

2025-1-10

BEFORE THE ARIZONA STATE BOARD OF APPRAISAL

ARIZONA BOARD OF APPRAISAL

IN THE MATTER OF:

CASE NO. 3502

JONATHAN P. GEORGE
Certified Residential Appraiser
Certificate No. 22183

**CONSENT AGREEMENT AND
ORDER OF DISCIPLINE**

In the interest of a prompt and judicious settlement of the above-captioned matter before the Arizona Board of Appraisal ("Board") and consistent with public interest, statutory requirements and responsibilities of the Board, and pursuant to A.R.S. § 32-3601 *et seq.* and A.R.S. § 41-1092.07(F)(5), Jonathan P. George ("Respondent"), holder of Certificate No. 22183 and the Board enter into this Consent Agreement, Findings of Fact, Conclusions of Law and Order ("Consent Agreement") as the final disposition of this matter.

On February 13, 2013, and April 19, 2013, the Board met to discuss Case No. 3502. Respondent appeared personally and with counsel Andrew Evans at both meetings. At the conclusion of its consideration of this matter, the Board voted to offer the Respondent a Consent Agreement and Order of Discipline in lieu of further administrative proceedings.

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.

1 contractor profits and holding costs. A separate entrepreneurial profit is not typically
2 included in a residential cost estimate.

3 8. Respondent states that the subject's lot is 4,042 square feet and is zoned
4 R6. The Respondent provided two lot sales, both of which are zoned R6. To use a lot sale
5 that had a similar sized lot such as the subject would require using a lot sale that is zoned
6 R3 or R4. The Respondent feels that zoning is as important as the size of the property.
7 The Respondent also contends he properly included a potential entrepreneurial profit.
8 Entrepreneurial profit is the developer incentive, or profit motive for building a home
9 after the contractors have made their profit. This is stated in the 2012 Marshall & Swift
10 cost handbook.

11 9. With respect to the subject's economic life, Respondent utilizes a 100 year-
12 year economic life in estimating physical depreciation for the subject. Typical economic
13 life is reported as 50-60 years.

14 10. Respondent states that there are already many homes in the metro Phoenix
15 Market that are over 100 years old. At one point in time the home was remodeled which
16 prolonged its economic life. There are many homes in the subject's neighborhood that are
17 60 years old and their economic life has been prolonged by being maintained or updated.

18 11. The Respondent identifies the subject market as under supplied with
19 increasing prices. However, three of the comparable sales closed escrow 3-6 months prior
20 to the date of the appraisal, but no time adjustments are discussed or applied.
21 Furthermore, adjustments applied to differences in bedroom counts (\$21,500) and
22 swimming pool (\$38,000) are excessive and not supported. Although an adjustment of
23 \$21,500 is applied for a 1-bedroom difference to Comparables 2 and 3, this adjustment is
24 not applied to Comparables listings 1 and 2 for their third bedrooms. In addition, no
25 adjustments are applied for site area differences of over 150% variance.

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1 5. During the **first three months** of probation, Respondent shall complete a
2 minimum of **nine (9) appraisal reports** under the supervision of an Arizona Certified
3 Residential or Certified General Appraiser who shall serve as Respondent's mentor
4 ("Mentor"). **The appraisal reports may be demonstration reports. All appraisal**
5 **reports and appraisal reviews completed by Respondent during the first three**
6 **months of probation must be completed under the supervision of a mentor but**
7 **Respondent must complete at least 9 reports.**

8 6. During the **first three months of probation**, the Respondent shall not issue
9 a verbal or written appraisal, appraisal review, or consulting assignment without prior
10 review and approval by a Mentor. Each report shall **either** be signed by the Mentor as a
11 supervisory appraiser **or** the Mentor must complete a written review of each report
12 ensuring that the report complies with USPAP and the Board's statutes and rules. The
13 Mentor's review shall comply with the requirements of Standard 3 of the USPAP. The
14 Mentor's Standard 3 review shall be completed before the report is issued to the client.
15 Any changes the Mentor requires to ensure the report complies with the USPAP shall be
16 completed by the Respondent and approved by the Mentor before the report is issued.
17 The Mentor's written Standard 3 review shall be maintained by the Mentor and **provided**
18 **to the Board at the end of the probationary period.**

19 7. The Mentor must be approved by the Board and is subject to removal by
20 the Board for nonperformance of the terms of this Consent Agreement. The Mentor shall
21 not have a business relationship with Respondent except for the Mentor/Mentee
22 relationship nor may the Mentor be related to Respondent. Any replacement Mentor is
23 subject to the Board's approval and the remaining terms of this Consent Agreement. The
24 Board's Executive Director may give temporary approval of the Mentor until the next
25 regular meeting of the Board.

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

8 9. Respondent shall bear all costs and expenses associated with the
9 mentorship and incurred by attending the course(s).

10 10. The Mentor shall submit monthly reports to the Board for each calendar
11 month during Respondent's probationary period reflecting the quantity and quality of
12 Respondent's work, including, but not limited to, improvement in Respondent's practice
13 and resolution of those problems that prompted this action. The Mentor's report shall be
14 filed monthly beginning the 1st day of the first month following the start of Respondent's
15 probationary period and continuing each month thereafter until termination of the
16 probationary period by the Board. **Even if the Mentor reviews no appraisals during a
17 given month, a report stating that no appraisals were reviewed or approved must be
18 submitted.** It is the Respondent's responsibility to ensure that the Mentor submits
19 his/her reports monthly. If the monthly reporting date falls on a Saturday, Sunday, or
20 holiday, the report is due on the next business day. The monthly report may be filed by
21 regular mail, email or facsimile.

22 11. The Respondent shall file an appraisal log with the Board on a monthly
23 basis listing every Arizona appraisal that he has completed within the prior calendar
24 month by property address, appraisal type, valuation date, the Mentor's review date, the
25 date the appraisal was issued, and the number of hours worked on each assignment. The
26 report log shall be filed monthly beginning the 1st day of the first month following the

1 start of Respondent's probationary period and continuing each month thereafter until the
2 Board terminates the probation. If the log reporting date falls on a Saturday, Sunday, or
3 holiday, the report log is due on the next business day. **Even if Respondent performs**
4 **no appraisals within a given month, he must still file an appraisal log with the Board**
5 **showing that no appraisals were performed.** The monthly log report may be filed by
6 regular mail, email or facsimile.

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

12 13. Respondent's probation, including mentorship, shall continue until: (a)
13 Respondent petitions the Board for termination as provided in paragraph 14 and (b) the
14 Board terminates the probation and mentorship. **The mentorship shall continue until**
15 **such time Respondent requests in writing that the Board terminate his mentorship.**
16 Upon petition by the Respondent for termination of the probation and mentorship, the
17 Board will select and audit 3 of Respondent's appraisal reports.

18 14. At the end of **three (3) months** from the effective date of this Consent
19 Agreement, the Respondent may petition the Board for termination of his probation and
20 mentorship. If the Board determines that Respondent has not complied with **all** the
21 requirements of this Consent Agreement, the Board, at its sole discretion, may either: (a)
22 continue the probation, including mentorship; or (b) institute proceedings for
23 noncompliance with this Consent Agreement, which may result in suspension,
24 revocation, or other disciplinary and/or remedial action. If the Board determines
25 Respondent has complied with all the requirements of this Consent Agreement and has
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1 no other pending disciplinary actions, the Respondent's mentorship and probation will be
2 terminated.

3 15. 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 16. Respondent shall comply with the Uniform Standards of Professional
7 Appraisal Practice in performing all appraisals and all Board statutes and rules.

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

13 18. Respondent has read and understands this Consent Agreement as set forth
14 herein, and has had the opportunity to discuss this Consent Agreement with an attorney
15 or has waived the opportunity to discuss this Consent Agreement with an attorney.
16 Respondent voluntarily enters into this Consent Agreement for the purpose of avoiding
17 the expense and uncertainty of an administrative hearing.

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

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1 20. Respondent understands that this Consent Agreement, or any part thereof,
2 may be considered in any future disciplinary action against him.

3 21. The parties agree that this Consent Agreement constitutes final resolution
4 of this disciplinary matter.

5 22. Time is of the essence with regard to this agreement.

6 23. If Respondent fails to comply with the terms of this Consent Agreement,
7 the Board shall properly institute proceedings for noncompliance with this Consent
8 Agreement, which may result in suspension, revocation, or other disciplinary and/or
9 remedial actions. Respondent agrees that any violation of this Consent Agreement is a
10 violation of A.R.S. § 32-3631(A)(8), which is willfully disregarding or violating any of
11 the provisions of the Board's statutes or the rules of the Board for the administration and
12 enforcement of its statutes.

13 24. Respondent understands that this Consent Agreement does not constitute a
14 dismissal or resolution of other matters currently pending before the Board, if any, and
15 does not constitute any waiver, express or implied, of the Board's statutory authority or
16 jurisdiction regard any other pending or future investigation, action or proceeding.
17 Respondent also understands that acceptance of this Consent Agreement does not
18 preclude any other agency, subdivision or officer of this state from instituting other civil
19 or criminal proceedings with respect to the conduct that is the subject of this Consent
20 Agreement.

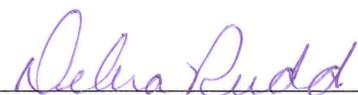
21 25. Respondent understands that the foregoing Consent Agreement shall not
22 become effective unless and until adopted by the Board of Appraisal and executed on
23 behalf of the Board. Any modification to this original document is ineffective and void
24 unless mutually approved by the parties in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

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

1 27. Pursuant to the Board's Substantive Policy Statement #1, the Board
2 considers the violations in the above-referenced matters to constitute to a **Level III**
3 **Violation.**

4 DATED this 22nd day of May, 2013.

5
6 
7 Jonathan P. George
8 Respondent

6 
7 Debra Rudd
8 Executive Director
9 Arizona Board of Appraisal

10 **ORIGINAL** of the foregoing filed
11 this 22 day of May, 2013 with:

12 Arizona Board of Appraisal
13 15 S. 15th Ave.
14 Suite 103A
15 Phoenix, Arizona 85007

16 **COPY** of the foregoing mailed regular
17 and certified mail 7009 1680 0000 7387 0088
18 this 23 day of May, 2013 to:

19 Jonathan P. George
20 P.O. Box 33155
21 Phoenix, AZ 85013

22 **COPY** of the foregoing mailed regular mail
23 this 23 day of May, 2013 to:

24 Andrew Evans
25 Bonnett Fairbourn Friedman & Balint PC
26 2901 N. Central Ave,
Ste. 1000
Phoenix, AZ 85012

27 **COPY** of the foregoing sent or delivered
28 this 23 day of May, 2013 to:

29 Jeanne M. Galvin
30 Assistant Attorney General
31 Arizona Attorney General's Office
32 1275 West Washington, CIV/LES
33 Phoenix, Arizona 85007

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By:
3103766

Fancy A. Suserra