



ARIZONA BOARD OF APPRAISAL

1400 West Washington, Suite 360
Phoenix, Arizona 85007
(602) 542-1539 Fax (602) 542-1598
Email: appraisal@appraisal.state.az.us
Website: www.appraisal.state.az.us

August 27, 2010

Mr. Kevin S. Reach
4102 E. Moya Way
Cave Creek, AZ 85331

Re: Board of Appraisal Case No. 3104

Dear Mr. Reach:

As you know, the Board received a complaint regarding an appraisal you performed on a single family detached residence located at 4424 W. Keating Circle, Glendale, AZ 85308 with an effective date of value of December 15, 2007. At its July 20, 2011, meeting the Board voted to offer you the opportunity to resolve this issue with a Letter of Due Diligence.

In addressing these matters, the Board reviewed the complaint, your response thereto, the appraisal, and the supporting workfile. The Board concluded that you did not adequately analyze the fact that the subject had been listed for five months at a price that was lower than your estimated conclusion of value. In addition, your cost of \$150/sq. ft. in the Cost Approach is not credible and while you included a rent schedule in the workfile, it was not complete. Finally, your focus on the homes in similar condition rather than location was misapplied.

The Board finds that your appraisal development and reporting violate the following standards of the Uniform Standards of Professional Appraisal Practice (USPAP), 2006 edition:

Standards Rule 1-1(a); Standards Rule 1-4(b)(ii); Standards Rule 1-5(a); Standards Rule 2-2(c)(viii); and Scope of Work Rule---Acceptability.

Pursuant to Arizona Administrative Code (A.A.C.) R4-46-301 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 this matter with a letter of due diligence, if you agree to remedy these violations through exercising greater due diligence **by successfully completing not less than fifteen (15) hours in Basic Appraisal (with an exam) and six (6) hours in Cost Approach. The coursework 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(s). Please note that the education obtained pursuant to this Order **may not be** used toward your continuing education requirements for renewal during your next licensing period. **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 proceeding.**

Mr. Kevin S. Reach
August 27, 2010
Page 2

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 matters 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.

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 **September 26, 2010**. If you do not return this original document on or before the specified date, the Board may conduct further proceedings.

Sincerely,



Dan Pietropaulo
Executive Director

ACKNOWLEDGED AND AGREED



Kevin S. Reach, Respondent

9/3/10
Date

c: Jeanne M. Galvin, Assistant Attorney General