



ARIZONA BOARD OF APPRAISAL

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ARIZONA BOARD OF APPRAISAL

July 27, 2010

Mr. Larry E. Roush
PMB #454
11881 S. Fortuna Rd.
Yuma, AZ 85367

Re: Board of Appraisal Case Nos. 3003, 3004 and 3044

Dear Mr. Roush:

As you know, the Board received the above-referenced complaints against you regarding your appraisal of the following properties:

- 3003:** 10804 S. Via Salida
Yuma, AZ 85367
Effective Date of Value: March 25, 2009
- 3004:** 1422 N. Zamora Avenue
San Luis, AZ 85349
Effective Date of Value: January 26, 2009
- 3044:** 17224 S. Avenue B ½
Somerton, AZ 85350-8208
Effective Date of Value: August 28, 2009

At its June, 2010, meeting the Board voted to offer you the opportunity to resolve these matters with a Letter of Due Diligence.

In addressing these matters, the Board reviewed the complaints, your responses thereto, the appraisals, and the supporting workfiles.

With respect to Complaint No. 3003, the Board concluded that the appraisal report was not credible given the inconsistencies throughout the report. For instance, on page 1 of the report, you note a 2-year old in-ground pool but on page 2, you state the subject has no pool. Similarly, on page 1 you note the shaded RV carport with hookup but on page 2, that item is not noted. In addition, the number of fireplaces was incorrectly reported. The subject was also on a golf course but that fact was not disclosed. With respect to Comparable Sale No. 2, the RV storage was not disclosed nor was the spa relating to Comparable Sale No. 3. Additionally, there was no age adjustment for Comparable Sale No. 1.

With respect to Complaint No. 3004, the Board found that that there was no external depreciation in the Cost Approach due to economic/market conditions. Additionally, property values were declining and not stable as you indicated. Comparable Sales Nos. 2, 3, and 4 are not locationally the most similar to the subject. Comparable No. 4

warranted a quality adjustment based on MLS description of the upgrades. Finally there was also a typographical error relating to when some of the comparable sales sold and the subject had no rear landscaping but this fact was not disclosed.

With respect to Complaint No. 3044, the Board noted that the \$15,000 adjustment for the solar hot water heater appeared in the Cost Approach but not in the written report and that adjustment was not credible. In addition, there was no external depreciation taken for the market conditions. Also, you noted a declining market but made no time adjustments for the comparable sales. An appraiser is required to report the type and amount of the sales concession for each comparable sale listed. If no concessions exist, the appraiser must note "none." In this report you stated "None noted" instead of providing the concessions.

The Board finds that your appraisal development and reporting violate the following standards of the Uniform Standards of Professional Appraisal Practice (USPAP), 2008-2009 edition:

3003: Standards Rule 1-1(a), (b) and (c)

3004: Standards Rule 1-1(b) and (c) and Standards Rule 1-4(b)(iii)

3044: Standards Rule 1-1(a); Standards Rule 1-1(b)(iii); Standards Rule 1-2(h); and Scope of Work---Acceptability

Pursuant to Arizona Administrative Code (A.A.C.) R4-46-301 and the Board's Substantive Policy Statement #1, the Board considers these violations to amount to a Level II Violation. In lieu of further proceedings, and pursuant to Arizona Revised Statutes (A.R.S.) §32-3632(B) and A.A.C. R4-46-301(C), the Board is willing to resolve these matters with a letter of due diligence, if you agree to remedy these violations through exercising greater due diligence **by successfully completing not less than fifteen (15) hours Basic Appraisal (with an exam); seven (7) hours Cost Approach; and seven (7) hours of USPAP Update for the 2010-2011 edition. The coursework must be completed within six (6) months from the date of this letter as shown at the top of the first page.** A list of approved remedial and disciplinary education courses is on the Board's website for your convenience in locating the appropriate course(s). Please note that the education obtained pursuant to this Order may not be used toward your continuing education requirements for renewal during your next licensing period **except that the seven (7) hours obtained for completing the USPAP Update for the 2010-2011 edition may be used toward your continuing education requirements for renewal during your next licensing period.** Also, with the exception of the 7 hour USPAP Update, the other courses may be completed online.

A letter of due diligence is a disciplinary action and is a matter of public record in your Board file, and may be used in any future disciplinary proceeding.

By signing below, you acknowledge that you have read and understand this letter of due diligence. You have the right to consult with legal counsel regarding this matter, and have done so or choose not to do so.

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By signing this letter of due diligence, you are voluntarily relinquishing your right to an informal hearing, formal hearing, and judicial review in state or federal court with regard to the matters herein.

Upon signing this letter of due diligence and returning it to the Board, you may not revoke acceptance of this letter of due diligence. In addition, you may not make any modifications to this letter of due diligence. Any modifications to this letter of due diligence are ineffective and void unless mutually approved by you and the Board.

If any part of this letter of due diligence is later declared void or otherwise unenforceable, the remainder of the letter of due diligence in its entirety shall remain in force and effect.

If you fail to comply with the terms of this letter of due diligence, the Board may properly institute proceedings for noncompliance, which may result in suspension, revocation, or other disciplinary and/or remedial actions. By signing this letter of due diligence you are agreeing that any violation of this letter of due diligence is a violation of A.R.S. § 32-3631(A)(8), which is willfully disregarding or violating any of the provisions of the Board's statutes or the rules of the Board for the administration and enforcement of its statutes.

If you agree to accept this letter of due diligence, please execute this document by your signature below. Please return the original signed document to the Board at 1400 W. Washington, Suite 360, Phoenix, Arizona 85007, on or before **August 26, 2010**. If you do not return this original document on or before the specified date, the Board may conduct further proceedings.

Sincerely,


Daniel Pietropaulo
Executive Director

ACKNOWLEDGED AND AGREED


Larry E. Roush, Respondent

Date

07/31/2010

c: Jeanne M. Galvin, Assistant Attorney General

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