

1 **BEFORE THE ARIZONA STATE BOARD OF APPRAISAL**

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3 ARIZONA BOARD OF APPRAISAL

4 In the Matter of:

5 **DOUGLAS E. GREVER**  
6 Licensed Residential Appraiser  
Certificate No. 11524

Case Nos. 2428, 2429 and 2430

**CONSENT AGREEMENT AND  
ORDER**

7  
8 In the interest of a prompt and judicious settlement of the above-captioned matters  
9 before the Arizona Board of Appraisal ("Board") and consistent with public interest,  
10 statutory requirements and responsibilities of the Board, and pursuant to A.R.S. § 32-3601  
11 *et seq.* and A.R.S. §41-1092.07(F)(5), Douglas E. Grever, ("Respondent"), holder of  
12 certificate no. 11524 and the Board enter into this Consent Agreement, Findings of Fact,  
13 Conclusions of Law and Order ("Consent Agreement") as the final disposition of this  
14 matter.

15 On April 17, 2008, the Board held an Informal Hearing to discuss Case Nos. 2428,  
16 2429 and 2430; Respondent, after being properly noticed, did not appear. At the  
17 conclusion of the Informal Hearing, the Board voted to offer the Respondent a Consent  
18 Agreement and Order of Discipline in lieu of further administrative proceedings.

19 **JURISDICTION**

20 1. The Arizona State Board of Appraisal ("Board") is the state agency  
21 authorized pursuant to A.R.S. § 32-3601 *et seq.*, and the rules promulgated thereunder,  
22 found in the Arizona Administrative Code ("A.A.C." or "rules") at R4-46-101 *et seq.*, to  
23 regulate and control the licensing and certification of real property appraisers in the State  
24 of Arizona.  
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1 **FINDINGS OF FACT**

2 **Case No. 2428**

3 On or about December 19, 2007, the Board's investigation revealed the following:

- 4 1. This matter deals with an appraisal conducted and report written by  
5 Respondent of a detached single family residence located at 25841 West  
6 Hilton Avenue, Buckeye, Maricopa County, Arizona 85326-9192 with a  
7 date of value of April 12, 2007.
- 8 2. Other comparable sales data would arguable suggest a differing opinion of  
9 value for the subject property.
- 10 3. It is reasonable to expect the Respondent should have considered other  
11 model match sales from the immediate subdivision. Other comparable data  
12 would be considered highly comparable data for comparison to the subject  
13 property. These additional sales would conceivably indicate a different  
14 value for the subject property.
- 15 4. The Respondent recites the previous sale of the subject property that  
16 occurred two and one-half months prior to the date of appraisal, however,  
17 he did not analyze the sale. An intended user/client would clearly wonder  
18 about the circumstances surrounding a sale that closed January 30, 2007,  
19 for \$248,522, and being appraised April 12, 2007, for \$375,000.
- 20 5. The Respondent does not, as the report is written, reconcile sufficient data  
21 nor does he properly analyze the data in the Sales Comparison Approach to  
22 value. The Respondent fails to present and analyze available comparable  
23 sales data in a manner that leads the reader to accept the Respondent's  
24 opinion of value for the subject property.
- 25 6. Information in the Neighborhood Description regarding supply/demand  
26 factors and the direction of property values in the area is reasoned to be  
misleading to a client/intended user of the report.

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- 7. Information at the top of Page #2 of the FNMA form is reasoned to be incomplete, therefore, misleading to a client/intended user of the appraisal report.
- 8. The Respondent does not, as the report is written, reconcile sufficient data nor does he properly analyze available comparable data in the Sales Comparison Approach to value. The appraisal, as written and using the comparable sales included in the appraisal report, however, omitting other seemingly relevant data, is not reasoned to support the market value opinion provided by the Respondent.
- 9. Communicating the appraisal report, as written, is misleading.
- 10. By omitting any discussion in the report regarding other available model match sales from the subject subdivision would clearly lead a knowledgeable reader to believe the Respondent was aiming for a conclusion of value.

**Case No. 2429**

On or about December 19, 2007, the Board's investigation revealed the following:

- 11. This matter deals with an appraisal conducted and report written by Respondent of a detached single family residence located at 115327 West Turney Avenue, Goodyear, Maricopa County, Arizona 85395-6324 with a date of value of March 22, 2007.
- 12. Other comparable sales data would arguable suggest a differing opinion of value for the subject property.
- 13. It is reasonable to expect the Respondent should have considered other comparable sales from the immediate subdivision. Other comparable data would be considered highly comparable data for comparison to the subject property. These additional sales would conceivably indicate a different value for the subject property.

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14. The Respondent recites the previous sale of the subject property that occurred slightly over three and one-half months prior to the date of the appraisal however, he did not analyze the sale. An intended user/client would clearly wonder about the circumstances surrounding a sale that closed December 1, 2006, for \$440,000, and being appraised March 22, 2007, for \$586,000.
15. The Respondent does not, as the report is written, reconcile sufficient data nor does he properly analyze the data in the Sales Comparison Approach to value. The Respondent fails to present and analyze available comparable sales data in a manner that leads the reader to accept the Respondent's opinion of market value for the subject property.
16. Information in the Neighborhood Description regarding supply/demand factors and the direction of property values in the area is reasoned to be misleading to a client/intended user of the report.
17. Information at the top of Page #2 of the FNMA form is reasoned to be incomplete, therefore, misleading to a client/intended user of the appraisal report.
18. The Respondent does not, as the report is written, reconcile sufficient data nor does he properly analyze available comparable data in the Sales Comparison Approach to value. The appraisal, as written and using the comparable sales included in the appraisal report, however, omitting other seemingly relevant data, is not reasoned to support the market value opinion provided by the Respondent.
19. Communicating the appraisal report, as written, is misleading.
20. By omitting any discussion in the report regarding other available seemingly comparable sales from the subject subdivision would clearly lead

1 a knowledgeable reader to believe the Respondent was aiming for a  
2 conclusion of value.

3 **Case No. 2430**

4 On or about December 19, 2007, the Board's investigation revealed the following:

- 5 21. This matter deals with an appraisal conducted and report written by  
6 Respondent of a detached single family residence located at 1093 South  
7 225<sup>th</sup> Avenue, Buckeye, Maricopa County, Arizona 85326-9192 with a date  
8 of value of April 12, 2007.
- 9 22. Other comparable sales data would arguable suggest a differing opinion of  
10 value for the subject property.
- 11 23. It is reasonable to expect the Respondent should have considered other  
12 model match sales from the immediate subdivision. Other comparable data  
13 would be considered highly comparable data for comparison to the subject  
14 property. These additional sales would conceivably indicate a different  
15 value for the subject property.
- 16 24. The Respondent recites the previous sale of the subject property, albeit  
17 incorrectly, that occurred five and one-half months prior to the date of the  
18 appraisal however, he did not analyze the sale. An intended user/client  
19 would clearly wonder about the circumstances surrounding a sale that  
20 closed October 30, 2006, for \$196, 842, and being appraised April 12,  
21 2007, for \$340,000.
- 22 25. The Respondent does not, as the report is written, reconcile sufficient data  
23 nor does he properly analyze the data in the Sales Comparison Approach to  
24 value. The Respondent fails to present and analyze available comparable  
25 sales data in a manner that leads the reader to accept the Respondent's  
26 opinion of value for the subject property.

- 1           26. Information in the Neighborhood Description regarding supply/demand
- 2                   factors and the direction of property values in the area is reasoned to be
- 3                   misleading to a client/intended user of the report.
- 4           27. Information at the top of Page #2 of the FNMA form is reasoned to be
- 5                   incomplete, therefore, misleading to a client/intended user of the appraisal
- 6                   report.
- 7           28. The Respondent does not, as the report is written, reconcile sufficient data
- 8                   nor does he properly analyze available comparable data in the Sales
- 9                   Comparison Approach to value. The appraisal, as written and using the
- 10                  comparable sales included in the appraisal report, however, omitting other
- 11                  seemingly relevant data, is not reasoned to support the market value opinion
- 12                  provided by the Respondent.
- 13           29. Communicating the appraisal report, as written, is misleading.
- 14           30. By omitting any discussion in the report regarding other available model
- 15                  match sales from the subject subdivision would clearly lead a
- 16                  knowledgeable reader to believe the Respondent was aiming for a
- 17                  conclusion of value.

**CONCLUSIONS OF LAW**

**Case Nos. 2428, 2429 and 2430**

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

25           2. The conduct described above constitutes violations of the following  
26 provisions of the USPAP, 2006 edition: Standards Rule 1-1(b); Standards Rule 1-4(a);

1 Standards Rule 1-5(b); Standards Rule 1-6(a); Standards Rule 2-1(a) and (b); Standards  
2 Rule 2-2 (b)(ix); and Standards Ethics Rule – Conduct.

3 **ORDER**

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

6 1. **Upon the effective date of this Consent Agreement, Respondent’s**  
7 **Certificate as a Licensed Residential Appraiser shall be placed on probation for a**  
8 **minimum period of twelve (12) months.** During probation, Respondent shall comply  
9 with USPAP, Arizona Revised Statutes and Appraisal Board rules.

10 2. Respondent shall successfully complete the following education within  
11 **six (6) months** of the effective date of this Consent Agreement: **Seven (7) hours of**  
12 **sales comparison approach, seven (7) hours of cost approach, six (6) hours of**  
13 **mortgage fraud and three (3) hours of ethics.** The education required under this  
14 paragraph **may not** be counted toward the continuing education requirements for the  
15 renewal of Respondent’s certificate. The same class may not be repeated to fulfill the  
16 education requirements of this Consent Agreement. If the Respondent requires  
17 additional time within which to complete this education, he may request an extension  
18 of time by submitting a written request to the Board at least thirty (30) days prior to  
19 the expiration of the six months.

20 Proof of completion of the required education must be submitted to the Board  
21 within 3 weeks of completion of the required courses.

22 3. During the term of probation, Respondent shall: (a) demonstrate  
23 resolution of the problems that resulted in this disciplinary action; and (b) otherwise  
24 comply with the terms of this Consent Agreement.

25 4. During the period of probation, Respondent shall complete a minimum  
26 of **twenty-four (24) appraisal reports** under the supervision of an Arizona Certified  
Residential or Certified General Appraiser who shall serve as Respondent’s mentor

1 (“Mentor”). The Mentor shall be either an Arizona Certified Residential or General  
2 Appraiser.

3 5. **During the probationary period, the Respondent shall not issue a**  
4 **verbal or written appraisal, appraisal review, or consulting assignment without**  
5 **prior review and approval by a Mentor.** Each report shall be signed by the Mentor  
6 as a supervisory appraiser. After one (1) year, the requirement of pre-approval of  
7 appraisals by a mentor may be terminated upon approval by the Board if Respondent  
8 has complied with the conditions set out in this Order.

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

16 7. Not more than **30 days** after the effective date of this Consent  
17 Agreement, Respondent shall submit to the Board the name and resume of an Arizona  
18 Certified Residential or Arizona Certified General Appraiser who is willing to serve as  
19 Respondent’s Mentor together with a letter from the potential Mentor agreeing to  
20 serve as Respondent’s Mentor. If requested by Board staff, Respondent shall continue  
21 to submit names, resumes, and letters agreeing to serve as Mentor until a Mentor is  
22 approved by the Board. Any Mentor must be approved in writing by the Board.

23 8. Respondent shall bear all costs and expenses associated with the  
24 mentorship and incurred by obtaining the required education.

25 9. The Mentor shall submit monthly reports to the Board for each calendar  
26 month during Respondent’s probationary period reflecting the quantity and quality of  
Respondent’s work, including, but not limited to, improvement in Respondent’s

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

9 The monthly report may be filed by mail or facsimile.

10 10. The Respondent shall file an appraisal log with the Board on a monthly  
11 basis listing every Arizona appraisal that he has completed within the prior calendar  
12 month by property address, appraisal type, valuation date, the Mentor's review date,  
13 the date the appraisal was issued, and the number of hours worked on each  
14 assignment. The report log shall be filed monthly beginning the 15<sup>th</sup> day of the first  
15 month following the start of Respondent's probationary period and continuing each  
16 month thereafter until the Board terminates the probation. If the log reporting date  
17 falls on a Saturday, Sunday, or holiday, the report log is due on the next business day.

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

20 The monthly log report may be filed by mail or facsimile.

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

1           12. Respondent's probation, including mentorship, shall continue until: (a)  
2 Respondent petitions the Board for termination as provided in paragraph 13, and (b)  
3 the Board terminates the probation and mentorship. Upon petition by the Respondent  
4 for termination of the probation and mentorship, the Board will select and audit 3 of  
5 Respondent's appraisal reports.

6           13. At the end of **twelve (12) months** from the effective date of this Consent  
7 Agreement, the Respondent must petition the Board for termination of his mentorship  
8 and probation. If the Board determines that Respondent has not complied with **all** the  
9 requirements of this Consent Agreement, the Board, at its sole discretion, may either:  
10 (a) continue the probation, including mentorship; or (b) institute proceedings for  
11 noncompliance with this Consent Agreement, which may result in suspension,  
12 revocation, or other disciplinary and/or remedial action.

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

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

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

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

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,  
3 at which administrative hearing he could present evidence and cross-examine  
4 witnesses. By entering into this Consent Agreement, Respondent freely and  
5 voluntarily relinquishes all rights to such an administrative hearing, as well as all  
6 rights of rehearing, review, reconsideration, appeal, judicial review or any other  
7 administrative and/or judicial action, concerning the matters set forth herein.

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

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

11           20.     The parties agree that this Consent Agreement constitutes final  
12 resolution 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  
19 of the provisions of the Board's statutes or the rules of the Board for the  
20 administration and enforcement of its statutes.

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

1 other civil or criminal proceedings with respect to the conduct that is the subject of  
2 this Consent 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  
6 void unless mutually approved by the parties in writing.

7 25. Respondent understands that this Consent Agreement is a public record  
8 that 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 IV**

11 **Violation.**

12 DATED this 3rd day of June, 2008.

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14  
15 Douglas E. Grever  
16 Douglas E. Grever, Respondent

Deborah G. Pearson  
Deborah G. Pearson, Executive Director  
Arizona Board of Appraisal

17  
18 **ORIGINAL** of the foregoing filed  
19 this 2nd day of June, 2008 with:

20 Arizona Board of Appraisal  
21 1400 West Washington Street, Suite 360  
Phoenix, Arizona 85007

22 **COPY** of the foregoing mailed regular mail and certified mail #7006 0100 0007 8652 3806  
23 this 3rd day of June, 2008 to:

24 Douglas E. Grever  
25 19610 N. 43<sup>rd</sup> Drive  
26 Glendale, Arizona 85308

1 **COPY** of the foregoing sent or delivered  
2 this 31<sup>st</sup> day of June, 2008 to:

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

8 By: Robert D. Pearson

9 #197353

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