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BEFORE THE ARIZONA STATE BOARD OF APPRAISAL

IN THE MATTER OF:

CASE NOS. 3598 and 3610

RICHARD T. SALCEDA
Licensed Residential Appraiser
License No. 11476

**CONSENT AGREEMENT AND
ORDER OF DISCIPLINE**

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), Richard T. Salceda ("Respondent"), holder of License No. 11476 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 November 15, 2013, the Board convened to discuss case nos. 3598 and 3610. Respondent appeared personally and on his own behalf. At the conclusion of its consideration of these matters, 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 License as a Licensed Residential Appraiser in the State of Arizona, License No. 11476 issued on March 7, 2006, pursuant to A.R.S. § 32-3612.

CONSENT AGREEMENT

Respondent understands and agrees that:

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

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

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

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

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 In the event that the Board does not approve this Consent Agreement, it is withdrawn and shall be of no evidentiary value and shall not be relied upon nor introduced in any action by any party, except that the parties agree that should the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

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

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1 FINDINGS OF FACT

2 3598

3
4 On or about November 15, 2013, the Board's investigation revealed the following:

5 1. This complaint involves an appraisal by Respondent of a single family
6 Manufactured home located at 715 Yates Circle, Meadview, with an effective date of
7 value of July 2, 2013.

8 2. The opinion of site value is based upon the extraction method, however,
9 there is no support for the Respondent's analysis or conclusion. Additionally, the site
10 value reflects less than 4% of the market value, when it typically equals 15% -25% and is
11 reported in the text addendum to often exceed 30%.

12 3. The large variance in value conclusions (40%) between the sales and cost
13 approach indicates either inaccurate cost figures or the possibility of external
14 obsolescence. There is no discussion or analysis of external obsolescence.

15 4. There were canned statements in the Addendum indicating the income
16 approach supports the market approach and subsequently that a lack of rental data
17 negates the relevance of the income approach.

18 3610

19 On or about November 15, 2013, the Board's investigation revealed the following:

20 5. This complaint involves an appraisal by Respondent of a single family
21 residence located at 4093 Forrest Ranch Loop, Parks, AZ , with an effective date of value
22 of July 15, 2013.

23 6. The Respondent made corrections to the original appraisal report and the
24 Board's findings are based upon the revised appraisal. While the corrections were dated
25 9/10/13, the report date of 7/17/13 is unchanged from the original report.

26

2 Pursuant to A.R.S. § 32-3635, a certified or licensed appraiser in the State of
3 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 The conduct described above constitutes violations of the following provisions of
7 the USPAP, 2012-2013 edition:

8 **Standards Rule 1-1 (b) and (c); Standards Rule 1-4(a); Standards Rule 1-5(a);**
9 **Standards Rule 2-1(a); and Standards Rule 2-2(viii).**

10
11 **ORDER**

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

14 1. Respondent shall complete the following education within six (6) months of
15 the effective date of this Consent Agreement: a **seven (7) hour Basic Appraisal course**
16 **and a seven (7) hour Report Writing course.** The education required under this
17 paragraph may NOT be counted toward the continuing education requirements for
18 the renewal of Respondent's certificate. The effective date of this Consent Agreement
19 and Order is the date the Order is signed by the Board's Executive Director.

20 2. Proof of completion of the required education must be submitted to the
21 Board within 3 weeks of completion of the required coursework. Respondent shall be
22 responsible for all costs associated with completing the coursework and exam as required
23 in paragraph 3.

24 3. Respondent shall comply with the Uniform Standards of Professional
25 Appraisal Practice in performing all appraisals and all Board statutes and rules.
26

1 4. During the period of probation, Respondent shall complete a minimum of
2 **six (6) appraisal reports. The appraisal reports may be demonstration reports.**

3 5. 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 date the appraisal was
6 issued, and the number of hours worked on each assignment. The report log shall be filed
7 monthly beginning the 1st day of the first month following the start of Respondent's
8 probationary period and continuing each month thereafter until the Board terminates the
9 probation. If the log reporting date falls on a Saturday, Sunday, or holiday, the report log
10 is due on the next business day. **Even if Respondent performs no appraisals within a**
11 **given month, he must still file an appraisal log with the Board showing that no**
12 **appraisals were performed.** The monthly log report may be filed by mail, facsimile or
13 electronically.

14 6. 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 Respondent's
18 appraisal reports provided to the Board under the terms of this Consent Agreement.

19 7. Respondent's probation shall continue until: (a) Respondent petitions the
20 Board for termination as provided in paragraph 8 and (b) the Board terminates the
21 probation. Upon petition by the Respondent for termination of the probation, the Board
22 will select and audit 3 of Respondent's appraisal reports.

1 8. At the end of six (6) months from the effective date of the Consent
2 Agreement, the Respondent may petition the Board for termination of his probation. If
3 the Board determines that Respondent has not complied with all the requirements of this
4 Consent Agreement, the Board, at its sole discretion, may either: (a) continue the
5 probation or (b) institute proceedings for noncompliance with this Consent Agreement,
6 which may result in suspension, revocation, or other disciplinary and/or remedial action.
7

8 9. Respondent shall not act as a supervising appraiser for other appraisers or
9 trainees, nor shall he act as a mentor, during the term of the probation. Respondent shall
10 also not teach any course related to real estate appraisals during the term of the
11 suspension or probation.
12

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

15 11. If, between the effective date of this Consent Agreement and the
16 termination of Respondent's probation by the Board, Respondent fails to renew his
17 certificate while under this Consent Agreement and subsequently applies for a license or
18 certificate, the remaining terms of this Consent Agreement, including probation and
19 mentorship, shall be imposed if the application for license or certificate is granted.
20

21 12. Respondent has read and understands this Consent Agreement as set forth
22 herein, and has had the opportunity to discuss this Consent Agreement with an attorney
23 or has waived the opportunity to discuss this Consent Agreement with an attorney.
24 Respondent voluntarily enters into this Consent Agreement for the purpose of avoiding
25 the expense and uncertainty of an administrative hearing.
26

1 13. Respondent understands that he has a right to a public administrative
2 hearing concerning each and every allegation set forth in the above-captioned matter, at
3 which administrative hearing he could present evidence and cross-examine witnesses. By
4 entering into this Consent Agreement, Respondent freely and voluntarily relinquishes all
5 rights to such an administrative hearing, as well as all rights of rehearing, review,
6 reconsideration, appeal, judicial review or any other administrative and/or judicial action,
7 concerning the matters set forth herein. Respondent affirmatively agrees that this Consent
8 Agreement shall be irrevocable.

9 14. Respondent understands that this Consent Agreement, or any part thereof,
10 may be considered in any future disciplinary action against him.

11 15. The parties agree that this Consent Agreement constitutes final resolution
12 of this disciplinary matter.

13 16. Time is of the essence with regard to this agreement.

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

21 18. Respondent understands that this Consent Agreement does not constitute a
22 dismissal or resolution of other matters currently pending before the Board, if any, and
23 does not constitute any waiver, express or implied, of the Board's statutory authority or
24 jurisdiction regard any other pending or future investigation, action or proceeding.
25 Respondent also understands that acceptance of this Consent Agreement does not
26 preclude any other agency, subdivision or officer of this state from instituting other civil

1 or criminal proceedings with respect to the conduct that is the subject of this Consent
2 Agreement.

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

7 20. Respondent understands that this Consent Agreement is a public record that
8 may be publicly disseminated as a formal action of the Board.

9 21. Pursuant to the Board's Substantive Policy Statement #1, the Board
10 considers the violations in the above-referenced matter to constitute to a **Level III**
11 **Violation.**

12 DATED this 15th day of JAN, 2014.

14
15 
16
17 Richard T. Salceda
18 Respondent

16 
17 Debra Rudd
18 Executive Director
19 Arizona Board of Appraisal

20 **ORIGINAL** of the foregoing filed
21 this 16th day of January, 2014 with:

22 Arizona Board of Appraisal
23 15 S. 15th Ave., Suite 103A
24 Phoenix, Arizona 85007

25 **COPY** of the foregoing mailed regular
26 and certified mail 4012 3050 0002 0140 5417
this 11 day of January, 2013 to:

Richard T. Salceda
P. O. Box 30901
Flagstaff, AZ 86003

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COPY of the foregoing sent or delivered
this 17 day of January, 2013 to:

J
Jeanne M. Galvin
Assistant Attorney General
Arizona Attorney General's Office
1275 West Washington, CIV/LES
Phoenix, Arizona 85007

By: Nancy A. Rivera
3642605