BEFORE THE ARIZONA STATE BOARD OF APPRAISAL

In the Matter of: **FELICIA M. COPLAN,** Licensed Appraiser License No. 10537	Case Nos. 03F-1498-BOA; 04F-1782-BOA; and 04F-1784-BOA **AMENDED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER OF PROBATION**

On March 15, 2007, the Arizona Board of Appraisal ("Board") met to consider the Mohave County Superior Court's decision in the above-captioned matters. The State was represented by Elizabeth Campbell, Assistant Attorney General. Ms. Coplan did not appear, but was represented by Gautam Sem, Esq. The Board received independent legal advice from Christopher Munns, Assistant Attorney General from the Solicitor General's Office. Having reviewed the record and having heard oral argument, the Board hereby adopts the Amended Findings of Fact and Conclusions of Law as follows:

FINDINGS OF FACT

1. The Arizona State Board of Appraisal ("Board") is the state agency authorized to regulate and control the licensing and certification of real property appraisers in Arizona.

2. Respondent Felicia M. Coplan is a Licensed Real Estate Appraiser. She is holder of License No. 10537, which was issued by the Board on February 25, 2005.

3. The consolidated hearing involved Respondent's real estate appraisals for three cases: Case No. 1498; Case No. 1782; and Case No. 1784.

4. Real property appraisers are subject to *Uniform Standards of Professional Appraisal Practice* ("USPAP") developed by the Appraisal Standards Board of The Appraisal Foundation, the latter being authorized by Congress as the source of appraisal standards and appraiser qualifications.

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Case No. 1498

5. The subject property in this case is a portion of Taylor Road, Holiday Shores in Bullhead City, Arizona.

6. Respondent's date of report and date of value is January 18, 2003. It is uncontroverted that the subject property is a complex property.

7. At the time of Respondent's preparation of her appraisal report, the subject property was owned by the City of Bullhead City, Arizona. The property is a portion of a right-of-way approximately 30 feet wide, which was platted as part of Taylor Road. The property abuts the Colorado River. It is zoned R1-MH, residential one, mobile home, single family residential.

8. The 2002 USPAP edition was applicable to Respondent's appraisal report.

Case No. 1782

9. Subject property in this case is located at 859 Warren Road in Bullhead City, Arizona. The subject property is a 4-plex.

10. Respondent's appraisal report has an effective date of September 5, 2003. The 2003 USPAP edition was applicable to Respondent's appraisal report.

11. Respondent's appraisal report failed to state whether it was a complete or limited report.

12. With regard to the replacement reserves, Respondent's appraisal report comments that the sources of data were obtained from Marshall and Swift publications and Respondent's knowledge of the market area. Respondent's knowledge of the market area was not documented. The analysis and cited sources of data are found to be insufficient.

13. Comparable Sale No. 2 is 787 square feet larger than the subject was adjusted minus $7,870.00, or $10.00 per square foot for the dwelling, which was a finished space with air conditioning. This impacts the credibility of Respondent's appraisal report because she concluded the garage cost to be $25.00 per square foot.

Case No. 1784

14. The subject property in this case is located at 10519 Mountain View Road in Mohave Valley, Arizona. It is a manufactured house and lot.

15. Respondent's appraisal has an effective date of September 16, 2003. Therefore, the 2003 USPAP edition was applicable to Respondent's report.

16. Respondent inaccurately reported the site size of the sale used as Comparable Sale No. 1. That sale involved double lots of approximately 15,410 square feet. Respondent reported Comparable Sale No. 1 as 7,619 square feet. That sale was adjusted at minus $10,000.00, as was Comparable Sale No. 2 reported as 7,540 square feet.

17. Respondent did not adequately disclose or adjust for the superior features of the sale used as Comparable Sale No. 1.

18. Respondent did not adequately disclose or adjust for the superior features of the sale used as Comparable Sale No. 2.

19. Respondent's appraisal report adjusts minus $500.00 for a covered patio for Comparable Sale No. 3. This house has no covered patio. This home sits above ground with skirting versus the subject's in-ground perimeter block skirting. No adjustment was made for this difference by Respondent.

20. Respondent did not adequately disclose or adjust for the superior features of the sale used as Comparable Sale No. 4.

21. Respondent's appraisal report failed to state whether it was a complete or limited report.

22. The Board alleged that Respondent failed to document in her work file for the market rent or gross rent multiplier stated in the report.

23. Respondent failed to specifically identify the proposed combination of the factory built home and site as "hypothetical condition."

CONCLUSIONS OF LAW

1. The Board has jurisdiction over Respondent and the subject matter in these three cases.

2. Pursuant to A.R.S. § 41-1092.07(G)(2), the Board has the burden of proof in these matters. The burden of proof is a preponderance of the evidence. A.A.C. R2-19-119(A).

3. The conduct described in the above Findings with regard to Case Nos. 1782 and 1784 constitutes violations by Respondent of A.R.S. § 32-3631(A)(6) (violation of any of the standards of the development or communication of appraisals as provided in this chapter). Respondent's failure to indicate whether the appraisal reports in Case Nos. 1782 and 1784 were complete or limited appraisal reports is not a violation of A.R.S. § 32-3631(A)(6).

4. The conduct described in the above Findings with regard to Case Nos. 1782 and 1784 constitutes violations by Respondent of A.R.S. § 32-3631(A)(7) (negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal). An appraiser's conduct is negligent if it falls below the recognized standard of care of good appraisal practice by violating the standards of practice adopted by the Board.

5. Pursuant to A.R.S. § 32-3635, a certified or licensed appraiser in the State of Arizona shall comply with the standards of practice adopted by the Board. The Standards of Practice adopted by the Board are codified in the USPAP 2002 edition and USPAP 2003 edition, which were the applicable editions at the time of the conduct described in the above Findings.

6. The conduct described in the above Findings for Case No. 1782 constitutes violations by Respondent of the following provisions of USPAP, 2003 edition: Standards Rule 1-4(c), and Standards Rule 1-1(a).

8. The conduct described in the above Findings for Case No. 1784 constitutes violations by Respondent of the following provisions of USPAP, 2003 edition: Ethics Rule–Recordkeeping, Standards Rule 1-1(a), Standards Rule 1-1(b), Standards Rule 1-2(h), Standards Rule 2-1(a), Standards Rule 2-2(b)(viii), and Standards Rule 2-2(b)(ix).

ORDER OF PROBATION

In issuing this order of discipline, the Board considers its obligations to fairly and consistently administer discipline, its burden to protect the public welfare and safety, as well as all aggravating and mitigating factors presented in the case. Based on the foregoing Findings of Fact and Conclusions of Law, **IT IS HEREBY ORDERED:**

1. Respondent's License No. 10537 shall be placed on probation for a minimum of twelve (12) months. During the term of probation, Respondent shall: (a) successfully complete the 15 hour (with exam) USPAP course; (b) complete at least twelve (12) appraisals under the supervision of an Arizona Certified Residential or Certified General Appraiser who shall serve as Respondent's mentor ("Mentor"), (c) demonstrate resolution of the problems which resulted in this disciplinary action; and (d) otherwise comply with the terms of this Order of Probation. Respondent may not duplicate any qualifying education course in the fulfillment of the required education.

2. The education required under paragraph 1 may be counted toward the continuing education requirements for the renewal of Respondent's license, but may not be counted towards Respondent's USPAP requirement.

3. During the probationary period, the Respondent shall not issue a verbal or written appraisal, appraisal review or consulting assignment without prior review and approval by the Mentor. Each report shall be signed by the Mentor as a supervisory appraiser.

4. The Mentor must be approved by the Board and is subject to removal by the Board for nonperformance of the terms of this Order. The Mentor may not have a business relationship with Respondent. Any replacement Mentor is subject to the Board's approval and the remaining terms of this Order. The Board's Executive Director may give temporary approval of the Mentor until the next regular meeting of the Board.

5. Not more than thirty (30) days after the effective date of this Order, Respondent shall submit to the Board the name and resume of an Arizona Certified Residential Appraiser or Arizona Certified General Appraiser who is willing to serve as Respondent's Mentor, together

with a letter from the potential Mentor agreeing to serve as Respondent's Mentor. If requested by Board staff, Respondent shall continue to submit names, resumes and letters agreeing to serve as Mentor until a Mentor is approved by the Board. Any Mentor shall be approved in writing by the Board.

6. Respondent shall bear all costs and expenses associated with the mentorship and incurred in attending the courses.

7. The Mentor shall submit monthly reports to the Board for each calendar month during Respondent's probationary period reflecting the quantity and quality of Respondent's work, including, but not limited to, improvement in Respondent's practice and resolution of those problems that prompted this action. The Mentor's report shall be filed monthly beginning the 15th day of the first month following the start of Respondent's probationary period and continuing each month thereafter until termination of the probationary period by the Board. **Even if the Mentor reviews no appraisals during a given month, a report stating that no appraisals were reviewed or approved must be submitted.** It is the Respondent's responsibility to ensure that the Mentor submits his/her reports monthly. If the monthly reporting date falls on a Saturday, Sunday or holiday, the report is due on the next business day. The monthly report may be filed by mail or facsimile.

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

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

10. Respondent's probation, including mentorship, shall continue until: (a) Respondent petitions the Board for termination as provided in paragraphs 11 and 12, and (b) the Board terminates the probation and mentorship. Upon petition by the Respondent for termination of the probation and mentorship, the Board will select and audit three (3) of Respondent's appraisal reports.

11. At the end of three (3) months from the effective date of this Order or upon the completion of twelve (12) appraisals under a mentor, whichever is longer, the Respondent may petition the Board for early termination of her mentorship and probation. If the Board determines that Respondent has not complied with all the requirements of paragraph 1, the Board, at its sole discretion, may continue the probation, including mentorship.

12. If not terminated earlier, at the end of 12 (twelve) months from the effective date of this Order, Respondent must petition the Board for termination of her mentorship and probation. If the Board determines that Respondent has not complied with all the requirements of paragraph 1, the Board, at its sole discretion, may either: (a) continue the probation, including mentorship; or (b) institute proceedings for noncompliance with this Order, which may result in suspension, revocation, or other disciplinary and/or remedial action.

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

14. Respondent shall comply with the *Uniform Standards of Professional Appraisal Practice* in performing all appraisals.

15. If Respondent fails to renew her license while under probation and subsequently applies for a license or certificate, the remaining term of probation, including any education and mentorship, shall be imposed if the application for license or certification is granted.

16. Time is of the essence with regard to this Order.

17. Pursuant to the Board's Substantive Policy Statement #1, the Board considers these violations to amount to Level III Violations.

RIGHT TO PETITION FOR REHEARING OR REVIEW

Respondent is hereby notified that she has the right to petition for a rehearing or review. Pursuant to A.R.S. § 41-1092.09, as amended, the petition for rehearing or review must be filed with the Board's Executive Director within thirty (30) days after service of this Order and pursuant to A.A.C. R4-46-303, it must set forth legally sufficient reasons for granting a rehearing or review. Service of this order is effective five days after mailing. If a motion for rehearing or review is not filed, the Board's Order becomes effective thirty-five (35) days after it is mailed to Respondent.

Respondent is further notified that the filing of a motion for rehearing or review is required to preserve any rights of appeal to the Superior Court.

DATED this 21st day of March, 2007.

ARIZONA BOARD OF APPRAISAL,

By: Deborah G. Pearson

Deborah G. Pearson, Executive Director

Copy of the foregoing mailed via regular U.S. & Certified Mail #7005 1820 0000 5286 8570 this 21st day of March, 2007, to:

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Copy of the foregoing mailed via regular U.S. Mail this 21st day of March, 2007, to:

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ATTORNEYS FOR RESPONDENT

Copies of the foregoing sent by interagency this 21st day of March, 2007, to:

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