

1 7. In the prior sales or transfer analysis section of the appraisal report, the
2 Respondent does not disclose whether his research revealed any prior sales or transfers of
3 the comparables sales for the year prior to the date of the sale of the comparable sales.

4 8. In the Cost Approach Section, Respondent cites vacant land sales but does
5 not show the sales for support. In addition, Respondent's workfile does not contain any
6 "vacant land sales" information.

7 9. The Scope of Work is not stated in the addendum. Respondent does not
8 note the type or extent of the research or analyses he performed.

9 10. In the addendum for the Site/View, the Respondent states "The adjustment
10 is based on the estimated value of the comparable site vs. the estimated value of the
11 subject site....No adjustment was made for the size only—but on the estimated value of
12 the site." This statement is not only confusing but also conflicts with what is contained in
13 the Sales Comparison Analysis portion of the report where adjustments of \$1/sq. ft. were
14 made for 4 of the 5 comparables.

15 11. In the addendum for Square Foot, the Respondent states, "These
16 adjustments are based on the appraiser's general knowledge of the market's reaction to
17 the difference of houses similar in size to the ones analyzed in the adjustment grid.
18 However, these adjustments are consistent with the depreciated Replacement Cost of
19 New of 'expansion' space. As no under-improvement or over-improvement is apparent,
20 there is no functional depreciation based on square foot size." Not only is this a confusing
21 statement, it is not a recognized method for deriving an adjustment.
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1 CONCLUSIONS OF LAW

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

6
7 2. The conduct described above constitutes violations of the following
8 provisions of the USPAP, 2006: Standards Rule 1-1(a) and (c); Standards Rule 1-2(a)
9 and (h); Standards Rule 2-1(a); Ethics Standard Rule—Recordkeeping; and the Scope of
10 Work Rule.

11 ORDER

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

15 1. **Upon the effective date of this Consent Agreement, Respondent's**
16 **certificate as a Certified Residential Appraiser shall be placed on probation for a**
17 **minimum period of six (6) months.** During probation, Respondent shall comply with
18 USPAP, Arizona Revised Statutes and Appraisal Board rules.

19 2. Respondent shall successfully complete the following education within
20 **six (6) months** of the effective date of this Consent Agreement: **Minimum of six (6)**
21 **hours of Mortgage Fraud; seven (7) hours of URAR and a minimum of seven (7)**
22 **hours of appraisal trends.** The education required under this paragraph may not be
23 counted toward continuing education requirements or for the renewal of Respondent's
24 certificate. Proof of completion of the required education must be submitted to the
25 Board within 3 weeks of completion of the required courses. Respondent shall bear all
26 costs associated with completing the courses.

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

4 4. During the period of probation, Respondent shall complete a minimum
5 of **twelve (12) appraisal reports**. The Respondent shall file an appraisal log with the
6 Board on a monthly basis listing every Arizona appraisal that he has completed within
7 the prior calendar month by property address, appraisal type, valuation date, the date
8 the appraisal was issued, and the number of hours worked on each assignment. The
9 report log shall be filed monthly beginning the 15th day of the first month following
10 the start of Respondent's probationary period and continuing each month thereafter
11 until the Board terminates the probation. If the log reporting date falls on a Saturday,
12 Sunday, or holiday, the report log is due on the next business day. **Even if**
13 **Respondent performs no appraisals within a given month, he must still file an**
14 **appraisal log with the Board showing that no appraisals were performed.** The
15 monthly log report may be filed by mail or facsimile.

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

22 6. Respondent's probation shall continue until: (a) Respondent petitions
23 the Board for termination as provided in paragraph 7 and (b) the Board terminates the
24 probation. Upon petition by the Respondent for termination of the probation, the
25 Board will select and audit 3 of Respondent's appraisal reports.
26

1 7. At the end of **six (6) months** from the effective date of this Consent
2 Agreement, the Respondent must petition the Board for termination of his probation.
3 If the Board determines that Respondent has not complied with **all** the requirements of
4 this Consent Agreement, the Board, at its sole discretion, may either: (a) continue the
5 probation; or (b) institute proceedings for noncompliance with this Consent
6 Agreement, which may result in suspension, revocation, or other disciplinary and/or
7 remedial action.

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

11 9. Respondent shall comply with the Uniform Standards of Professional
12 Appraisal Practice in performing all appraisals and all Board statutes and rules.

13 10. If, between the effective date of this Consent Agreement and the
14 termination of Respondent's probation by the Board, Respondent fails to renew his
15 license while under this Consent Agreement and subsequently applies for a license or
16 certificate, the remaining terms of this Consent Agreement, including probation, shall
17 be imposed if the application for license or certificate is granted.

18 11. Respondent has read and understands this Consent Agreement as set
19 forth herein, and has had the opportunity to discuss this Consent Agreement with an
20 attorney or has waived the opportunity to discuss this Consent Agreement with an
21 attorney. Respondent voluntarily enters into this Consent Agreement for the purpose
22 of avoiding the expense and uncertainty of an administrative hearing.

23 12. Respondent understands that he has a right to a public administrative
24 hearing concerning each and every allegation set forth in the above-captioned matter,
25 at which administrative hearing he could present evidence and cross-examine
26 witnesses. By entering into this Consent Agreement, Respondent freely and

1 voluntarily relinquishes all rights to such an administrative hearing, as well as all
2 rights of rehearing, review, reconsideration, appeal, judicial review or any other
3 administrative and/or judicial action, concerning the matters set forth herein.

4 Respondent affirmatively agrees that this Consent Agreement shall be irrevocable.

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

7 14. The parties agree that this Consent Agreement constitutes final
8 resolution of this disciplinary matter.

9 15. Time is of the essence with regard to this agreement.

10 16. If Respondent fails to comply with the terms of this Consent Agreement,
11 the Board shall properly institute proceedings for noncompliance with this Consent
12 Agreement, which may result in suspension, revocation, or other disciplinary and/or
13 remedial actions. Respondent agrees that any violation of this Consent Agreement is a
14 violation of A.R.S. § 32-3631(A)(8), which is willfully disregarding or violating any
15 of the provisions of the Board's statutes or the rules of the Board for the
16 administration and enforcement of its statutes.

17 17. Respondent understands that this Consent Agreement does not constitute
18 a dismissal or resolution of other matters currently pending before the Board, if any,
19 and does not constitute any waiver, express or implied, of the Board's statutory
20 authority or jurisdiction regard any other pending or future investigation, action or
21 proceeding. Respondent also understands that acceptance of this Consent Agreement
22 does not preclude any other agency, subdivision or officer of this state from instituting
23 other civil or criminal proceedings with respect to the conduct that is the subject of
24 this Consent Agreement.

25 18. Respondent understands that the foregoing Consent Agreement shall not
26 become effective unless and until adopted by the Board of Appraisal and executed on

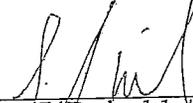
1 behalf of the Board. Any modification to this original document is ineffective and
2 void unless mutually approved by the parties in writing.

3 19. Respondent understands that this Consent Agreement is a public record
4 that may be publicly disseminated as a formal action of the Board.

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

7 **Violation.**

8 DATED this ^{24th} 19 day of February, 2009.

9 
10 Scott J. Reischl
11 Respondent


12 Deborah G. Pearson, Executive Director
13 Arizona Board of Appraisal

14 **ORIGINAL** of the foregoing filed
15 this ^{24th} day of February, 2009 with:

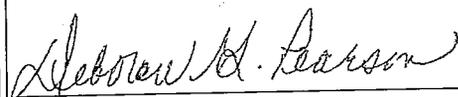
16 Arizona Board of Appraisal
17 1400 W. Washington Street, Suite 360
18 Phoenix, AZ 85007

19 **COPY** of the foregoing mailed regular and certified 7007 2560 0081 3358 8362
20 this ^{24th} day of February, 2009 to:

21 Scott J. Reischl
22 P.O. Box 5168.
23 Scottsdale, AZ 85261

24 **COPY** of the foregoing sent or delivered
25 this ^{24th} day of February, 2009 to:

26 Jeanne M. Galvin
Assistant Attorney General
Arizona Attorney General's Office
1275 W. Washington - CIV/LES
Phoenix, AZ 85007



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