

BEFORE THE ARIZONA STATE BOARD OF APPRAISAL

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ARIZONA BOARD OF APPRAISAL

In the Matter of:

ANTHONY C. PIERSON
Certified Residential Appraiser
Certificate No. 21521

Case No. 2638

CONSENT AGREEMENT AND ORDER

In the interest of a prompt and judicious settlement of the above-captioned matter before the Arizona Board of Appraisal ("Board") and consistent with public interest, statutory requirements and responsibilities of the Board, and pursuant to A.R.S. § 32-3601 *et seq.* and A.R.S. §41-1092.07(F)(5), Anthony C. Pierson, ("Respondent"), holder of certificate no. 21521 and the Board enter into this Consent Agreement, Findings of Fact, Conclusions of Law and Order ("Consent Agreement") as the final disposition of this matter.

On December 10, 2008, the Board held an Informal Hearing in Case No. 2638. Respondent was properly noticed of the Informal Hearing but did not appear. At the conclusion of the Informal Hearing, the Board voted to offer the Respondent a Consent Agreement and Order of Discipline in lieu of further administrative proceedings.

JURISDICTION

1. The Arizona State Board of Appraisal ("Board") is the state agency authorized pursuant to A.R.S. § 32-3601 *et seq.*, and the rules promulgated thereunder, found in the Arizona Administrative Code ("A.A.C." or "rules") at R4-46-101 *et seq.*, to regulate and control the licensing and certification of real property appraisers in the State of Arizona.

2. Respondent holds a Certificate as a Certified Residential Appraiser in the State of Arizona, Certificate No. 21521 issued on March 20, 2007 pursuant to A.R.S. § 32-3612.

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1 CONSENT AGREEMENT

2 Respondent understands and agrees that:

3 1. The Board has jurisdiction over Respondent and the subject matter pursuant
4 to A.R.S. § 32-3601 *et seq.*

5
6 2. Respondent has the right to consult with an attorney prior to entering into
7 this Consent Agreement.

8 3. Respondent has a right to a public hearing concerning this case. He further
9 acknowledges that at such formal hearing he could present evidence and cross-examine
10 witnesses. Respondent irrevocably waives his right to such a hearing.

11
12 4. Respondent irrevocably waives any right to rehearing or review or to any
13 judicial review or any other appeal of this matter.

14 5. This Consent Agreement shall be subject to the approval of the Board and
15 shall be effective only when accepted by the Board and signed by the Executive Director.
16 In the event that the Board does not approve this Consent Agreement, it is withdrawn and
17 shall be of no evidentiary value and shall not be relied upon nor introduced in any action
18 by any party, except that the parties agree that should the Board reject this Consent
19 Agreement and this case proceeds to hearing, Respondent shall assert no claim that the
20 Board was prejudiced by its review and discussion of this document or any records
21 relating thereto.
22

23
24 6. The Consent Agreement, once approved by the Board and signed by the
25 Respondent, shall constitute a public record which may be disseminated as a formal
26 action of the Board.

1 FINDINGS OF FACT

2 On or about December 10, 2008, the Board’s consideration and investigation of the
3 matter revealed the following:

4 1. This matter deals with an appraisal conducted and report written by
5 Respondent of a detached single family residence located at 9475 E. Mariposa Grande
6 Drive, Scottsdale, AZ 85255 with a date of value of April 15, 2008 or April 19, 2008.

7
8 2. The appraisal report states the subject is under contract as of the effective
9 date of the report. The report also states that the contract was *not* analyzed, but the report
10 further states “interviewed client for pertinent contract details.” The Respondent did not
11 report what the pertinent details were, if any. Additionally, the current listing of the
12 subject property was not reported.

13
14 3. In the Reconciliations section of the appraisal report, the Income Approach
15 was not analyzed. All three (3) approaches to value were not considered.

16
17 4. The Scope of Work is not stated in the report and there is no mention of the
18 type or extent of the research or analyses performed by the Respondent.

19 5. Respondent’s workfile does not contain a copy of the appraisal.
20 Additionally, the client who ordered the appraisal report is not noted.

21 6. There is a lack of supporting data in the report and in the appraiser’s
22 workfile to produce a credible appraisal. This was a complex assignment that required
23 proper analysis of the neighborhood and market area, of the subject improvements,
24 comparable sales data, and proper discussions within the report.
25
26

1 CONCLUSIONS OF LAW

2 1. Pursuant to A.R.S. § 32-3635, a certified or licensed appraiser in the State
3 of Arizona must comply with the standards of practice adopted by the Board. The
4 Standards of Practice adopted by the Board are codified in the USPAP edition applicable
5 at the time of the appraisal.

6
7 2. The conduct described above constitutes violations of the following
8 provisions of the USPAP, 2008-2009 edition: Standards Rule 1-1(a); Standards Rule 1-
9 2(h); Standards Rule 1-5(a); Standards Rule 2-2(b)(viii); Ethics Standard Rule—
10 Recordkeeping; Competency Rule and the Scope of Work Rule.

11 ORDER

12
13 Based upon the foregoing Findings of Fact and Conclusions of Law, the parties
14 agree to the following:

15 1. **Upon the effective date of this Consent Agreement, Respondent’s**
16 **certificate as a Certified Residential Appraiser shall be placed on probation for a**
17 **minimum period of six (6) months.** During probation, Respondent shall comply with
18 USPAP, Arizona Revised Statutes and Appraisal Board rules.

19 2. Respondent shall successfully complete the following education within
20 **six (6) months** of the effective date of this Consent Agreement: **Seven (7) hours of**
21 **report writing; seven (7) hours in appraising complex properties and a minimum**
22 **of six (6) hours of mortgage fraud.** The education required under this paragraph may
23 not be counted toward continuing education requirements or for the renewal of
24 Respondent’s certificate. Proof of completion of the required education must be
25 submitted to the Board within 3 weeks of completion of the required courses.
26

1 3. During the term of probation, Respondent shall: (a) demonstrate
2 resolution of the problems that resulted in this disciplinary action; and (b) otherwise
3 comply with the terms of this Consent Agreement.

4 4. During the period of mentorship set forth below in paragraph number 5,
5 Respondent shall complete a minimum of **twelve (12) appraisal reports** under the
6 supervision of an Arizona Certified Residential or Certified General Appraiser who
7 shall serve as Respondent's mentor ("Mentor").

8 5. **During the six (6) month probationary period, the Respondent shall**
9 **not issue a verbal or written appraisal, appraisal review, or consulting**
10 **assignment without prior review and approval by a Mentor.** Each report shall be
11 signed by the Mentor as a supervisory appraiser. The Mentor shall be either an
12 Arizona Certified Residential or General Appraiser. In the event that the Respondent's
13 client will not accept the signature of the Mentor affixed to an assignment as a
14 supervisory appraiser, the Mentor need not co-sign the report, but must complete a
15 written review of each report ensuring that the report complies with USPAP and the
16 Board's statutes and rules. The Mentor's review shall comply with the requirements of
17 Standard 3 of the USPAP. The Mentor's Standard 3 review shall be completed before
18 the report is issued to the client. Any changes the Mentor requires to ensure the report
19 complies with the USPAP shall be completed by the Respondent and approved by the
20 Mentor before the report is issued. The Mentor's written Standard 3 review shall be
21 maintained by the Mentor and made available to the Board upon request. In order to
22 invoke these provisions, the Respondent must submit proof to the Board with his
23 monthly log showing that his client's policies prevent co-signature by the Mentor.

24 After **six (6) months**, the requirement of pre-approval of appraisals by a
25 Mentor may be terminated upon approval by the Board if Respondent has complied
26 with the conditions set out in this Order.

1 6. The Mentor must be approved by the Board and is subject to removal by
2 the Board for nonperformance of the terms of this Consent Agreement. The Mentor
3 may not have a business relationship with Respondent except for the Mentor/Mentee
4 relationship nor may the Mentor be related to Respondent. Any replacement Mentor
5 is subject to the Board's approval and the remaining terms of this Consent Agreement.
6 The Board's Executive Director may give temporary approval of the Mentor until the
7 next regular meeting of the Board.

8 7. Not more than **30 days** after the effective date of this Consent
9 Agreement, Respondent shall submit to the Board the name and resume of an Arizona
10 Certified Residential or Arizona Certified General Appraiser who is willing to serve as
11 Respondent's Mentor together with a letter from the potential Mentor agreeing to
12 serve as Respondent's Mentor. If requested by Board staff, Respondent shall continue
13 to submit names, resumes, and letters agreeing to serve as Mentor until a Mentor is
14 approved by the Board. Any Mentor must be approved in writing by the Board.

15 8. Respondent shall bear all costs and expenses associated with the
16 mentorship and incurred by attending the course.

17 9. The Mentor shall submit monthly reports to the Board for each calendar
18 month during Respondent's probationary period reflecting the quantity and quality of
19 Respondent's work, including, but not limited to, improvement in Respondent's
20 practice and resolution of those problems that prompted this action. The Mentor's
21 report shall be filed monthly beginning the 15th day of the first month following the
22 start of Respondent's probationary period and continuing each month thereafter until
23 termination of the mentorship period by the Board. **Even if the Mentor reviews no**
24 **appraisals during a given month, a report stating that no appraisals were**
25 **reviewed or approved must be submitted.** It is the Respondent's responsibility to
26 ensure that the Mentor submits his/her reports monthly. If the monthly reporting date

1 falls on a Saturday, Sunday, or holiday, the report is due on the next business day.

2 The monthly report may be filed by mail or facsimile.

3 10. The Respondent shall file an appraisal log with the Board on a monthly
4 basis listing every Arizona appraisal that he has completed within the prior calendar
5 month by property address, appraisal type, valuation date, the Mentor's review date,
6 the date the appraisal was issued, and the number of hours worked on each

7 assignment. The report log shall be filed monthly beginning the 15th day of the first
8 month following the start of Respondent's probationary period and continuing each
9 month thereafter until the Board terminates the probation. If the log reporting date

10 falls on a Saturday, Sunday, or holiday, the report log is due on the next business day.

11 **Even if Respondent performs no appraisals within a given month, he must still**
12 **file an appraisal log with the Board showing that no appraisals were performed.**

13 The monthly log report may be filed by mail or facsimile.

14 11. The Board reserves the right to audit any of Respondent's reports and
15 conduct peer review, as deemed necessary, during the probationary period. The Board
16 may, in its discretion, seek separate disciplinary action against the Respondent for any
17 violation of the applicable statutes and rules discovered in an audit of the
18 Respondent's appraisal reports provided to the Board under the terms of this Consent
19 Agreement.

20 12. Respondent's probation, including mentorship, shall continue until: (a)
21 Respondent petitions the Board for termination as provided in paragraph 13, and (b)
22 the Board terminates the probation and mentorship. Upon petition by the Respondent
23 for termination of the mentorship, the Board will select and audit 3 of Respondent's
24 appraisal reports.

25 13. At the end of **six (6) months** from the effective date of this Consent
26 Agreement, the Respondent must petition the Board for termination of his probation

1 and mentorship. If the Board determines that Respondent has not complied with all
2 the requirements of this Consent Agreement, the Board, at its sole discretion, may
3 either: (a) continue the probation and/or the mentorship; or (b) institute proceedings
4 for noncompliance with this Consent Agreement, which may result in suspension,
5 revocation, or other disciplinary and/or remedial action.

6 14. Respondent shall not act as a supervising appraiser for other appraisers or
7 trainees, nor shall he act as a mentor, during the term of the probation. Respondent shall
8 also not teach any course related to real estate appraisals during the term of the probation.
9

10 15. Respondent shall comply with the Uniform Standards of Professional
11 Appraisal Practice in performing all appraisals and all Board statutes and rules.

12 16. If, between the effective date of this Consent Agreement and the
13 termination of Respondent's probation by the Board, Respondent fails to renew his
14 license while under this Consent Agreement and subsequently applies for a license or
15 certificate, the remaining terms of this Consent Agreement, including probation and
16 mentorship, shall be imposed if the application for license or certificate is granted.

17 17. Respondent has read and understands this Consent Agreement as set
18 forth herein, and has had the opportunity to discuss this Consent Agreement with an
19 attorney or has waived the opportunity to discuss this Consent Agreement with an
20 attorney. Respondent voluntarily enters into this Consent Agreement for the purpose
21 of avoiding the expense and uncertainty of an administrative hearing.

22 18. Respondent understands that he has a right to a public administrative
23 hearing concerning each and every allegation set forth in the above-captioned matter,
24 at which administrative hearing he could present evidence and cross-examine
25 witnesses. By entering into this Consent Agreement, Respondent freely and
26 voluntarily relinquishes all rights to such an administrative hearing, as well as all
rights of rehearing, review, reconsideration, appeal, judicial review or any other

1 administrative and/or judicial action, concerning the matters set forth herein.

2 Respondent affirmatively agrees that this Consent Agreement shall be irrevocable.

3 19. Respondent understands that this Consent Agreement, or any part
4 thereof, may be considered in any future disciplinary action against him.

5 20. The parties agree that this Consent Agreement constitutes final
6 resolution of this disciplinary matter.

7 21. Time is of the essence with regard to this agreement.

8 22. If Respondent fails to comply with the terms of this Consent Agreement,
9 the Board shall properly institute proceedings for noncompliance with this Consent
10 Agreement, which may result in suspension, revocation, or other disciplinary and/or
11 remedial actions. Respondent agrees that any violation of this Consent Agreement is a
12 violation of A.R.S. § 32-3631(A)(8), which is willfully disregarding or violating any
13 of the provisions of the Board's statutes or the rules of the Board for the
14 administration and enforcement of its statutes.

15 23. Respondent understands that this Consent Agreement does not constitute
16 a dismissal or resolution of other matters currently pending before the Board, if any,
17 and does not constitute any waiver, express or implied, of the Board's statutory
18 authority or jurisdiction regard any other pending or future investigation, action or
19 proceeding. Respondent also understands that acceptance of this Consent Agreement
20 does not preclude any other agency, subdivision or officer of this state from instituting
21 other civil or criminal proceedings with respect to the conduct that is the subject of
22 this Consent Agreement.

23 24. Respondent understands that the foregoing Consent Agreement shall not
24 become effective unless and until adopted by the Board of Appraisal and executed on
25 behalf of the Board. Any modification to this original document is ineffective and
26 void unless mutually approved by the parties in writing.

1 25. Respondent understands that this Consent Agreement is a public record
2 that may be publicly disseminated as a formal action of the Board.

3 26. Pursuant to the Board's Substantive Policy Statement #1, the Board
4 considers the violations in the above-referenced matter to constitute to a Level III
5 Violation.

6 DATED this 18th day of February, 2009.

7
8 [Signature] [Signature]
9 Anthony C. Pierson Deborah G. Pearson, Executive Director
Respondent Arizona Board of Appraisal

10 ORIGINAL of the foregoing filed
11 this 18th day of February, 2009 with:

12 Arizona Board of Appraisal
13 1400 W. Washington Street, Suite 360
14 Phoenix, AZ 85007

15 COPY of the foregoing mailed regular and
16 Certified mail 7007 2560 0001 3358 8386
17 this 18th day of February, 2009 to:

18 Anthony C. Pierson
19 117 S. Sandstone St.
20 Gilbert AZ 85296

21 COPY of the foregoing sent or delivered
22 this 18th day of February, 2009 to:

23 Jeanne M. Galvin
24 Assistant Attorney General
25 Arizona Attorney General's Office
26 1275 W. Washington - CIV/LES
Phoenix, AZ 85007

[Signature]

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