

DISCIPLINARY REPORT

January 19, 2012

AB 10-14 On November 17, 2011, the Board approved a Consent Settlement Order and issued a private reprimand to a Trainee Appraiser. The Licensee also agreed to pay an administrative fine of \$1050. The violations in the residential appraisal were: Licensee failed to include the research and analysis that was necessary, to develop an acceptable scope of work with credible appraisal assignment results. Licensee overlooked the Subject being located in a PUD with a homeowners' association and fees. Licensee failed to state and analyze, accurate and complete data within the Sales Comparison Approach. Licensee used unsupported data and miscalculated in developing the Cost Approach. Licensee developed the appraisal report with non credible and unsupported square footage (GLA). Licensee failed to research and analyze data that was significant to the appraisal assignment. Licensee's appraisal order required four (4) comparables and Licensee only provide three (3) comparables in the Sales Comparison Approach. Licensee used unsupported square footage of the GLA in the Sales Comparison Approach. Licensee used unsupported square footage in the dwelling calculations of the Cost Approach. Licensee failed to analyze accurate and complete sales data in the Sales Comparison Approach. Licensee failed to use supported and credible data in the Cost Approach. Licensee used unsupported data and miscalculated in developing the Cost Approach resulting in the Approach being non credible. Licensee failed to state and analyze a PUD/Homeowners' Association, when applicable to the Subject and comparables. Licensee used unsupported square footage of the GLA in the Sales Comparison Approach. Licensee used unsupported square footage in the dwelling calculations of the Cost Approach. Licensee failed to identify some of the relevant characteristics of the Subject property. The Subject was located in a PUD with a Homeowners' Association, homeowners' fees and amenities associated with the development. Licensee used unsupported square footage of the GLA in the Sales Comparison Approach, which resulted in non credible GLA adjustments. Licensee analyzed the location of the Subject and comparables as "Good", when market data did not support all having the same or similar characteristics and attributes of location. Licensee failed to provide reasoning, within the report, as to the lack of an analysis between the properties. Licensee failed to state the analysis of the PUD/Homeowners' Associations of the Subject and Comparables #1 and #3 or state a reason for the lack of an analysis. Licensee failed to state the analysis of the lack of a PUD/Homeowners' Association of Comparable #2, when the Subject was located within a PUD/Homeowners' Association. Licensee analyzed the subject site as Good and the comparables sites as Similar, when market data did not support all having similar characteristics and attributes. Licensee failed to provide the elements of comparison, within the Porch/Deck/Patio grid, for Comparable #2 and Comparable #3. Licensee failed to state a reason for the lack of an analysis. Licensee failed to analyze the characteristics and attributes of Comparable #2 being located on a golf course with a view of the golf course. Licensee failed to analyze the characteristics and attributes of Comparable #3 being located within a development with boat slips. The location of the

development provided water access through the canal to the bay and on to the gulf. Licensee analyzed unsupported square footage in the GLA of Comparable #3. Licensee analyzed a site improvement (privacy fence) within the dwelling calculations/figures to arrive at a total estimate of cost new that was not credible. The square footage used to develop the dwelling cost was an unsupported square footage. Licensee failed to accurately analyze the accrued depreciation (physical depreciation) due to including a site improvement cost within the dwelling cost new calculations/figures, which was non credible. The square footage used to develop the dwelling cost was an unsupported square footage. *(accrued depreciation developed from non credible data)* Licensee failed to reconcile the quality and quantity of data available, which was analyzed or not analyzed in the Sales Comparison Approach and Cost Approach. Licensee failed to recognize the data available and use this data to develop the credible approaches to value within the appraisal report. Licensee stated the year of the census information as the map reference, which was an outdated date for current census information at the time of the appraisal. Licensee failed to clearly and accurately state the neighborhood boundaries within the Neighborhood section of the appraisal report. The description stated was not the boundaries of the neighborhood named within the appraisal report. Licensee failed to state the accurate site dimensions and site area within the appraisal report. Licensee failed to state the accurate zoning of the Subject property within the Site section of the appraisal report. Licensee failed to state an accurate FEMA map number within the appraisal report. Licensee failed to disclose the Subject property was located both within Flood Zone X and Flood Zone AE. Licensee only stated Flood Zone X within the appraisal report. Licensee stated the information for the storm sash/insulated in the screen section of the Improvements/Exterior Description-Materials/Condition section of the appraisal report. The screen section information was misstated due Licensee's error. Licensee stated the closing attorneys or closing agents as the data verification sources in the Sales Comparison Approach, when these were not the verification sources used by the appraiser. Licensee stated and analyzed unsupported square footage in the GLA of Comparable #3 in the Sales Comparison Approach. Licensee indicated the Reproduction Cost was estimated in the Cost Approach (typo error), when the Replacement Cost was actually estimated. Licensee made a comment in the FIRREA/USPAP Addendum under the Purpose section, which was not supported by Licensee's workfile or appraisal. Licensee provided photos of Comparables #2 and #3 in the Photo Addendum, which were not the accurate photos of the comparables. Licensee provided a Location Map addendum, which did not accurately locate the Subject and comparables. Licensee provided a Flood Map addendum, which was not the area where the Subject is located. Licensee failed to provide information about the homeowners' association fees and amenities of the subdivision where the Subject was located. Licensee failed to state the heating of the Subject was by force warm air (FWA). Licensee failed to state the condition of the exterior walls, roof surface, gutters & downspouts and windows within the Improvements/Exterior Description-Materials/Condition section of the appraisal report. Licensee failed to state the car storage space information for the driveway of the Subject. Licensee failed to indicate the garage was a "built in" garage for the Subject. Licensee failed to provide reasoning for the appraised value of the Subject exceeding the range of value for comparable properties sold and offered for sale within the subject neighborhood. Licensee failed to provide

information, within the Sales Comparison Approach, Comparable #2 was located on a golf course. Licensee failed to provide information within the Sales Comparison Approach, Comparable #3 was located within a development with boat slips and access to the canal, bay and gulf. Licensee failed to provide adequate information for the lender/client to replicate the cost figures and calculations in the Cost Approach. Licensee failed to provide adequate information for the lender/client/intended user to realize the cost of the appliances were included within the per square foot cost of the dwelling in the Cost Approach. Licensee failed to provide the PUD information of if the developer/builder was in control of the homeowners' association and if the units were detached or attached. **Violations: Competency Rule, Standard Rule 10-1(a), 1-1(b), 1-2(e), 1-4(a), 1-4(b)(ii), 1-4(b)(iii), 1-6(a), 2-1(a), 2-1(b), USPAP 2008-2009 Ed. §34-27A-20(a)(6), §34-27A-20(a)(7), Code of Alabama, 1975.**

AB 10-15 On November 17, 2011, the Board approved a Consent Settlement Order and issued a private reprimand to a Certified General Appraiser. The Licensee also agreed to pay an administrative fine of \$1200. The violations in the residential appraisal were: Licensee failed to include the research and analysis that was necessary, to develop an acceptable scope of work with credible appraisal assignment results. Licensee overlooked the Subject being located in a PUD with a homeowners' association and fees. Licensee failed to state and analyze, accurate and complete data within the Sales Comparison Approach. Licensee used unsupported data and miscalculated in developing the Cost Approach. Licensee developed the appraisal report with non credible and unsupported square footage (GLA). Licensee failed to research and analyze data that was significant to the appraisal assignment. Licensee's appraisal order required four (4) comparables and Licensee only provide three (3) comparables in the Sales Comparison Approach.

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AB 10-47 On November 17, 2011, the Board suspended the Certified Residential License R00216 of Cleabron E. Pullum for a period of six months and assessed an administrative fine of \$1,200. The order of the Board followed an administrative hearing in this case where the Respondent was found to have committed the following violations: Respondent failed to use market based data to support the adjustments he used in the Sales Comparison Approach for age, condition, gross living area, and basement. Respondent failed to utilize the most comparable sales available to the subject property in preparation of the Sales Comparison Approach. Respondent used a flawed age/life method to calculate the depreciation on the subject property in the Cost Approach and by failing to show any justification for his decision to use an effective age of 10 years and a remaining economic life of 50 years when the subject property was 42 years old. Respondent failed to provide support for the adjustments he made in the Sales Comparison Approach, the effective age of the subject, the depreciation calculated in the Cost Approach, and by failing to describe the contributed information provided by Terry Mattison, identified on page four of the appraisal report. **Violations: Standards Rule 1-1(a), 1-1(b), 1-4(a), 1-4(b)(ii), 2-1(b), USPAP, 2010-11 Ed., §34-27A-20(a)(6), §34-27A-20(a)(7), §34-27A-20(a)(8), Code of Alabama, 1975.**