



ARIZONA BOARD OF APPRAISAL

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October 23, 2012

Mr. Thomas M. Peevler
891 S. Lakeview Drive
Prescott, AZ 86301

Re: Board of Appraisal Case No. 3249

Dear Mr. Peevler,

As you know, the Board received the above-referenced complaint against you for an appraisal you performed of a single family residence located at 4580 West Cooks Well Circle, Prescott, AZ 86305-9027 with an effective date of value of March 14, 2011.

The Board met on May 11, 2012 and again on September 14, 2012, to consider the matter. In reviewing the matter, the Board considered the complaint, your response thereto, the appraisal, the supporting work file and the investigative report. At the conclusion of its consideration, the Board voted to offer you the opportunity resolve this matter with a letter of due diligence.

The Board concluded that the work file contained no cost data, no site sales data, no data in support of depreciation or obsolescence and no data to support the adjustments. Further, there was no MLS or public record data for sale no. 2 and sale no. 3; nor was there data for significant adjustments. There was no disclosure, discussion or utilization of a recognized method or technique for the subject's extensive HOA commons and the lack of or minimal commons for the sales cited. Additionally, there were numerous errors of omission and commission throughout the report (i.e. incorrect year that the subject was built, error in reporting GLA; incorrect number of car bays for the garage; lack of some adjustments and lack of explanation for others; and failure to discuss the distressed nature of sale no. 1). Generally, there was a failure to use due diligence and due care; contribution or lack of contribution to value does not excuse omission or misstatements. The appraisal failed to explain or support significant adjustments in the Market Approach to Value. Moreover, there was no

supporting data for the Cost Approach, depreciation, omission of functional obsolescence and support and/or explanation for external obsolescence (economic depreciation). The appraisal of this property was a complex assignment and there was a failure to employ an apposite scope of work for meaningful results. In general, the sales were not competitive to the subject. Overall, the report was misleading.

The Board finds that your appraisal development and reporting violate the following standards of the Uniform Standards of Professional Appraisal Practice (USPAP), 2010-2011 edition:

Standards Rule 1-1(a), (b) and (c); Standards Rule 1-4(a) and (b)(i), (ii) and (iii); Standards Rule 2-2(b)(viii); and Scope of Work Rule.

Pursuant to Arizona Administrative Code (AAC) R4-46-31 and the Board's Substantive Policy Statement #1, the Board considers these violations to amount to a Level II Violation. In lieu of further proceedings, and pursuant to Arizona Revised Statutes (A.R.S.) §32-3632(B) and A.A.C. R4-46-301(C), the Board is willing to resolve these matters with this letter of due diligence, if you **successfully complete a fifteen (15) hour course in Report Writing (with an exam) and a seven (7) hour course in Complex Properties. The education must be completed within six (6) months from the date of this letter as shown at the top of the first page.** A list of approved remedial and disciplinary education courses is on the Board's website for your convenience in locating the appropriate course. The education **may not be used toward your continuing education requirements for renewal during your next licensing period.** Proof of successful completion of the required course must be promptly submitted to the Board within **fourteen (14) days** of taking the coursework.

A letter of due diligence is a disciplinary action and is a matter of public record in your Board file and may be used in any future disciplinary proceedings. By signing below, you acknowledge that you have read and understand this letter of due diligence. You have the right to consult with legal counsel regarding this matter, and have done so or choose not to do so.

By signing this letter of due diligence, you are voluntarily relinquishing your right to an informal hearing, formal hearing, and judicial review in state or federal court with regard to the matter herein.

Upon signing this letter of due diligence and returning it to the Board, you may not revoke acceptance of this letter of due diligence. In addition, you may not make any modifications to this letter of due diligence. Any modifications to this letter of due diligence are ineffective and void unless mutually approved by you and the Board.

Mr. Thomas M. Peevler
October 23, 2012
Page 3

If any part of this letter of due diligence is later declared void or otherwise unenforceable, the remainder of the letter of due diligence in its entirety shall remain in force and effect.

If you fail to comply with the terms of this letter of due diligence, the Board may properly institute proceedings for noncompliance, which may result in suspension, revocation, or other disciplinary and/or remedial actions. By signing this letter of due diligence you are agreeing that any violation of this letter of due diligence is a violation of A.R.S. § 32-3631(A)(8), which is willfully disregarding or violating any of the provisions of the Board's statutes or the rules of the Board for the administration and enforcement of its statutes.

If you agree to accept this letter of due diligence, please execute this document by your signature below. Please return the original signed document to the Board at 1400 W. Washington, Suite 360, Phoenix, Arizona 85007, on or before **November 22, 2012**. If you do not return this original document on or before the specified date, the Board may conduct further proceedings, including but not limited to a formal hearing before the Office of Administrative Hearings.

Sincerely,



Margaret Burns
Interim Executive Director

ACKNOWLEDGED AND AGREED



Thomas M. Peevler, Respondent



Date

c: Jeanne M. Galvin, Assistant Attorney General

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