

## DISCIPLINARY REPORT

September 20, 2012

**AB 11-19** On July 12, 2012, the Board approved a Consent Settlement Order in the case of Certified Residential appraiser Dennis G. Franklin, R00601 for violations in the preparation of a residential appraisal report. Franklin agreed to pay an administrative fine of \$1050 and that the Board would issue a public reprimand. The violations are: Effective age of 10 years not supported by the report. Age of comparables sales #1 and #2 were stated in a range. The indicated value by the Cost Approach that was contained in the Reconciliation was site value only. Licensee had no market data or other documentation to support adjustments made to comparables in the Sales Comparison Approach to value. Licensee reported February 16, 2007 as the effective date of value when it should have been September 11, 2007. The appraiser made numerous mistakes in the report that are misleading to the reader. Comparable 1 has partially finished basement with a den, 2 bedrooms and a full bath and licensee reported it as an unfinished basement. Comparable 1 also has a 1,320 square feet detached double garage/work shop while the licensee reports a 2 car garage in the basement. Comparable 3 has a 3 car attached garage while the licensee shows a 2 car attached garage. Comparable 3 has a detached 429 SF pavilion with storage and the licensee does not mention the pavilion. Listing 2 included a mini lake lot for access to Logan Martin Lake, and licensee does not mention the mini lot. Listing 2 residence has 1,779 SF and licensee utilized 1,576 SF. Listing 3 has a 2-car detached garage with 1,152 SF bonus room, bathroom and a washer/dryer hook-up and the licensee reports a 2-car attached garage. Listing 3 has a 384 SF barn with loft and lean-to and licensee did not report barn in his analysis. Listing 3 has a gas log fireplace and licensee states no fireplace. There were several sales available that the licensee could have considered that were more similar and comparable to the subject property than comparables utilized by the licensee. Licensee reported a prior sale for the subject property for \$188,000 but did not analyze the sale. By reporting an effective date of February 16, 2007 when it should have been September 11, 2007, the comparable sales used in the appraisal took place after the effective date. Licensee reports that the subject is in average condition and does not mention any remodeling or up-dating and stated the subject residence had an actual age of 36 years but an effective age of 15 years. There is no support for the effective age. Licensee had no market data or other documentation to support adjustments made to comparables. **Violation: Standards Rule 1-1(a), 1-1(b), 1-1(c), 1-4(a), 1-5(b), 2-1(a), 2-2(b)(viii), USPAP 2006 Edition.**

**AB 11-37** On July 12, 2012, the Board approved a Consent Settlement Order in the case of Herbert Bradford, Certified Residential R00038 for violations in the preparation of a residential appraisal report. Bradford agreed to pay an administrative fine of \$500. The violations are: Licensee included site improvements (storage building and fence) within the total estimate of cost new. In the Site/Dimensions & Shape section, dimensions and shape information did not explain the irregular shaped lot. Licensee, in the Exterior Description/Materials-Condition section, provided the type of exterior building materials but failed to provide the condition of the building materials. In the

Sales Comparison Approach/Room Count section, failed to provide an analysis when the total room count or bedroom count of the comparables were different than the Subject or provide a reason for the lack of an analysis. In the Sales Comparison Approach/Energy Efficient Items section, stated Typical without further comment. In the Cost Approach/Site Value section, provided the method used to develop the opinion of site value but failed to provide the information used to develop the site value. Licensee omitted the analysis of the “as is” value of the site improvements in the Cost Approach.

**Violation: Standards Rule 1-1(c); 1-1(b)(ii); 2-1(b), USPAP 2010-2011 Edition.**

**AB 11-44** On July 12, 2012, the Board approved a Consent Settlement Order in the case of George Brannum, R00354. Brannum agreed to a twelve month suspension which is stayed and he is on probation for a period of twelve months. Brannum will also pay an administrative fine of \$500. Brannum may not supervise any appraiser during the probationary period. These alleged violations are more specifically as follows: Licensee submitted an altered declaration page for errors and omissions insurance coverage and submitted the same to LSI as evidence of coverage for real estate appraiser’s errors and omission insurance. The copy of the declaration page provided was not from a valid insurance policy/coverage for the time period represented within the declaration page. LSI’s audit of appraisers’ E&O coverage revealed Licensee did not provide a renewal of E&O coverage, which is a requirement to be on LSI’s approved appraisers’ panel. LSI requested evidence of coverage from Licensee and when LSI attempted to verify coverage with the agent, it discovered that the declaration page provided by the Licensee was not valid from the insurance company. **Violation: §34-27A-20(a)(5), Code of Alabama, 1975.**

**AB 11-55** On July 12, 2012, the Board approved a Consent Settlement Order in the case of Adria Bradford, Certified Residential appraiser R01170. The terms of the Consent Settlement Order are that Licensee must complete a 15 hour course with exam on the residential cost approach. The violations are: Licensee included site improvements (storage building and fence) within the total estimate of cost new. In the Site/Dimensions & Shape section, dimensions and shape information did not explain the irregular shaped lot. Licensee, in the Exterior Description/Materials-Condition section, provided the type of exterior building materials but failed to provide the condition of the building materials. In the Sales Comparison Approach/Room Count section, failed to provide an analysis when the total room count or bedroom count of the comparables were different than the Subject or provide a reason for the lack of an analysis. In the Sales Comparison Approach/Energy Efficient Items section, stated Typical without further comment. In the Cost Approach/Site Value section, provided the method used to develop the opinion of site value but failed to provide the information used to develop the site value. Licensee omitted the analysis of the “as is” value of the site improvements in the Cost Approach.

**Violation: Standards Rule 1-1(c); 1-4(b)(ii); 1-4(b)(iii), 2-1(b), USPAP 2010-2011 Edition.**

**Letters of Warning** were issued on the following investigations for the discrepancies indicated. Licensees are also assessed a \$250 administrative fine. This disciplinary action will be considered in any future discipline proceedings:

**AB 11-67** To a Certified Residential appraiser for a residential appraisal where the following violation was cited: Effective age of 10 years not supported by the report. Age of comparables sales #1 and #2 were stated in a range. There is no discussion about the lack of adjustment for total room count between the subject and comparables. The indicated value by the Cost Approach that was contained in the Reconciliation was site value only. Standard 2-1(b), USPAP, 2010-2011 Ed.

**AB 11-35** To a Florida appraiser for a commercial appraisal report where the violations are as follows: Licensee failed to properly license as a real property appraiser in the State of Alabama prior to appraisal of Alabama real property. The temporary permit license application was received after completion of the appraisal. Licensee was assessed a fine of \$500. **Violation: §34-27A-20(a)(9), Code of Alabama, 1975.**

**AB 12-07** To a Certified Residential appraiser for a residential appraisal where the following violation was cited: Details of waterfront and related amenities were not disclosed and there were small, careless errors that affected the credibility of the report. **Violation: 1-1(c), 2-2(b), USPAP, 2012-2013 Ed.**

**AB 12-09** To a Certified Residential appraiser for a residential appraisal where the following violation was cited: The garage is inappropriately allocated as living area and the report is possibly misleading. **Violation: 1-1(c), USPAP, 2010-2011 Ed.**

**AB 12-14** To a Certified Residential appraiser for a residential appraisal where the following violation was cited: There is a lack of explanation of depreciation elements; there is inaccurate information throughout the report; there is inaccurate reporting and allocation of adjustments; and there is a lack of overall support for the opinions. **Violation: 1-1(c), USPAP, 2008-2009 Ed.**