

November 6, 2025

AB 23-51 On September 9, 2025, the Board entered an issuing a public reprimand, ordering completion of a 15-hour USPAP course and assessing an administrative fine of \$3,000 to Certified General Real Property Appraiser James E. Lester, Jr., G01286. Lester testified and was recognized as a certified general real estate appraiser before the Court and Jury in a circuit court condemnation trial but deliberately skirted the applicable rules in determining a Before and After Fair Market Value for the property taken in the Klassy Realty case and failed to comply with the Alabama Eminent Domain Act provisions that govern it. From the preponderance of the available credible evidence admitted, Mr. Lester violated the 2020-21 Edition of the USPAP with regard to its Ethics, Conduct, Competency and workfile requirements. Mr. Lester's work file in this case was deficient as charged and that he failed to timely file an accurate, complete and understandable work file. Lester testified that he appeared and testified in the trial as an advocate for the property owner at the same time that he was qualified in the case as a certified general real property appraiser.

AB 24-10 On September 9, 2025, the Board approved a Consent Settlement Order with Certified General Real Property Appraiser Anthony H. Allison, G00004 for the payment of a \$1250 Administrative fine and completion of a 15-hour USPAP course with exam. The violations in that case were:

There is no support or explanation for quality of construction adjustment; age adjustment; for the room count adjustment; for GLA adjustment; for the basement adjustment; for the garage/carport adjustments; for the pool adjustment.

The subject is a brick veneer structure containing approximately 2,488 square feet with a 2,488 square foot basement. The appraiser utilized comparable sale ranging from 3,608 square feet to 6,800 square feet. It appears that these sales are not the best comparables given the extreme adjustments required for size. Two appraisals submitted with the complaint utilized sales which are nearer the size of the subject. Further, the subsequent information furnished by the appraiser concerning the paired sales analysis included a number of sales closer in size to the subject. Given the fact that the appraiser utilized these sales as the alleged basis of the paired sales analysis, they should be comparable to the subject. It is questionable at best if the comparables utilized in the appraisal are the best comparables with which to estimate the value of the subject.

The sales utilized in the appraisal ranged from \$308.80 to \$474.12 per square foot including basement area, prior to adjustments. Subsequent to adjustments, the sales range from \$289.17 to \$439.19. The adjusted unit value of the subject is \$803.86 per GLA. The adjusted unit value including the basement square footage is \$401.93 per square foot.

The report indicates that a number of the adjustments, including the basement adjustment, are based on lump sum adjustments with no support.

To appropriately analyze the comparables and employ the correct methodology in the Sales Comparison Approach, the appraiser must correctly apply adjustments indicated by the

market. The appraisal indicated that the adjustments utilized paired sales analysis. The information furnished by the appraiser concerning the paired sales analysis included a number of sales closer in size to the subject for GLA and at lower sales prices. Given the fact that the appraiser utilized these sales as the alleged basis of the paired sales analysis, they should be comparable to the subject. It is questionable at best if the comparables utilized in the appraisal are the best comparables with which to estimate the value of the subject. The appraisal indicates that the cost utilized are from MVS and Builders estimates. There is no workfile data to support this. **STANDARDS RULE 1-4(a), 1-4(b), 2-2(a)(x)(1), 2-2 (a)(x)(5), USPAP, 2020-2021 Edition.**

AB 24-19, AB 25-02 On September 9, 2025, the Board approved a Consent Settlement Order with a Certified Residential Real Property Appraiser for a private reprimand and a 15-hour USPAP course with exam, a 7-hour course on the appraisal of multifamily properties and a 7 hour course on the cost approach. The violations in this case were: the subject was a duplex. The appraiser identified the property as a single-family residential property utilizing the FNMA 1004 forms and utilizing this single family residential comparables. This ultimately affects credibility and does not yield a credible appraisal. The subject is located within B-2 zoning. Investigation revealed that a variance was granted for two executive suites.

The Licensee appraised the subject property as a single-family residential structure when it is a duplex. All three approaches to value should have been completed, especially since the subject is new construction and is an income producing property. It should be noted that the listing indicates that the First floor is rented. Although sales were included in the appraisal, these are not comparables to the subject property. The appraiser has not appropriately researched and analyzed the market.

The comparables utilized were not comparable even by the appraiser's admission. There is no support or explanation for the land value estimate, nor the adjustments made to the comparables in the report or workfile.

The subject is new construction, a Cost Approach should have been included. Likewise, this is an income producing property and as such the Income Approach is an excellent indicator of value and should have been utilized. As indicated above there is a deficient workfile.

The property was mis-identified and resulting in an appraisal which is not credible.

The appraisal lacks discussion and explanation of the opinion of value. The appraiser mis-identified the subject property as a single-family residence when it is obviously a duplex. The selection of comparables were those of single-family residential structures which are not comparable.

Violations: Standards Rule 1-1(a) & 1-1(b), Rule 1-3(a), 1-3(b), Rule 1-4(a), 1-4(b), and 1-4(c), RECORD KEEPING RULE, Rule 2-1(a), 2-1(b), and 2-1(c), Rule 2-2(a)(x), 202(a)(xii), 2-2(a)(xiii), ETHICS RULE-CONDUCT, COMPETENCY RULE, USPAP, 20-21 Edition.

AB 24-21, AB 24-22, AB 24-23, AB 24-24 On September 9, 2025, the Board approved a Consent Settlement Order from Certified Residential Real Property Appraiser R01280, Nathan Wallace where the appraiser agreed to pay an administrative fine of \$750 and complete a 15-hour USPAP course with exam. The Violations in one or more of the appraisals are as follows:

The appraisal indicated that the adjustments utilized were based on regression analysis and paired sales analysis. During the interview I asked the appraiser where the regression analysis or paired sales analysis was because it was not in the workfile. The appraiser's response was that the statement should not have been in the report because it was not performed. The appraiser utilized 3 sales with Sale 3 being an office building in Dothan formally utilized as the Dothan Eagle marketing office. There are additional church sales available which should have been used. There is no support or explanation for the size adjustments; location adjustments; for the condition's adjustments.

To appropriately analyze the comparables and employ the correct methodology in the Sales Comparison Approach, the appraiser must correctly apply adjustments indicated by the market. As previously indicated, the appraisal indicated that the adjustments utilized were based on regression analysis and paired sales analysis. However, during the interview the appraiser indicated that neither a regression analysis nor paired sales analysis was done. There is no support for the adjustments.

As indicated above there is a deficient workfile. The appraisal lacks discussion and explanation for adjustments.

The appraiser has not appropriately analyzed the comparables and there is no support in the work file for adjustments. As indicated above there is a deficient workfile.

The appraiser has utilized 3 sales with the only adjustment considered being size. No other adjustments were made. There are improvements, timber, cropland, and ponds that should be considered. There is no support for the adjustments or lack of adjustments.

To appropriately analyze the comparables and employ the correct methodology in the Sales Comparison Approach, the appraiser must correctly apply adjustments indicated by the market. As indicated above there is a deficient workfile.

The current contract has not been analyzed.

Based on the appraisal report and the appraiser's responses during the interview, it is questionable if the appraiser has the competency to appraise the subject property. The appraiser utilized a third comparable which was a townhouse. The reasoning behind this was the limited sales activity of quadruplex comparables. It is not inappropriate methodology to utilize small complexes for appraisal purposes to establish market value. The fact that there are only two multi-unit comparables undermines the credibility of the appraisal. Further, it should be noted that the comment contained in the appraisal indicates that the Income Approach was included at the request of the client. This approach is imperative to the valuation of properties similar to the subject because they are true income producing properties and are typically purchased for one reason which is the income stream.

The appraiser has not appropriately analyzed the comparables and there is no support in the work file for adjustments, there is a deficient workfile. There is no support or explanation for the condition's adjustment in the appraisal or workfile. There is no support or explanation for the unit adjustments in the appraisal or workfile. There is no support or explanation for the parking adjustment. To appropriately analyze the comparables and employ the correct methodology in the Sales Comparison Approach, the appraiser must correctly apply adjustments indicated by the market. There is no support for the adjustments either in the appraisal or workfile. There is no support for the site value or cost in the workfile. There is no explanation, and the rental information is minimal at best. There should be an explanation for the estimate of market rent. It should be noted that the appraiser utilizes two comparables in the appraisal for the estimate of the GRM. There is some additional GRM information contained in the workfile. If these were used to support GRM why would they not be appropriate comparables? As previously stated, the comment contained in the appraisal indicates that the Income Approach was included at the request of the client. This approach is imperative to the valuation of properties similar to the subject because they are true income producing properties. The current contract is \$589,999 which includes two properties. There is no analysis of the current contract. The appraisal should have more analysis given this unique contract. analyzed. **Violations: Competency Rule, Standards Rule 1-1(a), 1-1(b), 1-1(c), : Standards Rule 1-4(a), Record Keeping Rule, Rule 1-4(a), 1-4(b)(1), 1-4(b)(ii), 1-4(b)(iii), 1-4(c)(i), 1-4(c)(ii), 1-4(c)(iii), 1-4(c)(iv), 1-4(c)(v), Rule 1-5(a), 1-5(b), Rule 2-2(a)(xii)(xiii), Rule 2-2(a)(x)(1), 2-2(a)(x)(2), 2-2(a)(x)(3), 2-2(a)(x)(4), 2-2(a)(x)(5), 2-2(b)(ix), USPAP, 2020-21 Edition and USPAP 2024 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 24-09 To an appraiser for a residential report where:

- The appraiser has made numerous adjustments to the comparable sales without market support or explanation either in the report or work file. Violation: SR1-4 (a), Record Keeping Rule. USPAP, 2024 Ed.
- There is no discussion or analysis of the current contract. Violation SR 1-5(a), USPAP, 2024 Ed.
- The appraisal lacks discussion and explanation for adjustments as well as support and reasoning for the reconciled final opinion of value. Violation: SR 2-2 (a) (x) (3), USPAP, 2024 Edition.