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ARIZONA BOARD OF APPRAISAL

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BEFORE THE ARIZONA STATE BOARD OF APPRAISAL

In the Matter of **ALAN A. GILMORE** Certified Residential Appraiser Certificate No. 21043	Board Case Nos. 2247/2361 **CONSENT AGREEMENT FOR VOLUNTARY SURRENDER**

RECITALS

In the interest of a prompt and judicious settlement of this case, consistent with the public interest, statutory requirements and the responsibilities of the Arizona State Board of Appraisal ("Board") and under A.R.S. §§ 32 3601, *et. seq*. and 41 1092.07(F)(5), Alan A. Gilmore ("Respondent"), holder of Certified Residential Appraiser Number 21043 in the State of Arizona, and the Board enter into the following Recitals, Findings of Fact, Conclusions of Law and Order ("Consent Agreement") as a final disposition of this matter.

1. Respondent has read and understands this Consent Agreement and has had the opportunity to discuss this Consent Agreement with an attorney, or has waived the opportunity to discuss this Consent Agreement with an attorney.

2. Respondent understands that he has a right to a public administrative hearing concerning the above-captioned matter, at which hearing he could present evidence and cross examine witnesses. By entering into this Consent Agreement, Respondent knowingly and voluntarily relinquishes all rights to such an administrative hearing, as well as rights of rehearing, review, reconsideration, appeal, judicial review or any other administrative and/or judicial action, concerning the matters set forth herein.

3. Respondent affirmatively agrees that this Consent Agreement shall be irrevocable.

4. Respondent understands that this Consent Agreement or any part of the agreement may be considered in any future disciplinary action by the Board against him.

5. Respondent understands this Consent Agreement deals with Board Complaint Nos. 2247 and 2361 involving allegations of conduct constituting grounds for discipline against Respondent. The investigation into these allegations against Respondent shall be concluded upon the Board's adoption of this Consent Agreement.

6. Respondent understands that this Consent Agreement does not constitute a dismissal or resolution of any other matters currently pending before the Board, if any, and does not constitute any waiver, express or implied, of the Board's statutory authority or jurisdiction regarding any other pending or future investigation, action or proceeding.

7. Respondent also understands that acceptance of this Consent Agreement does not preclude any other agency, subdivision, or officer of this State from instituting any other civil or criminal proceedings with respect to the conduct that is the subject of this Consent Agreement.

8. All admissions made by the Respondent in this Consent Agreement are made solely for the final disposition of this matter, and any related administrative proceedings or civil litigation involving the Board and Respondent. Therefore, any admis-

sions made by Respondent in this Consent Agreement are not intended for any other use, such as in the context of another regulatory agency's proceedings, or civil or criminal proceedings, whether in the State of Arizona or in any other state or federal court.

9. Respondent acknowledges and agrees that, upon signing this Consent Agreement and returning this document to the Board's Executive Director, he may not revoke his acceptance of the Consent Agreement or make any modifications to the document regardless of whether the Consent Agreement has been signed by the Executive Director. Any modification to this original document is ineffective and void unless mutually agreed by the parties in writing.

10. Respondent understands that the Consent Agreement shall not become effective unless and until adopted by the Board and signed by its Executive Director.

11. If a court of competent jurisdiction rules that any part of this Consent Agreement is void or otherwise unenforceable, the remainder of the Consent Agreement shall remain in full force and effect.

12. Respondent understands and agrees that if the Board does not adopt this Consent Agreement, he will not assert as a defense that the Board's consideration of this Consent Agreement constitutes bias, prejudice, prejudgment or other similar defenses.

13. Upon the effective date of this Order, Respondent shall not perform any appraisals or appraisal reviews in Arizona. Respondent will also not assume or use the title of "appraiser" or any title, designation or abbreviation likely to create the impression that Respondent is licensed or certified by Arizona. Respondent also shall not act as a supervising appraiser for other appraisers or trainees in Arizona, nor shall he act as a mentor in this state. Further, Respondent will not own or operate an appraisal business or supervise appraisal staff in Arizona.

14. Respondent understands that if he applies for licensure in the future, that he will be required to meet all statutory requirements in effect as an original applicant pursuant to Title 32.

ACCEPTED AND AGREED BY RESPONDENT

Alan A. Gilmore

Dated: 12-14-07

Amy M. Tarvin, Notary Public 12-14-07

AMY M. TARVIN NOTARY My Comm. Expires 7-23-2011 PUBLIC SALINE COUNTY, AR

FINDINGS OF FACT

Case No. 2347

1. On or about August 18, 2006, Respondent performed an appraisal on a property located in Phoenix, Arizona. A complaint was received by the Board on October 2, 2006 alleging that the Respondent used comparables outside of the subject property's area and that Respondent would not respond to requests to use proper comparables. The complaint also alleged that Respondent did not complete interior pictures.

2. The Board's investigation revealed a number of deficiencies with the report prepared by Respondent:

a. There was no work file provided by the Respondent in support of legal, subject property inspection field notes, site valuation, depreciation, support for adjustments, data on the sales selected, or sales or listing data in support of statements. Additionally, based on the Market Approach on Page 2 of 6 of the report, and based on the reply, Respondent amended the report on or about September 13, 2006, with comments and additional sales, and did not include both

versions of the report. Respondent also indicated that the interior photos were taken by the homeowner and e-mailed to Respondent, however, these photos were not in the report;

b. According to the Respondent, the subject property's size is 2,686 square feet, however, the report's floorplan does not match the photos where the subject's second story front extends out over the covered entry;

c. Sale No. 1 in the report is located 2.5 miles south of the subject subdivision, has multiple upgrades, is outside of the subject's defined neighborhood in the Desert Ridge area, and which is a superior location;

d. Sale No. 2 is located 2.5 miles south of the subject subdivision, and outside of the subject's defined neighborhood in the Desert Ridge area. Additionally, this sale is located adjacent to the Wildfire Golf Course. The adjustment for the golf course at -$10,000 is not credible, and there was no adjustment for superior location. Additionally, the three car garage adjustment at $2,000 is not credible. Terms of sale was zero down conventional financing, not "Bond/IDA, 0 Points;"

e. The site adjustment at -$1,000, the size adjustment at $25 per square foot, and the three car garage adjusted at -$2,000 are not credible for Sale No. 3. Also, the terms of sale were $5,000 down with a first deed of trust adjustable rate starting at 7.87% for $500,000, and second deed of trust at $125,000 (i.e., no downpayment) not "conventional 0 points;"

f. Sale No. 4 is located approximately five blocks east of the subject property, and is adjacent to John Teets Park. This was not adjusted for or addressed. This sale was also adjusted +$10,000 for quality with no supporting explanation, and it sold in September 2005 for $6000,000 at the same time the subject property sold for $495,000;

g. Sale No. 5 is located a block southeast of the subject property, and backs to open desert with new fencing. This was not disclosed in the report. This sale was also a former model home with multiple upgrades, and a back yard that is superior to the subject property. Further, adjustments to this sale are not credible. This sale sold in September 2005 for $595,000 and closed in November 2005 at a similar time period when the subject property sold for $495,000.

Case No. 2361

1. On or about December 11, 2006, Respondent performed an appraisal on a property located in Scottsdale, Arizona. A complaint was received by the Board on or about March 12, 2007 alleging that the Respondent committed several USPAP violations in the report, and that the appraisal report was intentionally misleading.

2. The Board's investigation revealed a number of deficiencies with the report prepared by Respondent:

a. The work file did not contain support for site valuation, cost data in support of cost approach, or depreciation. There was also no support for the adjustment process in the work file;

b. The subject property is zoned R-1-7, not R-3 as stated in the report;

c. Sale No. 1 appeared to be a cash back transaction. The report, however, states under sales or financing concessions is "conventional/0 points." Additionally, the MLS does state that there is a four plus car garage, but factually this sale has single three wall carports, showing that Respondent is not inspecting the exterior of the comparable sales. Further, the garage adjustment of $10+/- square foot is not credible;

d. Regarding Sale No. 2, the report incorrectly states that this sale was "Conventional/ 0 points." Additionally, the report states that this property was built in

1957 and has been updated. Factually, the home was built in 1974 and has new paint and carpet per the MLS, but it does not state that the home had been updated. Also, the garage adjustment of $10.00 per square foot is not credible;

e. Respondent's adjustments for cul-de-sac site size at $2,000, the quality of construction as Very Good (-), +$10,000, and a fireplace at -$3,000 are not supported or credible for Sale No. 3. Also, errors of omission include the evaporative cooler, wet bar, double gate for an RV and/or boat parking, etc.;

CONCLUSIONS OF LAW

Case No. 2247

1. Pursuant to A.R.S. § 32-3635, a certified or licensed appraiser in the State or 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.

2. The conduct described above constitutes violations of the following provisions of the USPAP, 2006 edition: Standards Rule 1-1(a); Standards Rule 1-1(b); Standards Rule 1-2(c); Standards Rule 1-2(b)(iv); Standards Rule 2-2(b)(iii); Standards Rule 2-2(b)(vi); Standards Rule 2-2(b)(vii); Standards Rule 2-2(b)(viii), and Standard Rule 2-3.

Case No. 2361

1. Pursuant to A.R.S. § 32-3635, a certified or licensed appraiser in the State or 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.

2. The conduct described above constitutes violations of the following provisions of the USPAP, 2006 edition: Standards Rule 1-1(b); Standards Rule 1-1(c); Standards Rule 1-2(c)(iv); Standards Rule 1-2(h); Standards Rule; Standards Rule 2-2(b)(vii)(viii); and Standards Ethics Rule – Record Keeping. Additionally, under Standard 1, the appraisal is not credible, and under Standard 2, the results are misleading.

ORDER

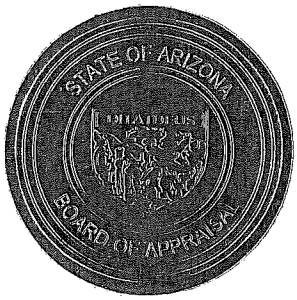
The Board of Appraisal may take disciplinary action against licensees/certificate holders for violations of Board statutes. A.R.S. § 32-3632(B). Pursuant to the authority of the Board found at A.R.S. § 32-3601 *et seq.*, the conduct and circumstances described herein constitutes grounds for discipline.

Based upon the above Findings of Fact and Conclusions of Law and under the authority granted to the Board by A.R.S. §§ 32-3631, and 41-1092.07(F)(5),

IT IS HEREBY ORDERED THAT Certificate No. 21043, which was issued to Alan A. Gilmore to practice as a Certified Residential Appraiser in the State of Arizona, is hereby deemed SURRENDERED.

DATED this 19th day of December, 2007.

ARIZONA STATE BOARD OF APPRAISAL



By: Deborah G. Pearson
Deborah G. Pearson
Executive Director

ORIGINAL OF THE FORGOING FILED
this 18th day of December, 2007, with:

Arizona State Board of Appraisal
1400 W. Washington, Suite 360
Phoenix, Arizona 85007

EXECUTED COPY OF THE FOREGOING MAILED
BY CERTIFIED MAIL AND ~~E-MAIL~~ regular US mail
this 19th day of December, 2007, to:

Alan A. Gilmore
209 Pleasant Holly Drive
Benton, Arizona 72015

EXECUTED COPY OF THE FOREGOING MAILED
this 19th day of December 2007, to:

Dawn Walton Lee
Assistant Attorney General
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Attorneys for the State of Arizona

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