

CONSENT AGREEMENT

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. She further acknowledges that at such formal hearing she could present evidence and cross-examine witnesses. Respondent irrevocably waives her 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 In the event that the Board does not approve this Consent Agreement, it is withdrawn and shall be of no evidentiary value and shall not be relied upon nor introduced in any action by any party, except that the parties agree that should the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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2 **FINDINGS OF FACT**

3 On or about October 21, 2011, the Board's investigation revealed the following:

4 1. This complaint involves an appraisal conducted and report written by
5 Respondent of real property located at 4899 S. Calle Encina, Sierra Vista, AZ 85635 with
6 an effective date of value of September 6, 2010.

7 2. Respondent signed the Certification portion of the appraisal report that she
8 "performed a complete visual inspection of the interior and exterior areas of the subject
9 property." However, Respondent admitted that she did not inspect the property.

10 3. Respondent stated that she submitted a "corrected" report to the client
11 noting that someone else had contributed to the report (i.e. completed the inspection) but
12 the workfile did not contain a copy of the revised or corrected report.

13 4. There is no support for the amount of the site value in the Cost Approach
14 and the workfile contained no data supporting land value.

15 5. With respect to physical depreciation, Respondent stated that the physical
16 depreciation is based on 6% of the effective age of the subject's improvements but there
17 was not support for this depreciation in the report or the workfile. In addition,
18 Respondent referred to "functional depreciation" rather than "functional obsolescence."
19 There was no support for the "functional depreciation."

20 6. The RV garage was not separated in the Cost Approach but rather given a
21 cost of \$125,000 without support or source citation and lumped in with porch, patio,
22 fireplace and fence despite the fact that the RV garage (which includes a loft, bath, shop)
23 is a significant separate improvement. Had the RV garage building been addressed
24 separately, it would have given the reader a better idea of its significance, an upper limit
25 to its possible contribution to value and been useful in providing perspective on the
26 functional obsolescence and upper limit to sales comparison adjustment for that item. The

1 significant adjustments made to the comparables for the RV garage and its amenities
2 were not supported or explained.

3 7. With respect to the Sales Comparison Approach, comparable nos. 5 and 6
4 were listings and adjustments were made for listing status but there was no analysis or
5 discussion of the rationale for the listing status adjustment or the extent of the adjustment.
6 There was no time or market adjustment made or sufficiently explained with respect to
7 the sale of comparable no. 4 which took place almost a year prior to the date of the
8 appraisal report. In addition, there was insufficient analysis and support for the zero
9 adjustment for market conditions. The data regarding the market conditions also
10 contradicted some of the statements made regarding the same.

11 8. Respondent combined the comparison points of number of bedrooms with
12 square footage without explanation, thereby detracting from the report's credibility. In
13 addition, comparable no. 1 and 2 were adjusted for site size but there was no analysis or
14 support (qualitative or quantitative) for the amount of the adjustment. Similarly, while the
15 comparables were adjusted consistently at \$35 per square foot of difference in gross
16 living area, there was no support cited for the extent of, or amount of, the adjustment. The
17 adjustment for age difference based on approximately \$500 per year of age difference is
18 not supported.

19 9. Respondent failed to adequately explain why the Income Approach was not
20 applicable to this assignment.

21 **CONCLUSIONS OF LAW**

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

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

3 **Standards Rule 1-1(a), (b), (c), (d), (e) and (f); Standards Rule 1-2(e)(i);**
4 **Standards Rule 1-4(a), (b)(i), (ii) and (iii); Standards Rule 2-1(a) and (b); Standards**
5 **Rule 2-2(b)(vii) and (viii); Standard Rules 2-3 Standard Ethics Rule---Conduct and**
6 **Record Keeping; and Scope of Work Rule.**

7 **ORDER**

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

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

16 2. During the term of probation, Respondent shall: (a) demonstrate resolution
17 of the problems that resulted in this disciplinary action; and (b) otherwise comply with
18 the terms of this Consent Agreement.

19 3. Respondent shall complete the following education within six (6) months of
20 the effective date of this Consent Agreement: **the seven (7) hour 2012-2013 USPAP**
21 **Update course.** The education required under this paragraph **may be counted toward**
22 **the continuing education requirements for the renewal of Respondent's certificate.**

23 The Board acknowledges the continuing education recently completed by Respondent.

24 4. **Proof of completion of the required education must be submitted to the**
25 **Board within 3 weeks of completion of the required coursework.** Respondent shall be
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1 responsible for all costs associated with completing the coursework required in paragraph
2 3.

3 5. During the period of probation, Respondent shall complete a minimum of
4 **twelve (12) appraisal reports**. The Respondent shall file an appraisal log with the Board
5 on a monthly basis listing every Arizona appraisal that she has completed within the prior
6 calendar month by property address, appraisal type, valuation date, the date the appraisal
7 was issued, and the number of hours worked on each assignment. The log shall be filed
8 monthly beginning the 1st day of the first month following the start of Respondent's
9 probationary period and continuing each month thereafter until the Board terminates the
10 probation. If the log reporting date falls on a Saturday, Sunday, or holiday, the report log
11 is due on the next business day. **Even if Respondent performs no appraisals within a**
12 **given month, she must still file an appraisal log with the Board showing that no**
13 **appraisals were performed.** The monthly log report may be filed by mail or facsimile.

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

19 7. Respondent's probation, including mentorship, shall continue until: (a)
20 Respondent petitions the Board for termination as provided in paragraph 8 and (b) the
21 Board terminates the probation. Upon petition by the Respondent for termination of the
22 probation, the Board will select and audit 3 of Respondent's appraisal reports.

23 8. At the end of **six (6) months** from the effective date of this Consent
24 Agreement, the Respondent may petition the Board for termination of her probation. If
25 the Board determines that Respondent has not complied with **all** the requirements of this
26 Consent Agreement, the Board, at its sole discretion, may either: (a) continue the

1 probation or (b) institute proceedings for noncompliance with this Consent Agreement,
2 which may result in suspension, revocation, or other disciplinary and/or remedial action.

3 9. Respondent shall not act as a supervising appraiser for other appraisers or
4 trainees, nor shall she 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 10. Respondent shall comply with the Uniform Standards of Professional
7 Appraisal Practice in performing all appraisals and all Board statutes and rules.

8 11. If, between the effective date of this Consent Agreement and the
9 termination of Respondent's probation by the Board, Respondent fails to renew her
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 shall be
12 imposed if the application for license or certificate is granted.

13 12. 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 13. Respondent understands that she 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 she could present evidence and cross-examine witnesses.
21 By entering into this Consent Agreement, Respondent freely and voluntarily relinquishes
22 all 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 14. Respondent understands that this Consent Agreement, or any part thereof,
2 may be considered in any future disciplinary action against her.

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

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

6 17. 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 18. 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 19. 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 20. Respondent understands that this Consent Agreement is a public record that
26 may be publicly disseminated as a formal action of the Board.

