DISCIPLINARY REPORT

November 17, 2022

AB-21-09 On September 22, 2022, the Board approved a Consent Settlement Order where the Licensee agreed to a private reprimand, a $2000.00 administrative fine and completion of a 15 hour USPAP course with an exam. The violations are:

Licensee violated the Preamble, Ethics Rule and Ethics Rule Confidentiality Provision when he posted interior photographs made by the appraiser for the appraisal of the subject property on his Facebook page. During the investigation, Licensee did not acknowledge that the disclosure was improper because he did not include the address and client identity in the post. Licensee claims to post many things on his Facebook page. Licensee stated that the comments to the post on Facebook resulted in his deleting the post. There were questions concerning the different ages of the comparable sales utilized in the appraisal, as well as the fact the smallest comparable with the smallest acreage, sold for the highest sale price. Licensee indicated that he made no adjustment for age as he considered them equivalent. However, there was no indication of the effective age of the improvements. Licensee also indicated that there was probably a location consideration for this sale. This was not indicated in the appraisal. The licensee failed to analyze pertinent information relevant to the development of the Sales Comparison Approach to value. The Licensee failed to adequately report and discuss the information relevant to the development of the Sales Comparison Approach to value. **Violations: PREAMBLE TO USPAP; ETHICS RULE; CONFIDENTIALITY; STANDARDS RULE 1-1(a); 1-4; 2-1, USPAP 2020-21 Edition.**

AB-21-11 On September 22, 2022, the Board approved a Consent Settlement Order where the Licensee agreed to pay an administrative fine of $625. 00. The violations in the report are: The licensee did not correctly employ the sales comparison approach. Licensee made several large adjustments to the comparable sales without market support or explanation in the report or work file. This makes the sales comparison approach non-credible due to lack of support. The licensee states in the report that the condition of the subject is C3- no updates in the 15 years prior to February 10, 2021. Licensee ignored reliable sources for property characteristics such as MLS data and property owner's statements The licensee has the MLS listing in the work file dated 1/11/2019 that contradicts the licensee's statement in the report. The MLS states new hardwood floors, professional painted, newer cabinets on bathrooms, tiled bathroom upstairs, newer appliance. The property owner states that "all kitchen cabinets, all bathroom floors, shower, toilet's, cabinet's, sink remodeled" also stated new hardwood floor.
The licensee did not do an analysis of the subjects highest and best use. The licensee only checked a box stating that the subjects highest and best use was its current use. An appraiser must analyze the relevant legal, physical, and economic factors to the extent necessary to support the appraisers highest and best use conclusion.
Under Site value the licensee states the site value was developed through the use of market extraction which was supported by MLS lot sales but gives no data or analyzes to

support this value. Licensee's reporting of data and opinions and conclusions that were not supported by relevant evidence or logic make this report misleading.
Licensee did not correctly indicate the condition of the subject property in that he stated no remodeling in 15 years when there was evidence that there had been remodeling which makes the report misleading. Licensee states in the Scope of Work section of the report that Market data was researched and analyzed but there was no support for the adjustments made in the sales comparison approach to value and the report does not contain data to support the statement that market date was researched fully. There was no summery of the information analyzed and the reasoning that supports the analyses, opinions, and conclusions in the report. **Violations: STANDARDS RULE 1-1(a**); **1-2(e)(i); 1-3(b); 1-4(b)(i); 2-1(a); USPAP 2020-2021.**

AB 21-23 On September 22, 2022, the Board approved a Consent Settlement Order where the Licensee agreed to pay an administrative fine of $1,000.00 and complete a 15 hour USPAP course with exam. The violations in the report are: The workfile does not contain data or documents that the Licensee says in the report are in the workfile and does not contain data or documents to support the appraiser's opinions and conclusions and to show compliance with USPAP. The licensee did not have market support or explanation for the large adjustments in the Sales Comparison approach or the cost approach for the site value. When there is no support for opinions, the opinion is not credible.
The licensee excluded finished area on the second floor and misstated the GLA of the subject by about 300 square feet which caused substantial errors in the licensee's analysis to arrive at the opinion of value. The appraisal report stated that property values in the subject neighborhood were stable, that Demand/Supply was in balance and that Marketing Time was 3 to 6 months. Investigation of the market conditions reported in the local MLS along with a review of the market condition addendum Licensee included in the report show that neighborhood property values were increasing, that demand was greater than supply and marketing time was decreasing. Because Licensee classified about 300 SF of finished space on the second floor of the subject as unfinished and excluded it from the GLA, Licensee's research and analysis in the sales comparison approach was of data that was not comparable to the subject or alternatively, the adjustments did not reflect an accurate difference in the subject and the sales. Under Site value the licensee states the site value was developed through the use of land sales but gives no data or analysis to support this value. Licensee did not correctly indicate the physical and economic characteristics of the subject property in that the licensee excluded finished area from the GLA.
The appraisal report stated that property values in the subject neighborhood were stable, that Demand/Supply was in balance and that Marketing Time was 3 to 6 months. Investigation of the market conditions reported in the local MLS along with a review of the market condition addendum Licensee included in the report show that neighborhood property values were increasing, that demand was greater than supply and marketing time was decreasing. Comparable sales one and two sold for more than listing price, for sale one after 2 days on the market and for comparable sales 2 and 3 on the day of listing. This indicates Demand and supply is out of balance and that marketing time is under 30 days. Licensee misstated the economic characteristics of the subject neighborhood which

is misleading. Licensee reported but did not include any analysis of the prior sale of the subject. **Violations: RECORD KEEPING RULE; STANDARDS RULE 1-1(a**); **1-1(b**); **1-2(e)(i); 1-4(a); 1-4(b)(i); 2-1(a); USPAP 2020-2021 Edition.**

Letters of Warning were issued on the following investigations for the discrepancies indicated. This disciplinary action will be considered in any future discipline proceedings:

AB 21-35: True copies of all reports issued for this assignment were not in the workfile. Adjustments in the sales comparison approach were not supported. MLS photos were used for comparable sales contrary to assignment conditions and with no explanation. The report states that neighborhood property values were stable, Demand/Supply was in shortage and that Marketing Time was 3 to 6 months. The Market Condition Addendum in the report contradicts, it shows values increasing, Demand/Supply not in balance and Marketing Time declining. **Violations: Record Keeping Rule, SCOPE OF WORK Rule, Standards Rule 1-1(a), 2-1(a), USPAP, 2020-21 Ed.**