



## ARIZONA BOARD OF APPRAISAL

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ARIZONA BOARD OF APPRAISAL

April 3, 2014

Mr. Randall S. Lineberger  
1509 W. El Alba Way  
Chandler, AZ 85224

Re: Board of Appraisal Case No. 3334

Dear Mr. Lineberger,

As you know, during the Board's investigation of the above-referenced complaint, the Board audited three randomly selected appraisals from your appraisal log. The audit revealed certain deficiencies. At its March 21, 2014, monthly meeting, the Board of Appraisal held an Informal Hearing in case no. 3334. You appeared personally and with legal counsel, Jim Braselton.

**With respect to 10647 East Autumn Sage, Scottsdale, AZ, effective date of value of May 7, 2012:**

On or about July 9, 2013, the Board's investigation revealed the following deficiencies.

- a. The adjustments for the livable area are applied at \$35/SF while average selling prices of the comparables are over \$200/SF.
- b. The value conclusion via the Cost Approach is \$231,800 while the Sales Comparison Approach is \$360,000. There is no discussion or reconciliation of this difference.
- c. The subject is identified as having an effective age of 7 years and a remaining economic life of 43 years, yet no physical depreciation was reported in the Cost Approach.
- d. The subject and Comparable Nos. 1 and 2 back a desert preserve in the development. Comparable No. 3 is adjusted upward of \$6,000 for its location off the preserve. Comparable No. 4 is identified as being off the preserve, when in fact it also backs the preserve and is adjusted upward \$25,000. The adjustment is unwarranted and inconsistent with the location adjustment applied to Comparable No. 3.

**With respect to 5380 South Miller Place, Chandler, AZ, effective date of value of November 6, 2012:**

On or about July 9, 2013, the Board's investigation revealed the following deficiencies:

- e. Comparable No. 1 is reported to be a brand new builder sale, yet it is identified as the same condition as the 5 year old subject, rather than C1 (new).

- f. The subject is identified as having an effective age of 3 years and a remaining economic life of 50 years, indicating physical depreciation of 5.6%. Yet, depreciation is applied at 0.2%.

**With respect to 5310 East Calle Redonda, Phoenix, AZ, effective date of value of November 27, 2012:**

On or about July 9, 2013, the Board's investigation revealed the following deficiencies:

- g. Adjustments for livable area are applied at \$35/SF, while average selling prices of the comparables are nearly \$300/SF.
- h. The site value conclusion reflects a value of \$13/SF, yet adjustments for differences in site area are applied at \$1/SF.
- i. The subject is identified as having an effective age of 25 years and a remaining economic life of 40 years, indicating physical depreciation of 38%. Yet, depreciation is applied at 1.5%.

The Board finds that your appraisal development and reporting violate the following standards of the Uniform Standards of Professional Appraisal Practice (USPAP), 2012-2013 Edition:

**Standards Rule 1-1(a); Standards Rule 1-4(a) and (b)(iii); Standards Rule 1-6(a) and (b); Standards Rule 2-1(b); and Standards Rule 2-2(b)(viii).**

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 this matter with a letter of due diligence, if you agree to remedy these violations through exercising greater due diligence and **by successfully completing a seven (7) hour course in Residential Report Writing; a seven (7) hour course in Comparable Sales Analysis; the seven (7) hour 2014-2015 USPAP Update course; and three (3) hours of Personal Instruction with an AQB Certified USPAP Instructor. The Board recognizes that you recently completed the above referenced coursework in satisfaction of this requirement.** The education may be used toward your continuing education requirements for renewal during your next licensing. In addition, the Board acknowledges that you have submitted for review your 2013 and 2014 (to date) appraisal log.

**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 proceedings.** 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.

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 matter 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 15 South 15<sup>th</sup> Avenue, Ste. 103A, Phoenix, Arizona 85007, on or before April 17, 2014. If you do not return this original document on or before the specified date, the Board may conduct further proceedings, including but not limited to a formal hearing before the Office of Administrative Hearings.

Sincerely,



Debra Rudd  
Executive Director

ACKNOWLEDGED AND AGREED

  
\_\_\_\_\_  
Randall S. Lineberger, Respondent

4/4-14

\_\_\_\_\_  
Date

c: Jeanne M. Galvin, Assistant Attorney General

c: James Braselton  
jbraselton@dickinsonwright.com