



## ARIZONA BOARD OF APPRAISAL

1400 West Washington, Suite 360  
Phoenix, Arizona 85007  
(602) 542-1539 Fax (602) 542-1598  
Email: [appraisal@appraisal.state.az.us](mailto:appraisal@appraisal.state.az.us)  
Website: [www.appraisal.state.az.us](http://www.appraisal.state.az.us)

March 21, 2012

### VIA CERTIFIED AND REGULAR MAIL

SCOTT A. ARMSTRONG  
4015 S. RIVER DR.  
TEMPE, AZ 85282

RE: Complaint(s) 3165/3174

Dear Mr. Lavigne:

Please find enclosed your copy of the Consent Agreement and Order for Voluntary Surrender of your Arizona certified residential appraiser certificate No. 21533.

**The Arizona Board of Appraisal is requesting that you return your License Certificate Number 21533 previously issued, within the next fourteen (14) days.**

Please be advised that you may not engage in any form of appraisal, appraisal review, supervision or consulting in the State of Arizona under penalty of law.

Sincerely,

A handwritten signature in cursive script that reads "Dan Pietropaulo".

Dan Pietropaulo  
Executive Director

Enclosure

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2012 FEB 21 AM 10:09  
ARIZONA BOARD OF APPRAISAL

BEFORE THE ARIZONA STATE BOARD OF APPRAISAL

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In the Matter of:  
**SCOTT A. ARMSTRONG**  
Certified Residential Appraiser  
Certificate No. 21533

Case Nos. 3165 and 3174  
**CONSENT AGREEMENT AND ORDER  
FOR VOLUNTARY SURRENDER**

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), Scott A. Armstrong, ("Respondent"), holder of certificate no. 21533 and the Board enter into this Consent Agreement, Findings of Fact, Conclusions of Law and Order for Voluntary Surrender ("Consent Agreement") as the final disposition of these matters.

On January 13, 2012, the Board held an Informal Hearing in Case no. 3165. Despite having been properly noticed, Respondent failed to appear. At the conclusion of its consideration of this matter, the Board voted to offer the Respondent a Consent Agreement and Order for Voluntary Surrender of certificate number 21533 in lieu of further administrative proceedings. The Board further noted that Respondent is currently under a Consent Agreement in case no. 3174.

**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.





1  
2 5. On or about March 29, 2011, Respondent and the Board entered into a  
3 Consent Agreement and Order for Discipline regarding an appraisal performed and report  
4 written by Respondent of a property located on E. Lehi Road in Mesa, AZ with an  
5 effective date of value of June 28, 2010.  
6

7 6. Pursuant to the terms of the 2011 Consent Agreement and Order,  
8 Respondent's certificate was placed on probation for a minimum period of six months; he  
9 was required to complete 22 hours of disciplinary education; obtain a mentor and file  
10 monthly logs with the Board.  
11

12 7. Respondent has failed to comply with the terms of the 2011 Consent  
13 Agreement and Order. He has not completed the required education nor has he submitted  
14 the required monthly logs.

15 8. The 2011 Consent Agreement provides that: "If Respondent fails to comply  
16 with the terms of this Consent Agreement, the Board shall properly institute proceedings  
17 for noncompliance with this Consent Agreement, which may result in suspension,  
18 revocation, or other disciplinary and/or remedial actions. Respondent agrees that any  
19 violation of this Consent Agreement is a violation of A.R.S. §32-3631(A)(8), which is  
20 willfully disregarding or violating any of the provisions of the Board's statutes or the  
21 rules so the Board for the administration and enforcement of its statutes."  
22

23 **CONCLUSIONS OF LAW**

24 Pursuant to A.R.S. § 32-3635, a certified or licensed appraiser in the State of  
25 Arizona must comply with the standards of practice adopted by the Board. The  
26

1 Standards of Practice adopted by the Board are codified in the USPAP edition applicable  
2 at the time of the appraisal.

3 3165

4 The conduct described above constitutes violations of the following provisions of  
5 the USPAP, 2006 edition:  
6

7 **Standards Rule 1-4(b)(ii); Standards Rule 1-5(a) and (b); Standards Rule 2-**  
8 **2(b)(viii) and A.R.S. §32-3635.**

9 3174

10 9. The conduct described above constitutes violations of A.R.S. §32-  
11 3631(A)(8), which is willfully disregarding or violating any of the provisions of the  
12 Board's statutes or the rules so the Board for the administration and enforcement of its  
13 statutes."  
14

15 ORDER

16 Based upon the foregoing Findings of Fact and Conclusions of Law, the parties  
17 agree to the following:  
18

19 1. **Upon the effective date of this Consent Agreement for Voluntary**  
20 **Surrender, Respondent's Arizona Certificate as a Certified Residential**  
21 **Appraiser (#21533) shall be surrendered.** Once the surrender is effectuated,  
22 Respondent shall not issue a verbal or written appraisal, appraisal review, or  
23 consulting assignment in the State of Arizona. The effective date of this Consent  
24 Agreement for Voluntary Surrender is the date the Consent Agreement for Voluntary  
25 Surrender is accepted by the Board as evidenced by the signature of the Board's  
26 Executive Director

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

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

17           4.       Respondent understands that this Consent Agreement for Voluntary  
18 Surrender, or any part thereof, may be considered in any future disciplinary action  
19 against him or in any future decision regarding re-certification.

20           5.       The parties agree that this Consent Agreement for Voluntary Surrender  
21 constitutes final resolution of this disciplinary matter.

22           6.       Time is of the essence with regard to this agreement.

23           7.       Respondent understands that this Consent Agreement for Voluntary  
24 Surrender does not constitute a dismissal or resolution of other matters currently  
25 pending before the Board, if any, and does not constitute any waiver, express or  
26 implied, of the Board's statutory authority or jurisdiction regarding any other pending

1 or future investigation, action or proceeding. Respondent also understands that  
2 acceptance of this Consent Agreement for Voluntary Surrender does not preclude any  
3 other agency, subdivision or officer of this state from instituting other civil or criminal  
4 proceedings with respect to the conduct that is the subject of this Consent Agreement  
5 for Voluntary Surrender.

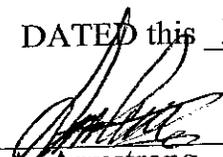
6 8. Respondent understands that the foregoing Consent Agreement for  
7 Voluntary Surrender shall not become effective unless and until adopted by the Board  
8 of Appraisal and executed on behalf of the Board. Any modification to this original  
9 document is ineffective and void unless mutually approved by the parties in writing.

10 9. Respondent understands that this Consent Agreement for Voluntary  
11 Surrender is a public record that may be publicly disseminated as a formal action of  
12 the Board.

13 10. Pursuant to the Board's Substantive Policy Statement #1, the Board  
14 considers the violations in the above-referenced matter to constitute to Level IV

15 **Violations.**

16 DATED this 21 day of ~~FEBRUARY~~ <sup>March</sup> 2012.

17   
18 \_\_\_\_\_  
18 Scott A. Armstrong  
18 Respondent

  
19 \_\_\_\_\_  
19 Dan Pietropaulo, Executive Director  
19 Arizona Board of Appraisal

19 **ORIGINAL** of the foregoing filed  
20 this 21 day of March, 2012 with:

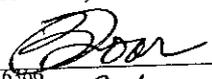
21 Arizona Board of Appraisal  
21 1400 W. Washington Street, Suite 360  
22 Phoenix, AZ 85007

23 **COPY** of the foregoing mailed regular and  
24 Certified mail 7009 1680 0000 7587 1436  
24 this 21 day of March, 2012 to:

25 Scott A. Armstrong  
25 4015 S. River Drive  
26 Tempe, AZ 85282

1 COPY of the foregoing sent or delivered  
this 21 day of March, 2012 to:

2 Jeanne M. Galvin  
3 Assistant Attorney General  
4 Arizona Attorney General's Office  
5 1275 W. Washington - CIV/LES  
6 Phoenix, AZ 85007

7   
8 \_\_\_\_\_  
9 2586366  
10 *Rebecca M. Lear*  
11 *Regulatory Compliance Officer*  
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1 CONSENT AGREEMENT

2 Respondent understands and agrees that:

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

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

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

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

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

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

23 ///

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26 ///

1 **FINDINGS OF FACT**

2 On or about January 21, 2011, the Board's investigation revealed the following:

3 1. This matter deals with an appraisal conducted and report written by  
4 Respondent of a single family residence located at 1644 E. Lehi Road, Mesa, AZ, 85203-  
5 1211 with an effective date of value of June 28, 2010.

6 2. Respondent incorrectly characterized the subject's solar panels as personal  
7 property.

8 3. Respondent failed to note that at the back of the subject property is a view  
9 of the elevated freeway and the property backs to the freeway off-ramp. Similarly,  
10 Comparables Nos. 1 and 4 were adjusted for location but the subject was not.

11 4. The time adjustment was not credible.

12 5. The report contained a number of spelling errors.

13 **CONCLUSIONS OF LAW**

14 1. Pursuant to A.R.S. § 32-3635, a certified or licensed appraiser in the State  
15 of Arizona must comply with the standards of practice adopted by the Board. The  
16 Standards of Practice adopted by the Board are codified in the USPAP edition applicable  
17 at the time of the appraisal.

18 The conduct described above constitutes violations of the following provisions of  
19 the USPAP, 2010-2011 edition:

20 Standards Rule 1-1(a), (b) and (c) and Standards Rule 1-2(e)

21 **ORDER**

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

24 1. **Upon the effective date of this Consent Agreement, Respondent's**  
25 **Certificate as a Certified Residential Appraiser shall be placed on probation for a**  
26

1 **minimum period of six (6) months.** During probation, Respondent shall comply with  
2 USPAP, Arizona Revised Statutes and Appraisal Board rules.

3 2. Respondent shall successfully complete the following education within six  
4 **(6) months** of the effective date of this Consent Agreement: **Fifteen (15) hours of Basic**  
5 **Appraisal (with an exam) to include Market Trends and seven (7) hours of Complex**  
6 **Properties.** The education under this paragraph may not be counted toward the  
7 continuing education requirements for the renewal of Respondent's certificate. **The**  
8 **coursework may be completed through distance education.** The same class may not  
9 be repeated to fulfill the education requirements of this Consent Agreement

10 3. Proof of completion of the required education must be submitted to the  
11 Board within 3 weeks of completion of the required course.

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

15 5. During the period of probation, Respondent shall complete a minimum of  
16 **twelve (12) appraisal reports** under the supervision of an Arizona Certified Residential  
17 or Certified General Appraiser who shall serve as Respondent's mentor ("Mentor").

18 6. During the probationary period, the Respondent shall not issue a verbal or  
19 written appraisal, appraisal review, or consulting assignment without prior review and  
20 approval by a Mentor. Each report shall **either** be signed by the Mentor as a supervisory  
21 appraiser **or** the Mentor must complete a written review of each report ensuring that the  
22 report complies with USPAP and the Board's statutes and rules. The Mentor's review  
23 shall comply with the requirements of Standard 3 of the USPAP. The Mentor's Standard  
24 3 review shall be completed before the report is issued to the client. Any changes the  
25 Mentor requires to ensure the report complies with the USPAP shall be completed by the  
26 Respondent and approved by the Mentor before the report is issued. The Mentor's written

1 Standard 3 review shall be maintained by the Mentor and made available to the Board  
2 upon request.

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

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

17 9. Respondent shall bear all costs and expenses associated with the  
18 mentorship and incurred by attending the course(s).

19 10. The Mentor shall submit monthly reports to the Board for each calendar  
20 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  
22 and resolution of those problems that prompted this action. The Mentor's report shall be  
23 filed monthly beginning the 15<sup>th</sup> day of the first month following the start of  
24 Respondent's probationary period and continuing each month thereafter until termination  
25 of the probationary period by the Board. **Even if the Mentor reviews no appraisals**  
26 **during a given month, a report stating that no appraisals were reviewed or**

1 **approved must be submitted.** It is the Respondent's responsibility to ensure that the  
2 Mentor submits his/her reports monthly. If the monthly reporting date falls on a  
3 Saturday, Sunday, or holiday, the report is due on the next business day. The monthly  
4 report may be filed by mail or facsimile.

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

16 12. The Board reserves the right to audit any of Respondent's reports and  
17 conduct peer review, as deemed necessary, during the probationary period. The Board  
18 may, in its discretion, seek separate disciplinary action against the Respondent for any  
19 violation of the applicable statutes and rules discovered in an audit of the Respondent's  
20 appraisal reports provided to the Board under the terms of this Consent Agreement.

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

26

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

8           15. 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 probation.

11           16. Respondent shall comply with the Uniform Standards of Professional  
12 Appraisal Practice in performing all appraisals and all Board statutes and rules.

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

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

23           19. Respondent understands that he has a right to a public administrative  
24 hearing concerning each and every allegation set forth in the above-captioned matter, at  
25 which administrative hearing he could present evidence and cross-examine witnesses. By  
26 entering into this Consent Agreement, Respondent freely and voluntarily relinquishes all

1 rights to such an administrative hearing, as well as all rights of rehearing, review,  
2 reconsideration, appeal, judicial review or any other administrative and/or judicial action,  
3 concerning the matters set forth herein. Respondent affirmatively agrees that this Consent  
4 Agreement shall be irrevocable.

5         20. Respondent understands that this Consent Agreement, or any part thereof,  
6 may be considered in any future disciplinary action against him.

7         21. The parties agree that this Consent Agreement constitutes final resolution  
8 of this disciplinary matter.

9         22. Time is of the essence with regard to this agreement.

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

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

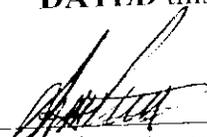
25        25. Respondent understands that the foregoing Consent Agreement shall not  
26 become effective unless and until adopted by the Board of Appraisal and executed on

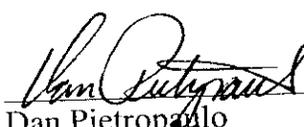
1 behalf of the Board. Any modification to this original document is ineffective and void  
2 unless mutually approved by the parties in writing.

3 26. Respondent understands that this Consent Agreement is a public record that  
4 may be publicly disseminated as a formal action of the Board.

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

8 DATED this <sup>29</sup>~~24~~ day of MARCH, 2011.

9  
10   
11 Scott A. Armstrong  
12 Respondent

  
13 Dan Pietropallo  
14 Executive Director  
15 Arizona Board of Appraisal

16 **ORIGINAL** of the foregoing filed  
17 this 29 day of March, 2011 with:

18 Arizona Board of Appraisal  
19 1400 West Washington Street, Suite 360  
20 Phoenix, Arizona 85007

21 **COPY** of the foregoing mailed regular  
22 and certified mail 7009 1680 0000 7387 5946  
23 this 29 day of March, 2011 to:

24 Mr Scott A. Armstrong  
25 4015 S. River Drive  
26 Tempe, AZ 85282

**COPY** of the foregoing sent or delivered  
this 29 day of March, 2011 to:

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

By:   
1659403  
Rebecca M. Coar