

DISCIPLINARY REPORT

March 15, 2012

AB 10-48, 10-49, 10-50 On January 19, 2012, the Board approved a Consent Settlement Order and issued a private reprimand to a Certified Residential Appraiser. The Licensee also agreed to pay an administrative fine of \$1375, surrendered his Mentor status and will take a 40 hour appraisal course which may not be claimed for continuing education status. **AB 10-48:** The violations in the commercial appraisal were: Licensee's work file contained little documentation and did not support the licensee's opinions and conclusions. Licensee did not research comparable information to the extent that the information was verified and a determination as to the comparable sales included anything more than real property. Licensee did not demonstrate any analyses that were applied to arrive at the opinion or conclusions expressed in this assignment. Licensee's failure to verify the comparable information and to determine to what extent if any that the comparable sale was for more than just the real property would not be in keeping with what the appraiser's peers actions would be. By licensee failing to verify the comparable sales utilized in the Sales Comparison Approach resulted in the inclusion of the value of personal property in these sales prices and therefore resulted in the overstatement of the value of the subject properties real property value. By the licensee failing to properly analyze, document and apply a proper technique to estimate the accrued depreciation of the subject improvements in the Cost Approach resulted in a flawed estimate of value from this approach. Licensee did not research comparable information to the extent that the information was verified and a determination as to the comparable sales included anything more than real property. Licensee did not demonstrate any analyses that were applied to arrive at the opinion or conclusions expressed in this assignment. Licensee failed to verify and analyze the comparable land sales, and comparable improve sales, therefore the assignment results were not credible. Licensee failed to demonstrate an analyzes of the comparable sales to indicate a value conclusion, instead licensee just makes an unsupported statement of value. Licensee failed to demonstrate an analyzes of the comparable land sales to indicate a value conclusion, instead licensee just makes an unsupported statement of value. Licensee failed to demonstrate an analyzes of any recognized methods of estimating accrued depreciation, instead just makes an unsupported statement of the amount. The licensee did not provide sufficient information to enable the client and intended users to understand the rationale for the opinions and conclusions expressed in the report. Licensee failed to fully disclose his research and analyses of comparable sales information but more important was not disclosing the lack of research and analyses into the verification of the comparables and what was included in those sales prices. The report contained no analysis reasoning to support his opinions and conclusions. **Violations: Ethics Rule-Record Keeping, Scope of Work Rule, Standard Rule 1-1(b), 1-2(h), 1-4(a), 1-4(b)(i), 1-4(b)(iii), 2-1(b), 2-2(b)(vii), 2-2(b)(viii), USPAP 2010-2011 Ed.** **AB 10-49** The violations in this commercial appraisal were that Licensee's work file contained very little and there was no support located in the work file for the licensee's opinions and conclusions. Licensee did not research comparable information to the extent that the information was verified and a determination as to the comparable sales included anything more than real property.

Licensee did not demonstrate any analysis that was applied to arrive at the opinion or conclusions expressed in this assignment. Licensee's failure to verify the comparable information and to determine to what extent if any that the comparable sale was for more than just the real property would not be keeping with what the appraiser's peers actions would be. By licensee failing to verify the comparable sales utilized in the Sales Comparison Approach resulted in the inclusion of the value of personal property in these sales prices and therefore resulted in the overstatement of the value of the subject properties real property value. By the licensee failing to properly analyze, document and apply a proper technique to estimate the accrued depreciation of the subject improvements in the Cost Approach resulted in a flawed estimate of value from this approach. Licensee did not research comparable information to the extent that the information was verified and a determination as to the comparable sales included anything more than real property. Licensee did not demonstrate any analyses that was applied to arrive at the opinion or conclusions expressed in this assignment. Licensee failed to verify and analyze the comparable land sales, and comparable improve sales, therefore the assignment results were not credible. Licensee failed to demonstrate an analyzes of the comparable sales to indicate a value conclusion, instead licensee just makes an unsupported statement of value. Licensee failed to demonstrate an analyzes of the comparable land sales to indicate a value conclusion, instead licensee just makes an unsupported statement of value. Licensee failed to demonstrate an analyzes of any recognized methods of estimating accrued depreciation, instead just makes an unsupported statement of the amount. The licensee did not provide sufficient information to enable the client and intended users to understand the rationale for the opinions and conclusions expressed in the report. Licensee failed to fully disclose his research and analyses of comparable sales information but more important was not disclosing the lack of research and analyses into the verification of the comparables and what was included in those sales prices. The licensee did not provide sufficient information to enable the client and intended users to understand the rationale for the opinions and conclusions expressed in the report. The report contained no analyses reasoning to support the licensee's opinions and conclusions. **Violations: Ethics Rule-Record Keeping, Scope of Work Rule, Standard Rule 1-1(b), 1-2(h), 1-4(a), 1-4(b)(i), 1-4(b)(iii), 2-1(b), 2-2(b)(vii), 2-2(b)(viii), USPAP 2010-2011 Ed.** AB 10-50 The violations in this residential appraisal are that Licensee's work file contained very little, there was no data on the comparable sales utilized and there was no support located in the work file for the licensee's opinions and conclusions. Comparable number 2 had 35 plus or minus acres of land according to the MLS and Tax records, yet the licensee stated it contained 28 acres. It was also noted on comparable 2 that the MLS did not report the square footage of the residence but the Tax records indicate the residence contained 1,428 square feet. The licensee reported the residence contained 1,700 square feet. It was also noted that comparable 2 was listed for sale on the MLS for \$184,500 but sold for \$189,300 or \$4,800 more then the list price, yet licensee made no adjustment or mention of this fact. Licensee did not demonstrate any analyses that was applied to arrive at the opinion or During the review of the report it was noted that the licensee states the house was built in 1955 or 51 years of age. The licensee states the house has an effective age of 20 years without any support or discussion for his estimate. The licensee utilized a price of \$15.00 per square foot to calculate the adjustment for differences in square footage of the subject compared to the

comparables. This figure seems low and there was no support or discussion as to why or where this adjustment came from. The licensee made an adjustment on comparable 1 for finished basement based on \$10.00 per square foot. This adjustment seems low and the licensee has no support for this adjustment and there was no discussion of the adjustment. It was also noted that comparable 3 contained 1,200 square feet of unfinished basement and the licensee made no adjustment to this comparable for this difference. Licensee failed to develop an opinion of site value by an appropriate appraisal method or technique, instead licensee just makes an unsupported statement of value. Licensee failed to include significant storage/out buildings in the estimate of replacement cost of the improvements. The licensee did not provide sufficient information to enable the client and intended users to understand the rationale for the opinions and conclusions expressed in the report. The licensee did not provide sufficient information to enable the client and intended users to understand the rationale for the opinions and conclusions expressed in the report. The report contained no analyses reasoning to support the licensee's opinions and conclusions. **Violations: Ethics Rule-Record Keeping, Standard Rule 1-1(b), 1-2(h), 1-3(a), 1-4(a), 1-4(b)(i), 1-4(b)(iii), 2-1(b), 2-2(b)(viii), USPAP 2006-2007 Ed.**

AB 10-110, 10-111, 10-112 On January 19, 2012, the Board approved a Consent Settlement Order from Robert J. Dow, R00085. Licensee surrendered his Mentor status. The violations in the three reports completed by the Dow's trainee were: AB 10-110 Licensee failed to demonstrate an understanding and correctly employ the sales comparison approach to value. Licensee utilized un-supported adjustments to the comparable sales and therefore did not produce a credible appraisal. Licensee failed to identify the intended use of the appraisal, the licensee's only notation was to state "to establish value". The licensee utilized a preprinted form that stated the intended use of the appraisal "for a mortgage finance transaction". No other statements could be found as to the intended use of the appraisal. Subject property was in the process of having an addition made and being renovated at the time of the assignment. Licensee did not include a hypothetical condition that the property was being appraised as completed but instead stated the property was appraised "as is". Licensee estimated the effective age of a 72 year old residence at 35 years. There was not enough detail in the description of the renovations to justify taking house from an actual age of 72 year to an effective age of 35 years. In the sales comparison approach to value, adjustments were made to comparable sales without any justification or explanation. There was not enough detail in the description of the renovations to justify taking this home from a 72 year old home to an effective age of 35 years. There was no explication as to why the Cost and Income approaches to value were excluded. Subject property was in the process of having an addition made and being renovated at the time of the assignment. Licensee did not include a hypothetical condition that the property was being appraised as completed but instead stated the property was appraised "as is". Licensee did not summarize the research and analyses performed nor the research and analysis not performed. The licensee used a preprinted form statement for his scope of work. **Violations: 1-1(a), 1-2(b), 1-2(g), 1-3(a), 2-1(a), 2-1(c), 2-2(b)(viii), USPAP, 2008-2009 Ed.** AB 10-111 Licensee failed to demonstrate an understanding and correctly employ the sales comparison approach to value. Licensee utilized un-supported adjustments to the comparable sales and therefore did not produce a credible appraisal. In the sales

comparison approach to value, adjustments were made to comparable sales without any justification or explanation. There was no explication as to why the Income approaches to value were excluded. Licensee did not summarize the research and analyses performed nor the research and analysis not performed. The licensee used a preprinted form statement for his scope of work. **Violations: 2-1(a), 2-1(c), 2-2(b)(viii), USPAP, 2008-2009 Ed.** AB 10-112 Licensee failed to demonstrate an understanding and correctly employ the sales comparison approach to value. Licensee utilized un-supported adjustments to the comparable sales and therefore did not produce a credible appraisal. In the sales comparison approach to value, adjustments were made to comparable sales without any justification or explanation. There was no explication as to why the Income Approach is not used. Licensee did not summarize the research and analyses performed nor the research and analysis not performed. The licensee used a preprinted form statement for his scope of work. **Violations: 1-1(a), 2-1(a), 2-2(b)(viii), USPAP, 2008-2009 Ed.**