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DEPT. OF FINANCIAL
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BEFORE THE DEPARTMENT OF FINANCIAL INSTITUTIONS

In the Matter the Appraiser's License of:

Case No. 3787

NICKI A. FLORES
Licensed Residential Appraiser
License No. 11104

**CONSENT AGREEMENT and ORDER
FOR PROBATION**

Respondent.

In the interest of a prompt and judicious settlement of the above-captioned matter before the Arizona Department of Financial Institutions ("Department"), and consistent with public interest, statutory requirements and responsibilities of the Department, and pursuant to A.R.S. § 32-3601 *et seq.* and A.R.S. § 41-1092.07(F)(5), Nicki A. Flores (the "Respondent"), holder of License No. 11104, and the Department enter into this Consent Agreement, Findings of Fact, Conclusions of Law, and Order ("Consent Agreement") as the final disposition of this matter.

JURISDICTION

1. The Department 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 Rules 4-46-101 *et seq.*, to regulate and control the licensing and certification of real estate property appraisers in the State of Arizona.

2. Respondent holds a license as a Licensed Residential Appraiser in the State of Arizona, License No. 11104, issued July 1, 2004, pursuant to A.R.S. § 32-3612.

CONSENT AGREEMENT

Respondent understands and agrees that:

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

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

1 which Respondent agreed to and signed. Therein, Respondent agreed to a thirty hour educational
2 course, with exam, and an audit of three appraisal reports from the Respondent's log after her
3 completion of the course and exam to be conducted by the Department. In the event the Department
4 found violations in the audit, Respondent agreed to and accepted that she could be subject to
5 probation, including mentorship, or other requirements deemed appropriate by the Department in its
6 discretion.

7 13. An audit of the appraisal of the single-family property located at 14560 S. Camino
8 Vendaval, Sahuarita, Arizona, 85629, revealed the following errors:

- 9 a. Respondent's report contained no data or analysis to support the estimated
10 closing costs, which were used in calculating the seller's concessions, and
11 contained no analysis of the impact these concessions had on the sales price;
- 12 b. Respondent's value conclusion using the cost approach was over twenty
13 percent higher than the value using the sales comparison approach, but lacked
14 any analysis of external obsolescence;
- 15 c. The site value estimate in the cost approach was reported to be based upon
16 recent land sales in the subject property's immediate market area as well as
17 the Pima County assessed vacant land values, but there were no sales of
18 similar sized lots in the subject market in over five years; and
- 19 d. Respondent's Appraisal Report lacked the appropriate and supportive analysis
20 for her adjustments and conclusions, including but not limited to the subject
21 property's fourth bedroom.

22 14. An audit of the appraisal of the single-family property located at 2414 N. Quesnel
23 Loop, Tucson, Arizona, 85715, revealed the following errors:

- 24 a. The site value estimate in the cost approach was reported to be based upon
25 recent land sales in the subject property's immediate market area, but there
26 were no sales of similar sized lots in the subject property's market area since

1 2009;

- 2 b. The subject property and Comparable 4 back a busy street which was not
3 reflected or analyzed in the report; and
4 c. Respondent's Appraisal Report lacked the appropriate and supportive analysis
5 for her adjustments and conclusions based upon the comparable sales within
6 the subject property's development.

7 15. An audit of the appraisal of the single-family property located at 1816 S. Tam O
8 Shanter Ave., Tucson, Arizona, 85710, revealed the following errors:

- 9 a. Respondent's Appraisal Report contained inconsistent adjustment amounts for
10 upgrades, gross living area, and the existence of a carport instead of a garage;
11 b. Respondent's Appraisal Report lacked analysis for additional living areas
12 present in two of the comparable sales;
13 c. Respondent conducted no analysis of the seller concessions for one of the
14 comparable sales; and
15 d. The site value estimate in the cost approach was reported to be based upon
16 recent land sales in the subject property's immediate market area, but there
17 were no sales of similar sized lots in the subject property's market area since
18 2001; and
19 e. Respondent's Appraisal Report lacked the appropriate analysis for her
20 adjustments and conclusions.

21 16. The Department's audit of these three reports revealed similar issues to the Appraisal
22 Report of the Subject Property found in the initial investigation.

23 **CONCLUSIONS OF LAW**

24 17. The Department has personal and subject matter jurisdiction in this case under A.R.S.
25 § 32-3601 *et seq.*, and is authorized to seek disciplinary action against any licensed or certified real
26 property appraiser in the State of Arizona for violations of the Arizona Revised Statutes ("Statutes"),

1 Rules or the standards of practice adopted by the Department.

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

5 19. The conduct described above constitutes violations of the following provisions of the
6 USPAP, 2014-2015 edition:

7 **Record Keeping Rule, Standards Rule 1-1(a)(b)(c), 1-4(a), 1-4(b)(i), 2-2(a)(viii) and**
8 **A.R.S. § 32-3635 (A)(B).**

9 **ORDER**

10 20. The Department places Respondent's license as a Licensed Residential Appraiser on
11 probation for a minimum period of six (6) months ("Probation" or "Probationary Period").
12 Probation shall commence on the day the Division Manager, on behalf of the Superintendent, signs
13 this Order into effect (the "Effective Date").

14 21. Respondent shall comply with the following orders during the Probationary Period.

15 22. Respondent shall comply with all USPAP, Statutes, and Department Rules during the
16 Probationary Period.

17 23. Respondent shall: (a) demonstrate resolution of the problems that resulted in this
18 disciplinary action; and (b) otherwise comply with the terms of this Consent Agreement.

19 24. Respondent must obtain a mentor ("Mentor" or "Mentorship"). Not later than thirty
20 (30) days after the Effective Date of this Consent Agreement, Respondent shall submit to the
21 Department the name, resume and letter of agreement of an Arizona Certified Residential or Arizona
22 Certified General Appraiser who is willing to serve as Respondent's Mentor. If the Department
23 denies Respondent's proposed Mentor, Respondent shall continue to submit names, resumes, and
24 letters of agreement from additional potential Mentors until the Department approves of one. The
25 Department must approve the Mentor in writing. The Mentor is subject to removal by the
26 Department for nonperformance of the terms of this Consent Agreement.

1 25. The Mentor must review all of Respondent's reports during the Probationary Period.
2 Each report shall either be signed by the Mentor as a supervisory appraiser or the Mentor must
3 complete a written Standard 3 Review of each report ensuring that it complies with USPAP and the
4 Department's Statutes and Rules. The Mentor's review shall comply with the requirements of
5 Standard 3 of the USPAP. The Mentor's Standard 3 review shall be completed before the report is
6 issued to the client. Respondent shall make all changes that the Mentor requires to all reports to
7 ensure that all reports comply with USPAP prior to issuance. The Mentor shall maintain a copy of
8 his or her written Standard 3 review to make available to the Department upon request.

9 26. The Mentor shall not have a business relationship with Respondent except for the
10 Mentor/Mentee relationship nor may the Mentor be related to the Respondent. Any replacement
11 Mentor is subject to approval by the Department and the remaining terms of this Consent
12 Agreement.

13 27. Respondent shall complete a minimum of **twelve (12) appraisal reports** under the
14 supervision of the Mentor.

15 28. Respondent shall bear all costs and expenses associated with her Mentorship.

16 29. The Mentor shall submit a monthly report to the Department for each calendar month
17 during the Probationary Period reflecting the quantity and quality of Respondent's work, including,
18 but not limited to, improvement in Respondent's practice and resolution of those problems that
19 prompted this action. The Mentor shall file the report on the first day of each month, beginning with
20 the second month of the Probationary Period and each month thereafter until the Department
21 terminates Probation. **The Mentor shall submit a report regardless of whether Respondent**
22 **performs any appraisals in that month. If Respondent performs no appraisals in a given**
23 **month, the Mentor's report must state the same. It is the Respondent's responsibility to**
24 **ensure that the Mentor submits his/her reports monthly.** If the monthly reporting date falls on a
25 Saturday, Sunday or holiday, the report is due on the next business day. The monthly report may be
26 filed by regular mail, email or facsimile.

1 30. Respondent shall file an appraisal log with the Department on a monthly basis listing
2 every Arizona appraisal that she has completed within the prior calendar month by property address,
3 appraisal type, valuation date, the Mentor's review date, the date the appraisal was issued, and the
4 number of hours worked on each assignment. Respondent shall file the report log on the first day of
5 each month, beginning with the second month of the Probationary Period and each month thereafter
6 until the Department terminates Probation. If the log reporting date falls on a Saturday, Sunday or
7 holiday, the report log is due on the next business day. **Respondent must still file an appraisal log**
8 **with the Department even if Respondent performs no appraisals within a given month.** The
9 monthly log report may be filed by regular mail, email or facsimile.

10 31. The Department reserves the right to audit any of Respondent's reports during the
11 Probationary Period. The Department may seek separate disciplinary action against the Respondent
12 for any violation of the applicable Statutes and Rules discovered in an audit of the Respondent's
13 appraisal reports provided under the terms of this Consent Agreement.

14 32. Respondent's Probation, including Mentorship, shall continue until: (a) Respondent
15 petitions the Department or the Superintendent for termination as provided in paragraph 33 and (b)
16 the Department terminates the Probation and Mentorship. Upon petition by the Respondent for
17 termination of the Probation and Mentorship, the Department will select and audit three (3) of
18 Respondent's appraisal reports.

19 33. At the end of six (6) months from the Effective Date of the Consent Agreement, the
20 Respondent may petition the Department for termination of her Mentorship and Probation. If the
21 Department determines that Respondent has not complied with all the requirements of this Consent
22 Agreement, the Department, at its sole discretion, may continue the Probation, including Mentorship
23 or institute proceedings for noncompliance with this Consent Agreement, which may result in
24 suspension, revocation, or other disciplinary and/or remedial action.

25 34. Respondent shall not act as a supervising appraiser for other appraisers or trainees,
26 nor shall Respondent act as a mentor, during the Probationary Period.

1 35. Respondent shall not teach any course related to real estate appraisals during the
2 Probationary Period.

3 36. Respondent shall comply with the Uniform Standards of Professional Appraisal
4 Practice in performing all appraisals and all Department Statutes and Rules.

5 37. Respondent has read and understands this Consent Agreement as set forth herein, and
6 has had the opportunity to discuss this Consent Agreement with an attorney or has waived the
7 opportunity to discuss this Consent Agreement with an attorney. Respondent voluntarily enters into
8 this Consent Agreement for the purpose of avoiding the expense and uncertainty of an administrative
9 hearing.

10 38. Respondent understands that she has a right to an administrative hearing concerning
11 each and every allegation set forth in the above-captioned matter, at which administrative hearing
12 she could present evidence and cross-examine witnesses. By entering into this Consent Agreement,
13 Respondent freely and voluntarily relinquishes all rights to such an administrative hearing, as well as
14 all rights of rehearing, review, reconsideration, appeal, judicial review or any other administrative
15 and/or judicial action, concerning the matters set forth herein. Respondent affirmatively agrees that
16 this Consent Agreement shall be irrevocable.

17 39. Respondent understands that this Consent Agreement, or any part thereof, may be
18 considered in any future disciplinary action against her.

19 40. The parties agree that this Consent Agreement constitutes final resolution of this
20 disciplinary matter.

21 41. If Respondent fails to comply with the terms of this Consent Agreement, the
22 Department shall institute proceedings for noncompliance with this Consent Agreement, which may
23 result in suspension, revocation, or other disciplinary and/or remedial actions. Respondent agrees
24 that any violation of this Consent Agreement is a violation of A.R.S. § 32-3631(A)(8), which is
25 willfully disregarding or violating any of the provisions of the Statutes or the Rules regulating the
26 professional appraisal practice.

1 ORIGINAL of the foregoing e-filed this
2 1st day of March, 2016,
in the office of:

3 Arizona Department of Financial Institutions
4 ATTN: Kelly Luteijn
5 2910 N. 44th Street, Suite 310
6 Phoenix, AZ 85018
7 KLuteijn@azdfi.gov

8 COPY of the foregoing mailed/emailed same date to:

9 Debra Rudd, Manager
10 Arizona Department of Financial Institutions
11 Real Estate Appraisal Division
12 2910 N. 44th Street, Suite 310
13 Phoenix, AZ 85018
14 DRudd@azdfi.gov

15 Nicki A. Flores
16 3150 S. Eastview Ave.
17 Tucson, AZ 85730
18 Nikelann2@msn.com
19 Respondent

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21 #4889550

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