

CONSENT AGREEMENT

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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 shall 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 In the event that the Board does not approve this Consent Agreement, it is withdrawn and shall be of no evidentiary value and shall not be relied upon nor introduced in any action by any party, except that the parties agree that should the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

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On or about January 27, 2012, the Board’s investigation revealed the following:

1. This complaint involves an appraisal conducted and report written by Respondent of real property located at 39 Paradise Lane, Jerome, AZ 86331 with an effective date of value of August 6, 2011.
2. The subject property was “extensively remodeled” and in “excellent condition” but Respondent stated the home was in “average” condition and he failed to disclose the extent of the remodeling (i.e. wiring , plumbing, shingles, flooring, appliances, new furnace, duct work, foundation work, new kitchen and baths etc.)
3. Respondent’s appraisal consisted of a drive-by inspection of the subject property. He failed to obtain permission of the lender to expand the scope of the assignment and request that a full appraisal be completed.
4. Comparable Sale no. 2 is noted as being sold “as is” and in need of “cosmetic fixes” but yet Respondent failed to apply any condition adjustments.
5. The subject had two sleeping porches but Respondent failed to make the appropriate adjustments.
6. Respondent failed to conduct the appropriate research into the comparable sales given the uniqueness of the properties. Additionally, Respondent failed to verify the information relating to the comparable sales.
7. One or more the comparable sales were located in Clarkdale (subject is located in Jerome) but Respondent failed to make the necessary location adjustment. Nor did Respondent explain his rationale for seeking comparables in Clarkdale rather than Jerome.
8. The site value is not credible given the condition of comparable no. 6.

1 3321

2 On or about January 27, 2012, the Board's investigation revealed the following:

3 9. This complaint involves an appraisal conducted and report written by
4 Respondent of real property located at 90 Via Del Viento, Sedona, AZ 86351 with an
5 effective date of value of June 18, 2011.

6 10. Respondent failed to review and properly analyze the counteroffer as part
7 of the appraisal process.

8 11. The adjustments made to the comparable sales were not credible. For
9 example, the age adjustments were inconsistent and the adjustments for bath count, site
10 value and land value were not credible.

11 12. In addition, Respondent noted that the subject's neighborhood boundaries
12 include Big Sky Drive. There is no Big Sky Drive in Sedona.

13 13. The Cost Approach was not credible.

14
15 CONCLUSIONS OF LAW

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

20 3320

21 The conduct described above constitutes violations of the following provisions of
22 the USPAP, 2010-2011 edition:

23 **Standards Rule 1-1(a); Standards Rule 1-4(a) and (b); Standards Rule 2-1(a);**
24 **and the Scope of Work Rule.**

2 The conduct described above constitutes violations of the following provisions of
3 the USPAP, 2010-2011 edition:

4 **Standards Rule 1-1(a) and (c); Standards Rule 1-4(a) and (b); Standards Rule**
5 **1-5(a); and Standard Ethics Rule---Competency.**

6 ORDER

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

9 1. **Upon the effective date of this Consent Agreement, Respondent's**
10 **Certificate as a Certified Residential Appraiser shall be placed on probation for a**
11 **minimum period of six (6) months.** During probation, Respondent shall comply with
12 USPAP, Arizona Revised Statutes and Appraisal Board rules. The effective date of this
13 Consent Agreement and Order is the date the Order is signed by the Executive Director
14 on behalf of the Board.

15 2. 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.

18 3. Respondent shall complete the following education within six (6) months of
19 the effective date of this Consent Agreement: **a fifteen (15) hour course in Basic**
20 **Appraisal (with an exam); a seven (7) hour course in Sales Comparison Approach;**
21 **a seven (7) hour course in Cost Approach (to include site evaluations) and the seven**
22 **(7) hour 2012-2013 USPAP Update course.** The education required under this
23 paragraph may not be counted toward the continuing education requirements for the
24 renewal of Respondent's certificate except that the seven (7) hour USPAP Update
25 course may be counted for continuing education requirements. The same class may
26 not be repeated to fulfill the education requirements of this Consent Agreement.

1 4. Proof of completion of the required education must be submitted to the
2 Board within 3 weeks of completion of the required coursework.

3 5. During the period of probation, Respondent shall complete a minimum of
4 **twelve (12) appraisal reports** under the supervision of an Arizona Certified Residential
5 or Certified General Appraiser who shall serve as Respondent's mentor ("Mentor"). **The**
6 **appraisal reports may be demonstration reports.**

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

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

25 8. Not more than **30 days** after the effective date of this Consent Agreement,
26 Respondent shall submit to the Board the name and resume of an Arizona Certified

1 Residential or Arizona Certified General Appraiser who is willing to serve as
2 Respondent's Mentor together with a letter from the potential Mentor agreeing to serve as
3 Respondent's Mentor. If requested by Board staff, Respondent shall continue to submit
4 names, resumes, and letters agreeing to serve as Mentor until a Mentor is approved by the
5 Board. Any Mentor must be approved in writing by the Board.

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

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

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

1 holiday, the report log is due on the next business day. **Even if Respondent performs**
2 **no appraisals within a given month, he must still file an appraisal log with the Board**
3 **showing that no appraisals were performed.** The monthly log report may be filed by
4 mail or facsimile.

5 12. 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 Respondent's
9 appraisal reports provided to the Board under the terms of this Consent Agreement.

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

15 14. At the end of **six (6) months** from the effective date of this Consent
16 Agreement, the Respondent may petition the Board for termination of his mentorship and
17 probation. If the Board determines that Respondent has not complied with **all** the
18 requirements of this Consent Agreement, the Board, at its sole discretion, may either: (a)
19 continue the probation, including mentorship; or (b) institute proceedings for
20 noncompliance with this Consent Agreement, which may result in suspension,
21 revocation, or other disciplinary and/or remedial action.

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

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

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

6 18. Respondent has read and understands this Consent Agreement as set forth
7 herein, and has had the opportunity to discuss this Consent Agreement with an attorney
8 or has waived the opportunity to discuss this Consent Agreement with an attorney.
9 Respondent voluntarily enters into this Consent Agreement for the purpose of avoiding
10 the expense and uncertainty of an administrative hearing.

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

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

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

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

24 23. If Respondent fails to comply with the terms of this Consent Agreement,
25 the Board shall properly institute proceedings for noncompliance with this Consent
26 Agreement, which may result in suspension, revocation, or other disciplinary and/or

1 remedial actions. Respondent agrees that any violation of this Consent Agreement is a
2 violation of A.R.S. § 32-3631(A)(8), which is willfully disregarding or violating any of
3 the provisions of the Board's statutes or the rules of the Board for the administration and
4 enforcement of its statutes.

5 24. Respondent understands that this Consent Agreement does not constitute a
6 dismissal or resolution of other matters currently pending before the Board, if any, and
7 does not constitute any waiver, express or implied, of the Board's statutory authority or
8 jurisdiction regard any other pending or future investigation, action or proceeding.
9 Respondent also understands that acceptance of this Consent Agreement does not
10 preclude any other agency, subdivision or officer of this state from instituting other civil
11 or criminal proceedings with respect to the conduct that is the subject of this Consent
12 Agreement.

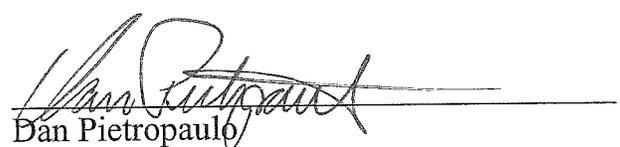
13 25. Respondent understands that the foregoing Consent Agreement shall not
14 become effective unless and until adopted by the Board of Appraisal and executed on
15 behalf of the Board. Any modification to this original document is ineffective and void
16 unless mutually approved by the parties in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

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

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

21 **DATED** this 21st day of MARCH, 2012.

22
23 
24 Leif W. Jensen
25 Respondent

22
23 
24 Dan Pietropaulo
25 Executive Director
26 Arizona Board of Appraisal

1 ORIGINAL of the foregoing filed
this 21 day of March, 2012 with:

2 Arizona Board of Appraisal
3 1400 West Washington Street, Suite 360
4 Phoenix, Arizona 85007

5 COPY of the foregoing mailed regular
and certified mail 7009 1680 0000 7387 1443
this 21 day of March, 2012 to:

6
7 Leif W. Jensen
8 313 S. Pleasant St.
9 Prescott, AZ 86303

10 COPY of the foregoing sent or delivered
this 21 day of March, 2012 to:

11 Jeanne M. Galvin
12 Assistant Attorney General
13 Arizona Attorney General's Office
14 1275 West Washington, CIV/LES
15 Phoenix, Arizona 85007

16 By: Rebecca M. Loan
2603487

17 Regulatory Compliance Officer
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26

RECEIVED

If you receive this fax in error, please contact the sender immediately and then destroy the faxed materials.

Date: 05/02/2012	
To:	Dan Pietropaulo/Arizona Board of Appraisal
Fax:	602-542-1598
From:	Leif W Jensen/Certication #21953
At:	928-778-3114 Fax/Phone - appraisal928@hotmail.com
RE: Mentor request per #3320/3321	
Pages:	5 Including cover

FAX