ARIZONA BOARD OF APPRAISAL

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April 15, 2010

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ARIZONA BOARD OF APPRAISAL

Mr. James W. Butcher
2431 Tooar Lane
Lake Havasu City, AZ 86403

Re: Board of Appraisal Case Nos. 2954 and 2955

Dear Mr. Butcher:

As you know, the Board received two complaints regarding appraisals you performed on the following properties: (Case No. 2954) 1011 Date Drive, Lake Havasu City, AZ 86403 with an effective date of July 23, 2009 and (Case No. 2955) 3316 Dune Drive, Lake Havasu City, AZ 86404 with an effective date of value of July 27, 2009. At its March 2010, meeting the Board voted to offer you the opportunity to resolve these issues with a Letter of Due Diligence.

In addressing these matters, the Board reviewed the complaint, your response thereto, the appraisal, and the supporting workfile. With respect to Case No. 2954, the Board concluded that you failed to recognize the error that occurred in the square footage of the subject when the figures were entered into the computerized system, thereby resulting in the selection of comparables that were not truly comparable to the subject. In addition, the stated market trends were not credible. Finally, your workfile contained a completed Square Foot Appraisal Form but there was no depreciation of the subject in the Cost Approach despite the fact that it was nine years old.

With respect to Case No. 2955, the Board concluded that the market trends were not credible.

The Board finds that your appraisal development and reporting violate the following standards of the Uniform Standards of Professional Appraisal Practice (USPAP), 2008-2009 edition:

Case No. 2954: Standards Rule 1-1(a); Standards Rule 1-3(a); Standards Rule 1-4(b)(iii); and Standards Rule 2-1(a) and (b)

Case No. 2955: Standards Rule 1-1(a) and Standards Rule 1-3(a)

Pursuant to Arizona Administrative Code (A.A.C.) R4-46-301 and the Board's Substantive Policy Statement #1, the Board considers these violations to amount to a Level II Violation. In lieu of further proceedings, and pursuant to Arizona Revised Statutes (A.R.S.) §32-3632(B) and A.A.C. R4-46-301(C), the Board is willing to resolve this matter with a letter of due diligence, if you agree to remedy these violations through

exercising greater due diligence **by successfully completing not less than fifteen (15) hours in Basic Appraisal to include market trends (with an exam) and seven (7) hours USPAP update for 2010-2011. The coursework must be completed within six (6) months from the date of this letter as shown at the top of the first page.** A list of approved remedial and disciplinary education courses is on the Board's website for your convenience in locating the appropriate course(s). Please note that the fifteen (15) hours obtained in Basic Appraisal pursuant to this Order **may not be** used toward your continuing education requirements for renewal during your next licensing period, **however, the seven (7) hours obtained by completing the USPAP Update for 2010-2011 may be used toward your continuing education in this current renewal cycle**.

A letter of due diligence is a disciplinary action and is a matter of public record in your Board file, and may be used in any future disciplinary proceeding. By signing below, you acknowledge that you have read and understand this letter of due diligence. You have the right to consult with legal counsel regarding this matter, and have done so or choose not to do so.

By signing this letter of due diligence, you are voluntarily relinquishing your right to an informal hearing, formal hearing, and judicial review in state or federal court with regard to the matters herein.

Upon signing this letter of due diligence and returning it to the Board, you may not revoke acceptance of this letter of due diligence. In addition, you may not make any modifications to this letter of due diligence. Any modifications to this letter of due diligence are ineffective and void unless mutually approved by you and the Board.

If any part of this letter of due diligence is later declared void or otherwise unenforceable, the remainder of the letter of due diligence in its entirety shall remain in force and effect.

If you fail to comply with the terms of this letter of due diligence, the Board may properly institute proceedings for noncompliance, which may result in suspension, revocation, or other disciplinary and/or remedial actions. By signing this letter of due diligence you are agreeing that any violation of this letter of due diligence is a violation of A.R.S. § 32-3631(A)(8), which is willfully disregarding or violating any of the provisions of the Board's statutes or the rules of the Board for the administration and enforcement of its statutes.

If you agree to accept this letter of due diligence, please execute this document by your signature below. Please return the original signed document to the Board at 1400 W. Washington, Suite 360, Phoenix, Arizona 85007, on or before **May 15, 2010.** If you do not return this original document on or before the specified date, the Board may conduct further proceedings.

Sincerely,

J. Randy Frost
Interim Executive Director

ACKNOWLEDGED AND AGREED

James W. Butcher, Respondent

4/28/2010
Date

c: Jeanne M. Galvin, Assistant Attorney General