not making adjustments to two comparable properties that were significantly different from Subject. Licensee committed a substantial error by using the actual income for the subject property from the prior year

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