



CONSENT AGREEMENT

Respondent understands and agrees that:

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

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

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

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

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 In the event that the Board does not approve this Consent Agreement, it is withdrawn and shall be of no evidentiary value and shall not be relied upon nor introduced in any action by any party, except that the parties agree that should the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

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

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**FINDINGS OF FACT**

On or about May 18, 2010, the Board's investigation revealed the following:

1. This matter deals with a review appraisal report written by Respondent of an appraisal of property located at 825 W. Northern Ave., Coolidge, AZ 85228 with a date of value of July 7, 2009.

2. The subject property had 3 bedrooms and 2 baths but the comparable sales had different bath counts but there was no adjustment.

3. The Respondent's adjustment for size at \$100 per square foot of the GLA is not credible nor is the opinion of value which is well above the value of the comparables.

4. With respect to comparable no. 2, the representation of its condition as "poor" or "inferior" is misleading and there was no adjustment for this sale's guesthouse.

5. The Respondent's \$10,000 location adjustment applied to East and West Coolidge is not credible.

6. During the Informal Interview, Respondent acknowledged that he had little or no training in conducting appraisal reviews.

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**CONCLUSIONS OF LAW**

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

The conduct described above constitutes violations of the following provisions of the USPAP, 2008-2009 edition:

**Standards Rule 3-1(c) and (e); and Ethics Rule—Competency.**

**ORDER**

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

1           1.     Upon the effective date of this Consent Agreement, Respondent's  
2 License as a Licensed Residential Appraiser shall be placed on probation for a  
3 minimum period of six (6) months. The effective date of this Consent Agreement  
4 and Order is that date the Consent Agreement is signed by the Board Chair or by  
5 the Board's Executive Director on behalf of the Board. During probation, Respondent  
6 shall comply with USPAP, Arizona Revised Statutes and the Appraisal Board rules.

7           2.     Respondent shall successfully complete the following education within six  
8 (6) months of the effective date of this Consent Agreement: **Seven (7) hours Review**  
9 **Appraisal; seven (7) hours of Report Writing and seven (7) hours of Sales**  
10 **Comparison Approach.** The education under this paragraph may not be counted toward  
11 the continuing education requirements for the renewal of Respondent's certificate. The  
12 same class may not be repeated to fulfill the education requirements of this Consent  
13 Agreement Proof of completion of the required education must be submitted to the Board  
14 within 3 weeks of completion of the required courses.

15           3.     During the term of probation, Respondent shall: (a) demonstrate resolution  
16 of the problems that resulted in this disciplinary action; and (b) otherwise comply with  
17 the terms of this Consent Agreement. **Additionally, during the term of probation,**  
18 **Respondent shall not conduct any Appraisal Reviews.**

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

22           5.     During the probationary period, the Respondent shall not issue a verbal or  
23 written appraisal, appraisal review, or consulting assignment without prior review and  
24 approval by a Mentor. Each report shall **either** be signed by the Mentor as a supervisory  
25 appraiser **or** the Mentor must complete a written review of each report ensuring that the  
26 report complies with USPAP and the Board's statutes and rules. The Mentor's review

1 shall comply with the requirements of Standard 3 of the USPAP. The Mentor's Standard  
2 3 review shall be completed before the report is issued to the client. Any changes the  
3 Mentor requires to ensure the report complies with the USPAP shall be completed by the  
4 Respondent and approved by the Mentor before the report is issued. The Mentor's written  
5 Standard 3 review shall be maintained by the Mentor and made available to the Board  
6 upon request.

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

14         7. No more than **30 days after the effective date of this Consent**  
15 **Agreement**, Respondent shall submit to the Board the name and resume of an Arizona  
16 Certified Residential or Arizona Certified General Appraiser who is willing to serve as  
17 Respondent's Mentor together with a letter from the potential Mentor agreeing to serve as  
18 Respondent's Mentor. If requested by Board staff, Respondent shall continue to submit  
19 names, resumes, and letters agreeing to serve as Mentor until a Mentor is approved by the  
20 Board. Any Mentor must be approved in writing by the Board.

21         8. Respondent shall bear all costs and expenses associated with the  
22 mentorship and incurred by completing the courses.

23         9. The Mentor shall submit monthly reports to the Board for each calendar  
24 month during Respondent's probationary period reflecting the quantity and quality of  
25 Respondent's work, including, but not limited to, improvement in Respondent's practice  
26 and resolution of those problems that prompted this action. The Mentor's report shall be

1 filed monthly beginning the 15<sup>th</sup> day of the first month following the start of  
2 Respondent's probationary period and continuing each month thereafter until termination  
3 of the probationary period by the Board. **Even if the Mentor reviews no appraisals**  
4 **during a given month, a report stating that no appraisals were reviewed or**  
5 **approved must be submitted.** It is the Respondent's responsibility to ensure that the  
6 Mentor submits his/her reports monthly. If the monthly reporting date falls on a  
7 Saturday, Sunday, or holiday, the report is due on the next business day. The monthly  
8 report may be filed by mail or facsimile.

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

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

25       12. Respondent's probation, including mentorship, shall continue until: (a)  
26 Respondent petitions the Board for termination as provided in paragraph 13, and (b) the

1 Board terminates the probation and mentorship. Upon petition by the Respondent for  
2 termination of the probation and mentorship, the Board will select and audit 3 of  
3 Respondent's appraisal reports.

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

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

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

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

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

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1           18. Respondent understands that he has a right to a public administrative  
2 hearing concerning each and every allegation set forth in the above-captioned matter, at  
3 which administrative hearing he could present evidence and cross-examine witnesses. By  
4 entering into this Consent Agreement, Respondent freely and voluntarily relinquishes all  
5 rights to such an administrative hearing, as well as all rights of rehearing, review,  
6 reconsideration, appeal, judicial review or any other administrative and/or judicial action,  
7 concerning the matters set forth herein. Respondent affirmatively agrees that this Consent  
8 Agreement shall be irrevocable.

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

11           20. The parties agree that this Consent Agreement constitutes final resolution  
12 of this disciplinary matter.

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

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

21           23. Respondent understands that this Consent Agreement does not constitute a  
22 dismissal or resolution of other matters currently pending before the Board, if any, and  
23 does not constitute any waiver, express or implied, of the Board's statutory authority or  
24 jurisdiction regard any other pending or future investigation, action or proceeding.  
25 Respondent also understands that acceptance of this Consent Agreement does not  
26 preclude any other agency, subdivision or officer of this state from instituting other civil

1 or criminal proceedings with respect to the conduct that is the subject of this Consent  
2 Agreement.

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

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

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

12 DATED this 31 day of August, 2010.  
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16 Tom B. Croom  
Respondent

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16 Daniel Pietropaulo  
Executive Director  
Arizona Board of Appraisal

18 ORIGINAL of the foregoing filed  
19 this 31 day of August, 2010 with:

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

22 COPY of the foregoing mailed regular  
23 and certified mail 7009 1680 0000 7387 6264  
this 31 day of August, 2010 to:

24 Mr. Tom B. Croom  
25 P. O. Box 1234  
Coolidge, AZ 85228

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1 COPY of the foregoing sent or delivered  
2 this 31 day of August, 2010 to:

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

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10 806122  
11 Rebecca M. Loar

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