

1 6. Neither the appraisal report nor the Respondent's workfile contained any
2 information on how the Respondent arrived at his conclusion of the rental rate applicable
3 to the subject property.

4 7. There was no data in the appraisal report or in the Respondent's workfile to
5 support the Respondent's conclusion of Gross Rent Multiplier.

6 8. Additional data was available for analysis by the Respondent in arriving at a
7 conclusion of market value for the subject property that arguably would have led to a
8 different opinion of market value.

9 9. The Respondent's reported market value opinion was impacted by the
10 omission of comparable data that would have arguably resulted in a different opinion of
11 market value for the subject property.

12 10. The Respondent states in the Neighborhood Section of the appraisal report
13 that property values were stable and that supply and demand were in balance. Clearly, at
14 the date of the appraisal, housing prices in the Metropolitan Phoenix housing market were
15 gravitating downward and housing supply was exceeding demand.

16 11. Communicating the appraisal report, as written, is misleading as a result of
17 the Respondent's failure to analyze other comparable data from the subject subdivision's
18 Book and Map.

19 12. Omitting any discussion in the report regarding other available comparable
20 sales from the subject subdivision would clearly lead a knowledgeable reader to believe
21 the Respondent was aiming for a conclusion of value.

1 3. During the term of probation, Respondent shall: (a) demonstrate resolution
2 of the problems that resulted in this disciplinary action; and (b) otherwise comply with
3 the terms of this Consent Agreement.

4 4. During the period of mentorship set forth below in paragraph number 5,
5 Respondent shall complete a minimum of **twelve (12) appraisal reports** under the
6 supervision of an Arizona Certified Residential or Certified General Appraiser who shall
7 serve as Respondent's mentor ("Mentor").

8 5. **During the six (6) month probationary period, the Respondent shall not**
9 **issue a verbal or written appraisal, appraisal review, or consulting assignment**
10 **without prior review and approval by a Mentor.** Each report shall be signed by the
11 Mentor as a supervisory appraiser. The Mentor shall be either an Arizona Certified
12 Residential or General Appraiser. In the event that the Respondent's client will not accept
13 the signature of the Mentor affixed to an assignment as a supervisory appraiser, the
14 Mentor need not co-sign the report, but must complete a written review of each report
15 ensuring that the report complies with USPAP and the Board's statutes and rules. The
16 Mentor's review shall comply with the requirements of Standard 3 of the USPAP. The
17 Mentor's Standard 3 review shall be completed before the report is issued to the client.
18 Any changes the Mentor requires to ensure the report complies with the USPAP shall be
19 completed by the Respondent and approved by the Mentor before the report is issued.
20 The Mentor's written Standard 3 review shall be maintained by the Mentor and made
21 available to the Board upon request. In order to invoke these provisions, the Respondent
22 must submit proof to the Board with his monthly log showing that his client's policies
23 prevent co-signature by the Mentor.

24 After **six (6) months**, the requirement of pre-approval of appraisals by a Mentor
25 may be terminated upon approval by the Board if Respondent has complied with the
26 conditions set out in this Order.

1 6. The Mentor must be approved by the Board and is subject to removal by the
2 Board for nonperformance of the terms of this Consent Agreement. The Mentor may not
3 have a business relationship with Respondent except for the Mentor/Mentee relationship
4 nor may the Mentor be related to Respondent. Any replacement Mentor is subject to the
5 Board's approval and the remaining terms of this Consent Agreement. The Board's
6 Executive Director may give temporary approval of the Mentor until the next regular
7 meeting of the Board.

8 7. Not more than **30 days** after the effective date of this Consent Agreement,
9 Respondent shall submit to the Board the name and resume of an Arizona Certified
10 Residential or Arizona Certified General Appraiser who is willing to serve as
11 Respondent's Mentor together with a letter from the potential Mentor agreeing to serve as
12 Respondent's Mentor. If requested by Board staff, Respondent shall continue to submit
13 names, resumes, and letters agreeing to serve as Mentor until a Mentor is approved by the
14 Board. Any Mentor must be approved in writing by the Board.

15 8. Respondent shall bear all costs and expenses associated with the mentorship
16 and incurred by attending the course.

17 9. The Mentor shall submit monthly reports to the Board for each calendar
18 month during Respondent's probationary period reflecting the quantity and quality of
19 Respondent's work, including, but not limited to, improvement in Respondent's practice
20 and resolution of those problems that prompted this action. The Mentor's report shall be
21 filed monthly beginning the 15th day of the first month following the start of
22 Respondent's probationary period and continuing each month thereafter until termination
23 of the mentorship period by the Board. **Even if the Mentor reviews no appraisals**
24 **during a given month, a report stating that no appraisals were reviewed or**
25 **approved must be submitted.** It is the Respondent's responsibility to ensure that the
26 Mentor submits his/her reports monthly. If the monthly reporting date falls on a

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

3 10. 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 Mentor's review date, the
6 date the appraisal was issued, and the number of hours worked on each assignment. The
7 report log shall be filed monthly beginning the 15th day of the first month following the
8 start of Respondent's probationary period and continuing each month thereafter until the
9 Board terminates the probation. If the log reporting date falls on a Saturday, Sunday, or
10 holiday, the report log is due on the next business day. **Even if Respondent performs**
11 **no appraisals within a given month, he must still file an appraisal log with the Board**
12 **showing that no appraisals were performed.** The monthly log report may be filed by
13 mail or facsimile.

14 11. 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 12. Respondent's probation, including mentorship, shall continue until: (a)
20 Respondent petitions the Board for termination as provided in paragraph 13, and (b) the
21 Board terminates the probation and mentorship. Upon petition by the Respondent for
22 termination of the mentorship, the Board will select and audit 3 of Respondent's appraisal
23 reports.

24 13. At the end of **six (6) months** from the effective date of this Consent
25 Agreement, the Respondent must petition the Board for termination of his probation and
26 mentorship. If the Board determines that Respondent has not complied with **all** the

1 requirements of this Consent Agreement, the Board, at its sole discretion, may either: (a)
2 continue the probation and/or the mentorship; or (b) institute proceedings for
3 noncompliance with this Consent Agreement, which may result in suspension,
4 revocation, or other disciplinary and/or remedial action.

5 14. Respondent shall not act as a supervising appraiser for other appraisers or
6 trainees, nor shall he act as a mentor, during the term of the probation. Respondent shall
7 also not teach any course related to real estate appraisals during the term of the probation.

8 15. Respondent shall comply with the Uniform Standards of Professional
9 Appraisal Practice in performing all appraisals and all Board statutes and rules.

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

15 17. Respondent has read and understands this Consent Agreement as set forth
16 herein, and has had the opportunity to discuss this Consent Agreement with an attorney
17 or has waived the opportunity to discuss this Consent Agreement with an attorney.
18 Respondent voluntarily enters into this Consent Agreement for the purpose of avoiding
19 the expense and uncertainty of an administrative hearing.

20 18. Respondent understands that he has a right to a public administrative
21 hearing concerning each and every allegation set forth in the above-captioned matter, at
22 which administrative hearing he could present evidence and cross-examine witnesses. By
23 entering into this Consent Agreement, Respondent freely and voluntarily relinquishes all
24 rights to such an administrative hearing, as well as all rights of rehearing, review,
25 reconsideration, appeal, judicial review or any other administrative and/or judicial action,
26

1 concerning the matters set forth herein. Respondent affirmatively agrees that this
2 Consent Agreement shall be irrevocable.

3 19. Respondent understands that this Consent Agreement, or any part thereof,
4 may be considered in any future disciplinary action against him.

5 20. The parties agree that this Consent Agreement constitutes final resolution of
6 this disciplinary matter.

7 21. Time is of the essence with regard to this agreement.

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

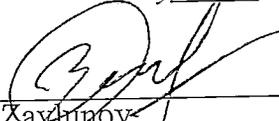
15 23. Respondent understands that this Consent Agreement does not constitute a
16 dismissal or resolution of other matters currently pending before the Board, if any, and
17 does not constitute any waiver, express or implied, of the Board's statutory authority or
18 jurisdiction regard any other pending or future investigation, action or proceeding.
19 Respondent also understands that acceptance of this Consent Agreement does not
20 preclude any other agency, subdivision or officer of this state from instituting other civil
21 or criminal proceedings with respect to the conduct that is the subject of this Consent
22 Agreement.

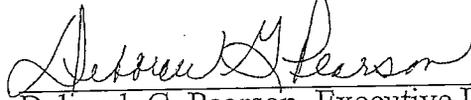
23 24. Respondent understands that the foregoing Consent Agreement shall not
24 become effective unless and until adopted by the Board of Appraisal and executed on
25 behalf of the Board. Any modification to this original document is ineffective and void
26 unless mutually approved by the parties in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

1 25. Respondent understands that this Consent Agreement is a public record that
2 may be publicly disseminated as a formal action of the Board.

3 26. Pursuant to the Board's Substantive Policy Statement #1, the Board
4 considers the violations in the above-referenced matter to constitute to a **Level III**
5 **Violation.**

6 DATED this 23rd day of September, 2009.

7 
8 Leonid Zavlunov
9 Respondent


Deborah G. Pearson, Executive Director
Arizona Board of Appraisal

10 **ORIGINAL** of the foregoing filed
11 this 23rd day of September, 2009 with:

12 Arizona Board of Appraisal
13 1400 W. Washington Street, Suite 360
14 Phoenix, AZ 85007

15 **COPY** of the foregoing mailed regular and
16 Certified mail 7008 1140 0004 9529 4965
17 this 23rd day of September, 2009 to:

18 Leonid Zavlunov
19 1335 E. Saint John Road
20 Phoenix, AZ 85022

21 **COPY** of the foregoing sent or delivered
22 this 23rd day of September, 2009 to:

23 Jeanne M. Galvin
24 Assistant Attorney General
25 Arizona Attorney General's Office
26 1275 W. Washington - CIV/LES
Phoenix, AZ 85007

#385762