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ARIZONA BOARD OF APPRAISAL

BEFORE THE ARIZONA STATE BOARD OF APPRAISAL

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IN THE MATTER OF:

CASE No. 3422

DOUGLAS A. La ROCCA
Certified General Appraiser
Certificate No. 31569

**CONSENT AGREEMENT and
ORDER FOR PRACTICE
RESTRICTION**

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), Douglas A. La Rocca ("Respondent"), holder of Certificate No. 31569 and the Board enter into this Consent Agreement and Order for Practice Restriction ("Consent Agreement") as the final disposition of this matter.

On April 19, 2013, the Board met to discuss the above-captioned matter. Respondent was properly noticed and appeared personally and on his own behalf. At the conclusion of the Board's consideration of the issues, the Board voted to offer the Respondent a Consent Agreement and Order for Practice Restriction 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.

2. Respondent holds a certificate as a Certified General Appraiser in the State of Arizona, Certificate No. 31569 issued on October 4, 2007, pursuant to A.R.S. § 32-3612.

1 **CONSENT AGREEMENT**

2 Respondent understands and agrees that:

3 1. The Board has jurisdiction over Respondent and the subject matter pursuant
4 to A.R.S. § 32-3601 *et seq.*

5 2. Respondent has the right to consult with an attorney prior to entering into
6 this Consent Agreement.

7 3. Respondent has a right to a public hearing concerning this case. He further
8 acknowledges that at such formal hearing he could present evidence and cross-examine
9 witnesses. Respondent irrevocably waives his right to such a hearing.

10 4. Respondent irrevocably waives any right to rehearing or review or to any
11 judicial review or any other appeal of this matter.

12 5. This Consent Agreement shall be subject to the approval of the Board and
13 shall be effective only when signed by the Executive Director and accepted by the Board.
14 In the event that the Board does not approve this Consent Agreement, it is withdrawn and
15 shall be of no evidentiary value and shall not be relied upon nor introduced in any action
16 by any party, except that the parties agree that should the Board reject this Consent
17 Agreement and this case proceeds to hearing, Respondent will assert no claim that the
18 Board was prejudiced by its review and discussion of this document or any records
19 relating thereto.

20 6. The Consent Agreement, once approved by the Board and signed by the
21 Respondent, shall constitute a public record which may be disseminated as a formal
22 action of the Board.

23 **FINDINGS OF FACT**

24 1. This matter concerns two appraisal reviews completed by Respondent on
25 the following single family residences: 3909 North Arbor Lane, Buckeye, AZ 85396 with
26

1 an effective date of value of March 7, 2012 and 219 South Del Rancho, Mesa, AZ 85208
2 with an effective date of value of February 21, 2012.

3 **3909 North Arbor Lane, Buckeye, AZ 85396 (Review Appraisal)**

4
5 2. In the Appraisal Review, the Respondent provided information on two sales
6 and a pending sale in providing an indication of market value for the subject property. All
7 three of the comparable properties used by the Respondent were short sales. From MLS
8 information, there were ten sales that had occurred in the six months prior to the date of
9 original appraisal and review appraisal in the subject market area. Five of these sales
10 were short sales and five were traditional sales. On an unadjusted basis, the five
11 traditional sales sold for 17.3% more than the short/lender owned sales. It is important to
12 consider the impact, if any, of factors impacting the ultimate sale price, including the
13 effect on price when a property sells as a short or lender owned property. In the subject
14 market area, there was a discernible difference between traditional sales and short/lender
15 owned sales that was not discussed by the Respondent. There is reasonable strong
16 evidence showing the existence of a two-tier market in the subject subdivision but that
17 was not adequately analyzed by the Respondent.

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20 3. The Respondent adjusted downward each of the three sales \$10,000 for the
21 subject backing to West Lost Creek Drive West, a residential feeder street in the
22 west/northwest portion of Verrado Subdivision. In fact, a drive by of the subject property
23 and the comparable sales, the subject lot is reasoned to be a premium elevated lot with
24 views of desert and partial view of a golf course to the southeast and east. With the
25 exception of the original appraiser's comparable no. 4 and the Respondent's comparable
26

1 no. 3, the subject property is reasoned to be superior in view to the comparable
2 properties. Regarding the Respondent's adjustment for the subject location backing to
3 Lost Creek Drive West, it is noted the Comparable Sale no. 2 is located on Lost Creek
4 Drive West. The investigation revealed that there was not a more significant amount of
5 passing traffic on Lost Creek Drive West than in other residential streets in the
6 subdivision.
7

8 4. While the Appraisal Review contains a certification, it has significant
9 variance from the certification required by the Uniform Standards of Professional
10 Appraisal Practice.
11

12 5. The Board finds that the Respondent is not geographically competent to
13 conduct review or field appraisals in the State of Arizona.

14 6. The Respondent failed to complete a 1004MC report or the equivalent for
15 support of his market trends or time adjustments.
16

17 **219 South Del Rancho, Mesa, AZ 85208 (Review Appraisal)**

18 7. While the Appraisal Review contains a certification, it has significant
19 variance from the certification required by the Uniform Standards of Professional
20 Appraisal Practice.

21 8. In his rebuttal response (page 3, last paragraph), the Respondent states that
22 "we have provided a revised review in Property Science Manger (sic) to reflect our errors
23 regarding the addresses for comp #2 and replaced com #3 with an additional comparable
24 that is similar in location and GLA to the subject." However, the workfile does not
25
26

1 contain a copy of this revised appraisal review as required by the Recordkeeping rule of
2 USPAP.

3 9. In addition, the Respondent's certification did not state whether the
4 Respondent had appraised the subject property in the last three years.
5

6 10. The Board finds that the Respondent is not geographically competent to
7 conduct review or field appraisals in the State of Arizona.

8 **CONCLUSIONS OF LAW**

9 **3909 North Arbor Lane, Buckeye, AZ 85396**

10 Pursuant to A.R.S. §32-3635, a certified or licensed appraiser in the State of
11 Arizona must comply with the Standards of practice adopted by the Board. The Standards
12 of Practice adopted by the Board are codified in the USPAP edition applicable at the time
13 of the appraisal.
14

15 The conduct described above constitutes violations of the following provisions of
16 USPAP, 2012-2013 edition:

17 **Standards Rule 3-1(b) and (c); Standards Rule 3-6; and the Standard Ethics**
18 **Rule---Competency.**
19

20 **219South Del Rancho, Mesa, AZ 85208**

21 Pursuant to A.R.S. §32-3635, a certified or licensed appraiser in the State of
22 Arizona must comply with the Standards of practice adopted by the Board. The Standards
23 of Practice adopted by the Board are codified in the USPAP edition applicable at the time
24 of the appraisal.
25
26

1 The conduct described above constitutes violations of the following provisions of
2 USPAP, 2012-2013 edition:

3 **Standards Rule 3-6; Standard Ethics Rule---Recordkeeping; and the**
4 **Standard Ethics Rule---Competency.**
5

6 **ORDER FOR PRACTICE RESTRICTION**

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

9 1. **Upon the effective date of this Consent Agreement for Practice**
10 **Restriction, Respondent's Arizona Certificate as a Certified General Appraiser**
11 **(#31569) shall be RESTRICTED.** Once the Order for Practice Restriction is effectuated,
12 Respondent shall not issue a written appraisal desk review for residential properties
13 in the State of Arizona. The effective date of this Consent Agreement for Practice
14 Restriction is the date the Consent Agreement for Practice Restriction is accepted by the
15 Board as evidenced by the signature of the Board's Executive Director.
16

17 2. Respondent's Practice Restriction shall continue until such a time he
18 demonstrates to the Board's satisfaction that he is geographically competent to conduct
19 desk review appraisals in the State of Arizona. It is the Respondent's responsibility to
20 seek in writing from the Board a lifting of this practice restriction and to affirmatively
21 demonstrate he is geographically competent to conduct desk review appraisals in
22 Arizona.
23

24 3. Respondent has read and understands this Consent Agreement and Order
25 for Practice Restriction as set forth herein, and has had the opportunity to discuss this
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1 Consent Agreement and Order for Practice Restriction with an attorney or has waived the
2 opportunity to do so. Respondent voluntarily enters into this Consent Agreement for
3 Practice Restriction for the purpose of avoiding the expense and uncertainty of an
4 administrative hearing.
5

6 4. Respondent understands that he has a right to a public administrative
7 hearing concerning each and every allegation set forth in the above-captioned matter, at
8 which administrative hearing he could present evidence and cross-examine witnesses. By
9 entering into this Consent Agreement and Order for Practice Restriction, Respondent
10 freely and voluntarily relinquishes all rights to such an administrative hearing, as well as
11 all rights of rehearing, review, reconsideration, appeal, judicial review or any other
12 administrative and/or judicial action, concerning the matters set forth herein. Respondent
13 affirmatively agrees that this Consent Agreement and Order for Practice Restriction shall
14 be irrevocable.
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16 5. Respondent understands that this Consent Agreement and Order for
17 Practice Restriction, or any part thereof, may be considered in any future disciplinary
18 action against him.
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20 6. Time is of the essence with regard to this agreement.

21 7. If Respondent fails to comply with the terms of this Consent Agreement
22 and Order for Practice Restriction, the Board shall properly institute proceedings for
23 noncompliance with this Consent Agreement and Order for Practice Restriction, which
24 may result in injunctive proceedings.
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1 8. Respondent agrees that any violation of this Consent Agreement and Order
2 for Practice Restriction is a violation of A.R.S. § 32-3631(A)(8), which is willfully
3 disregarding or violating any of the provisions of the Board's statutes or the rules of the
4 Board for the administration and enforcement of its statutes.

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

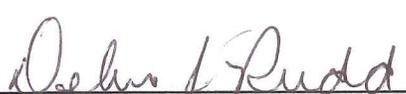
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16 10. Respondent understands that the foregoing Consent Agreement and Order
17 for Practice Restriction shall not become effective unless and until adopted by the Board
18 of Appraisal and executed on behalf of the Board. Any modification to this original
19 document is ineffective and void unless mutually approved by the parties in writing.

20
21 11. Respondent understands that this Consent Agreement and Order for
22 Practice Restriction is a public record that may be publicly disseminated as a formal
23 action of the Board.
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1 12. Pursuant to the Board's Substantive Policy Statement #1, the Board
2 considers the violations in the above-referenced matter to constitute a Level III
3 violation.

4 DATED this 16th day of OCTOBER, 2013.

6
7 
8 Douglas A. La Rocca
9 Respondent

7 
8 Debra J. Rudd
9 Executive Director
Arizona Board of Appraisal

10 ORIGINAL of the foregoing filed
11 this 16th day of October, 2013 with:

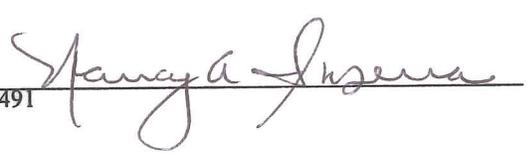
12 Arizona Board of Appraisal
13 15 South 15th Ave., Ste. 103A
Phoenix, Arizona 85007

14 COPY of the foregoing mailed regular
15 and certified mail # 7009 1680 0000 7387 9081
16 this 16th day of October, 2013 to:

17 Mr. Douglas A. La Rocca
18 714 Montgomery Place
19 Woodland, CA 95776

20 COPY of the foregoing sent or delivered
21 this 16th day of October, 2013 to:

22 Jeanne M. Galvin
23 Assistant Attorney General
24 Arizona Attorney General's Office
25 1275 West Washington, CIV/LES
26 Phoenix, Arizona 85007

24 By: 
25 3319491