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BEFORE THE ARIZONA STATE BOARD OF APPRAISAL

In the Matter of :

Case No. 2186

RICHARD L. FOLTZ
Certified Residential Appraiser
Certificate No. 20318

**CONSENT AGREEMENT AND ORDER
OF DISCIPLINE**

In resolution of the case herein and in accordance with Arizona Administrative Code R4-46-301(C), the Arizona State Board of Appraisal ("Board") and Richard L. Foltz ("Respondent") hereby enter into the following Consent Agreement and Order of Discipline ("Consent Agreement").

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.

2. Respondent is a Certified Residential Appraiser in the State of Arizona, holder of Certificate No. 20318, issued on September 13, 1991, pursuant to A.R.S. § 32-3612.

FINDINGS OF FACT

3. The subject property is located at 1510 South 177th Avenue, in Buckeye, Arizona. The appraisal report has an effective date of July 14, 2005.

ARIZONA BOARD OF APPRAISAL

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1 4. Respondent did not confirm the number of lots included in Comparable
2 Sales #1 and #2.

3 5. Respondent, by failing to confirm Comparable Sales, significantly over
4 stated the value of the subject land parcels, if vacant.

5 6. Respondent did not include in the report an estimate of exposure time and
6 did not include an opinion of reasonable exposure time.

7 7. Respondent failed to include in the appraisal report or work file, any
8 support of the fact that Respondent checked into the flood status of the subject property.
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10 8. Respondent failed to utilize a hypothetical condition regarding the appraisal
11 of the subject as two parcels.

12 9. Respondent's report is potentially misleading as a result of the failure to
13 state the fact that the subject property is being appraised under the hypothetical condition
14 that the property is divided into two separate parcels. Further, the report is misleading as
15 a result of the Respondent appearing to have significantly over stated the market value of
16 the subject lots as vacant.
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18 10. Respondent failed to state in the report which reporting option was utilized
19 in the preparation of the report.

20 11. Respondent failed to state the intended user or the intended use of the
21 report.
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23 12. Respondent failed to disclose the scope of work used in developing the
24 appraisal report in the written document.
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1 procedures; (e) complete at least twelve (12) appraisal reports under the supervision of
2 an Arizona Certified Residential or Certified General Appraiser who shall serve as
3 Respondent's mentor ("Mentor") over a minimum period of six (6) months; (e)
4 demonstrate resolution of the problems that resulted in this disciplinary action; and (f)
5 otherwise comply with the terms of this Order of Discipline.

6 18. The education required under paragraph 17 may be counted toward the
7 continuing education requirements for the renewal of Respondent's certificate;
8 however, the 15 hour USPAP course may not be counted toward Respondent's
9 USPAP requirement. The same class may not be repeated to fulfill the education
10 requirements in paragraph 1. The education required under paragraph 1 must be
11 completed within six (6) months of the effective date of this Order. Respondent must
12 submit proof of the required education to the Board.

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

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

23 21. Not more than **30 days** after the effective date of this Order, Respondent
24 shall submit to the Board the name and resume of an Arizona Certified Residential or
25 Arizona Certified General Appraiser who is willing to serve as Respondent's Mentor
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1 together with a letter from the potential Mentor agreeing to serve as Respondent's
2 Mentor. If requested by Board staff, Respondent shall continue to submit names,
3 resumes, and letters agreeing to serve as Mentor until a mentor is approved by the
4 Board. Any Mentor must be approved in writing by the Board.

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

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

19 24. The Respondent shall file an appraisal log with the Board on a monthly
20 basis listing every Arizona appraisal that he has completed within the prior calendar
21 month by property address, appraisal type, valuation date, the Mentor's review date,
22 the date the appraisal was issued, and the number of hours worked on each
23 assignment. The report log shall be filed monthly beginning the 15th day of the first
24 month following the start of Respondent's probationary period and continuing each
25 month thereafter until the Board terminates the probation. If the log reporting date
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1 falls on a Saturday, Sunday, or holiday, the report log is due on the next business day.

2 **Even if Respondent performs no appraisals within a given month, he must still**
3 **file an appraisal log with the Board showing that no appraisals were performed.**

4 The monthly log report may be field by mail or facsimile.

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

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

15 27. At the end of six (6) months from the effective date of this Order, if
16 Respondent has completed 12 appraisals of Arizona properties under the supervision
17 of a Mentor, the Respondent may petition the Board for **early** termination of his
18 mentorship and probation, provided he has successfully completed **all** other
19 requirements of paragraph 17 as determined by the Board.

20 28. If not terminated earlier, at the end of twelve (12) months from the
21 effective date of this Order, the Respondent shall petition the Board for termination of
22 his mentorship and probation. If the Board determines that Respondent has not
23 complied with **all** the requirements of paragraph 17, the Board, at its sole discretion,
24 may either: (a) continue the probation, including mentorship; or (b) institute

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1 proceedings for noncompliance with this Order, which may result in suspension,
2 revocation, or other disciplinary and/or remedial action.

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

6 30. Respondent shall bear all costs and expenses incurred in attending the
7 course.

8 31. During the probationary period, the Respondent shall issue no more than
9 ten (10) appraisal reports per month.

10 32. Respondent shall comply with the Uniform Standards of Professional
11 Appraisal Practice in performing all appraisals.

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

18 34. Respondent has read and understands this Consent Agreement and Order
19 of Discipline as set forth herein, and has had the opportunity to discuss this Consent
20 Agreement and Order of Discipline with an attorney or has waived the opportunity to
21 discuss this Consent Agreement and Order of Discipline with an attorney.

22 Respondent voluntarily enters into this Consent Agreement and Order of Discipline
23 for the purpose of avoiding the expense and uncertainty of an administrative hearing.

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

8 36. Respondent understands that his Consent Agreement and Order of
9 Discipline, or any part thereof, may be considered in any future disciplinary action
10 against him.

11 37. The parties agree that this Consent Agreement and Order of Discipline
12 constitutes final resolution of this disciplinary matter.

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

14 39. If Respondent fails to comply with the terms of this Consent Agreement
15 and Order of Discipline, the Board shall properly institute proceedings for
16 noncompliance with this Consent Agreement and Order of Discipline, which may
17 result in suspension, revocation, or other disciplinary and/or remedial actions.

18 40. Any violation of USPAP resulting from an appraisal performed prior to
19 the effective date of this Consent Agreement and Order of Discipline shall not be
20 deemed a violation of this Consent Agreement and Order of Discipline; however, the
21 Board may, in its discretion, seek separate disciplinary action against the Respondent
22 for such violations.

23 41. Respondent understands that this Consent Agreement and Order of
24 Discipline 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
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1 implied, of the Board's statutory authority or jurisdiction regard any other pending or
2 future investigation, action or proceeding. Respondent also understands that
3 acceptance of this Consent Agreement and Order of Discipline does not preclude any
4 other agency, subdivision or officer of this state from instituting other civil or criminal
5 proceedings with respect to the conduct that is the subject of this Consent Agreement
6 and Order of Discipline.

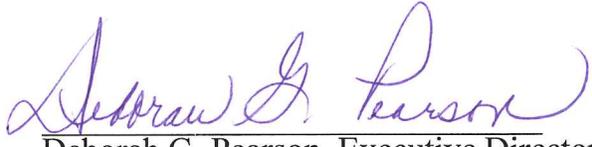
7 42. Respondent understands that the foregoing Consent Agreement and
8 Order of Discipline shall not become effective unless and until adopted by the Board
9 of Appraisal and executed on behalf of the Board. Any modification to this original
10 document is ineffective and void unless mutually approved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

11 43. Respondent understands that this Consent Agreement and Order of
12 Discipline is a public record that may be publicly disseminated as a formal action of
13 the Board.

14 44. Pursuant to the Board's Substantive Policy Statement #1, the Board
15 considers this violation to amount to a Level III Violation.

16 DATED this ^{21st} 7 day of December, 2006.

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19 
Richard L. Foltz, Respondent


Deborah G. Pearson, Executive Director
Arizona Board of Appraisal

1 ORIGINAL of the foregoing filed
this 15th day of December, 2006, with:

2 Arizona Board of Appraisal
3 1400 W. Washington Street, Suite 360
Phoenix, Arizona 85007

4 COPY of the foregoing mailed regular and U.S.
5 Certified Mail # 7005 1820 0000 5286 8600
this 22nd day of December, 2006, to:

6 Richard L. Foltz
7 10233 N. 56th Drive
Glendale, Arizona 85302
8 Respondent

9 COPY of the foregoing sent or delivered
this 2nd day of December, 2006, to:

10 Elizabeth A. Campbell
11 Assistant Attorney General
Arizona Attorney General's Office
12 1275 W. Washington, CIV/LES
Phoenix, Arizona 85007

13
14 By: Andrew G. Pearson

15 #485677

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