



ARIZONA BOARD OF APPRAISAL

15 S. 15th Ave., Suite 103A
Phoenix, Arizona 85007
(602) 542-1558 Fax (602) 542-1598
Email: info@azboa.gov
Website: www.boa.az.gov

RECEIVED
JUL 29 2015

June 15, 2015

Mr. Gary A. Carter
18278 N. 38th Drive
Glendale, AZ 85308

Re: Board of Appraisal Case No. 3783

Dear Mr. Carter,

As you know, the Board received a complaint against you for the appraisal you performed on a single family residence located at 9567 W. Harmony Lane, Peoria, AZ with an effective date of May 23, 2014.

At its May 22, 2015, monthly meeting, the Board of Appraisal met to discuss this matter. In addressing this matter, the Board reviewed the complaint, your response thereto, the appraisal, the supporting workfile, and the Investigative Review.

The Board concluded that you incorrectly noted that Comparable No. 3 had a solar system when MLS indicates that it does not have a solar system. Comparable No. 2 is reported in MLS to have included \$3,000 in seller concessions but this is not reported or analyzed in the sales grid. Additionally, this property sold above the list price. Similarly, Comparable No. 4 is reported in MLS to have included 1.5% or \$4,275 in seller concessions which is not reported or analyzed in the sales grid. Simply stating that concessions up to a certain level are typical for the market is not an appropriate analysis of the impact on the selling prices of these properties. Comparable No. 4 was incorrectly reported to have solar; this sale had skylights, not solar. No adjustment was applied for lack of a solar system. Likewise, Comparable No. 5 was incorrectly reported to have solar. You failed to accurately reflect this property's energy efficient features and no adjustment was applied for its lack of a solar system. While you correctly noted that Comparable No. 6 had a solar system, you failed to note that the system was leased. Leased systems are treated differently in the sales transaction than owned systems. There is no analysis of the contributory value, if any, of a leased system compared to the subject's owned system. According to the MLS, Comparable No. 2 is reported to have a leased system that is not reflected in the sales grid at all. Additionally, a review of the rear photos of the subject property revealed minimal site improvements and landscaping that is in need of refurbishing. Most of the comparable sales have superior site improvements. However, there is no discussion, analysis or adjustment for this

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feature. The improvement description lists the refrigerator as one of the appliances present, however, unless built-in, refrigerators are considered personal property, not real estate. Finally, the appraisal report is unsigned.

The Board finds that your appraisal development and reporting violate the following standards of the Uniform Standards of Professional Appraisal Practice, the 2014-2015 Edition:

Standards Rule 1-1(b) and (c); Standards Rule 1-4(a); Standards Rule 2-1(a) and (b); Standards Rule 2-2(a)(viii) and (xii) and Standards Rule 2-3

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 in the future and if you complete a **seven (7) hour course in Solar Energy/Green Energy**. The education **may not** be used toward your continuing education requirements for renewal during your next licensing period. The education must be completed within six (6) months of the date that appears at the top of this letter. Proof of completion of the coursework must be provided to the Board within three (3) weeks of completing the coursework.

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 proceedings. 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 matter 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.

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DEPT. OF FINANCIAL
INSTITUTIONS

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 15 South 15th Avenue, Ste. 103A, Phoenix, Arizona 85007¹, on or before **July 15, 2015**. If you do not return this original document on or before the specified date, further proceedings may be conducted.

Sincerely,



Debra Rudd
Executive Director

ACKNOWLEDGED AND AGREED



Gary A. Carter, Respondent

7/3/15

Date

c: Jeanne M. Galvin, Assistant Attorney General

¹ If the letter is returned to the Board after July 16, 2015, the letter should be mailed to the Department of Financial Institutions Attn: Real Estate Appraisal Division 2910 N 44th Street, Suite 310 Phoenix, AZ 85018