



## ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

Lauren W. Kingry  
Superintendent of Financial Institutions

Douglas A. Ducey  
Governor

October 29, 2015

Lynn M. White  
330 N. 10th St. #315  
Cottonwood, AZ 86326



RE: Complaint No. 3802

Dear Ms. White:

The Real Estate Division of the Department of Financial Institutions has reviewed Case No. 3802. At the conclusion of its consideration of the matter, the Superintendent decided to offer you the opportunity to resolve the above-referenced matter by Consent Order for Probation. Enclosed please find the Consent Order offered by the Division.

Pursuant to the terms of the Consent Order of Probation, the Division is seeking to place your certificate on Probation for a period of three (3) months during which you are to be supervised by a Certified Residential or Certified General Appraiser who will act as your Mentor.

If the terms of the Consent Order for Probation are acceptable to you, please sign where indicated and return the **original** to the Real Estate Appraisal Division at 2910 N. 44<sup>th</sup> Street, Suite 310, Phoenix, Arizona 85018. A fully executed copy of the Consent Order for Probation will be provided to you when it is signed by the Division Manager.

If you have any questions regarding the Consent Order for Probation, please call me at (602) 542-1593. The original must be received by the Real Estate Appraisal Division office by November 20, 2015. If we are unable to settle this matter by this Consent Order for Probation, the matter may proceed to a formal hearing.

Sincerely,

Debra Rudd, Division Manager  
Real Estate Appraisal Division

Enclosure as stated





1 briefly and did not enter the guesthouse.

2 13. On August 15, 2015, the Department investigator viewed the subject property and  
3 found only one kitchen in the main home on the property. Based upon the viewing of the subject  
4 property, the investigator determined that Respondent's sketch incorrectly identified kitchens in the  
5 basement unit and guesthouse that do not exist. Additional errors were noted in Respondent's  
6 appraisal which impacts the credibility of the appraisal report.

7 14. Respondent's errors are:

- 8 a. Failed to complete a full visual inspection of the basement unit and did not  
9 view the guesthouse at all. Nor did she disclose otherwise.
- 10 b. Made numerous typographical or careless errors throughout the report, such as  
11 incorrect zip codes, incorrect zoning, site area of Comparable 1 misstated,  
12 mistook the prior recording of the subject as a sales transaction when it was a  
13 recorded mortgage transaction.
- 14 c. Failed to accurately report the features of the comparable sales.
- 15 d. Failed to support adjustments to the comparable sales.
- 16 e. Relied solely on MLS for sales data confirmation.
- 17 f. Incorrectly used the Assessor's Full Cash Value for the estimate of site value  
18 in the Cost Approach.
- 19 g. Included inappropriate cost new estimates in her report.
- 20 h. Failed to employ recognized appraisal methodology; and the report does not  
21 comply with the standards of professional appraisal practice.

#### 22 CONCLUSIONS OF LAW

23 15. The Department has personal and subject matter jurisdiction in this case under A.R.S.  
24 § 32-3601 *et seq.*, and is authorized to seek disciplinary action against any licensed or certified real  
25 property appraiser in the State of Arizona for violations of statute, rule or the standards of practice  
26 adopted by the Department.



1 Department denies Respondent's proposed Mentor, Respondent shall continue to submit names,  
2 resumes, and letters of agreement from additional potential Mentors until the Department approves  
3 of one. The Department must approve the Mentor in writing. The Mentor is subject to removal by  
4 the Department for nonperformance of the terms of this Consent Order.

5 e. The Mentor shall not have a business relationship with Respondent except for  
6 the Mentor/Mentee relationship nor may the Mentor be related to Respondent. Any replacement  
7 Mentor is subject to approval by the Department and the remaining terms of this Consent Order.

8 f. The Mentor must review all of Respondent's reports during the probationary  
9 period. Each report shall either be signed by the Mentor as a supervisory appraiser or the Mentor  
10 must complete a written Standard 3 Review of each report ensuring that it complies with USPAP and  
11 the Department's statutes and rules. The Mentor's review shall comply with the requirements of  
12 Standard 3 of the USPAP. The Mentor's Standard 3 review shall be completed before the report is  
13 issued to the client. Respondent shall make all changes that the Mentor requires to all reports to  
14 ensure that all reports comply with USPAP prior to issuance. The Mentor shall maintain a copy of  
15 their written Standard 3 review to make available to the Department upon request.

16 g. Respondent shall complete a minimum of **twelve (12) appraisal reports**  
17 **under the supervision of the Mentor.**

18 h. Respondent shall bear all costs and expenses associated with the mentorship.

19 i. The Mentor shall also submit a monthly report to the Department for each  
20 calendar month during Respondent's probationary period reflecting the quantity and quality of  
21 Respondent's work, including, but not limited to, improvement in Respondent's practice and  
22 resolution of those problems that prompted this action. The Mentor shall file the report on the first  
23 day of each month, beginning with the second month of the probation period and each month  
24 thereafter until termination of the probationary period. **The Mentor shall independently submit a**  
25 **report regardless of whether Respondent performs any appraisals in that month. It is the**  
26 **Respondent's responsibility to ensure that the Mentor submits his/her reports monthly.** If the

1 monthly reporting date falls on a Saturday, Sunday or holiday, the report is due on the next business  
2 day. The monthly report may be filed by regular mail, email or facsimile.

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

13           20.       The Department reserves the right to audit any of Respondent's reports and conduct  
14 peer review during the probationary period. The Department may seek separate disciplinary action  
15 against the Respondent for any violation of the applicable statutes and rules discovered in an audit of  
16 the Respondent's appraisal reports provided under the terms of this Consent Agreement.

17           21.       Respondent's probation, including mentorship, shall continue until: (a) Respondent  
18 petitions the Department or the Superintendent for termination as provided in paragraph 22; and (b)  
19 the Department terminates the probation and mentorship. Upon petition by the Respondent for  
20 termination of the probation and mentorship the Department will select and audit three (3) of  
21 Respondent's appraisal reports.

22           22.       At the end of three (3) months from the effective date of the Consent Order, the  
23 Respondent may petition the Department for termination of her mentorship and probation. If the  
24 Department determines that Respondent has not complied with **all** the requirements of this Consent  
25 Order, the Department, at its sole discretion, may continue the probation, including mentorship or  
26 institute proceedings for noncompliance with this Consent Order, which may result in suspension,

1 revocation, or other disciplinary and/or remedial action.

2           23. If the Department determines Respondent has complied with all the requirements of  
3 this Consent Agreement and has no other pending disciplinary actions, the Respondent's mentorship  
4 and probation will be terminated.

5           24. Respondent shall not act as a supervising appraiser for other appraisers or trainees,  
6 nor shall Respondent act as a mentor, during the term of the probation.

7           25. Respondent shall not teach any course related to real estate appraisals during the term  
8 of the probation.

9           26. Respondent shall comply with the USPAP in performing all appraisals and all  
10 Department statutes and rules.

11           27. Respondent has read and understands this Consent Order as set forth herein, and has  
12 had the opportunity to discuss this Consent Order with an attorney or has waived the opportunity to  
13 discuss this Consent Order with an attorney. Respondent voluntarily enters into this Consent Order  
14 for the purpose of avoiding the expense and uncertainty of an administrative hearing.

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

22           29. Respondent understands that this Consent Order, or any part thereof, may be  
23 considered in any future disciplinary action against her.

24           30. The parties agree that this Consent Order constitutes final resolution of this  
25 disciplinary matter.

26           31. If Respondent fails to comply with the terms of this Consent Order, the Department

1 shall institute proceedings for noncompliance with this Order, which may result in suspension,  
2 revocation, or other disciplinary and/or remedial actions. Respondent agrees that any violation of  
3 this Consent Order is a violation of A.R.S. § 32-3631(A)(8), which is willfully disregarding or  
4 violating any of the provisions of the statutes or the rules regulating the professional appraisal  
5 practice.

6         32. Respondent understands that this Consent Order does not constitute a dismissal or  
7 resolution of other matters currently pending before the Department, if any, and does not constitute  
8 any waiver, express or implied, of the Department’s statutory authority or jurisdiction regarding any  
9 other pending or future investigation, action or proceeding. Respondent also understands that  
10 acceptance of this Consent Order does not preclude any other agency subdivision or officer of this  
11 state from instituting other civil or criminal proceedings with respect to the conduct that is the  
12 subject of this Consent Order.

13         33. Respondent understands that the foregoing Consent Order shall not become effective  
14 until adopted by the Real Estate Appraisal Division Manager and executed by or on behalf of the  
15 Superintendent. Any modification to this original document is ineffective and void unless mutually  
16 approved by the parties in writing.

17         34. Respondent understands that this Consent Order is a public record that may be  
18 publicly disseminated as a formal action.

19         35. Pursuant to the previously noted Board of Appraisal’s Substantive Policy Statement  
20 #1, the Department considers the violation in the above-referenced matter to constitute a Level III  
21 Violation.

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36. Time is of the essence with regard to this agreement.

RESPECTFULLY SUBMITTED this 30<sup>th</sup> day of November, 2015.

Lauren W. Kingry  
Superintendent of Financial Institutions

By: Debra Rudd  
Debra Rudd, Manager  
Real Estate Appraisal Division

Acknowledged and agreed this date November 26, 2015

By: Lynn White  
Lynn White, Respondent  
Lynn White

ORIGINAL of the foregoing e-filed this  
30<sup>th</sup> day of November, 2015,  
in the office of:

Lauren W. Kingry  
Superintendent of Financial Institutions  
Arizona Department of Financial Institutions  
ATTN: William Hampton  
2910 N. 44th Street, Suite 310  
Phoenix, AZ 85018

COPY of the foregoing delivered same date to:

Debra Rudd, Manager  
Arizona Department of Financial Institutions  
Real Estate Appraisal Division  
ATTN: Kelly Luteijn  
2910 N. 44th Street, Suite 310  
Phoenix, AZ 85018  
KLuteijn@azdfi.gov

Lynn White  
330 N. 10<sup>th</sup> Street, #315  
Cottonwood, AZ 86326  
littlewolf1948@gmail.com  
Respondent

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