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BEFORE THE ARIZONA STATE BOARD OF APPRAISAL

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ARIZONA BOARD OF APPRAISAL

In the Matter of :

Case No. 2384

PETER B. REPSOLD
Certified General Appraiser
Certificate No. 30303

**CONSENT AGREEMENT AND ORDER
OF DISCIPLINE**

On December 13, 2007, the Arizona Board of Appraisal ("Board") discussed Case Nos. 2384 regarding Peter B. Repsold ("Respondent"). After reviewing the information presented, the Board voted to offer Respondent the opportunity to enter into this Consent Agreement and Order of Discipline ("Consent Agreement").

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 is a Certified General Appraiser in the State of Arizona, holder of Certificate No. 30303, issued on August 15, 1991, pursuant to A.R.S. § 32-3612.

FINDINGS OF FACT

1. This case involves the appraisal of property located at 3121 South 51st Avenue in Phoenix, Arizona, with an effective date of July 18, 2005.

1 2. On or about April 27, 2007, the Board received a complaint alleging that
2 there may have been undue influence and fraudulent activity involving the appraisal of
3 the subject property.

4 3. The Board's investigation revealed the following deficiencies with the
5 report prepared by Respondent:
6

7 a. The report submitted by Respondent did not have a signed
8 certification;

9 b. The report failed to analyze, develop an opinion as to market rent,
10 which is the typical and recognized method and technique in eminent domain
11 appraisal assignments for "just compensation;"
12

13 c. In the description of the property to be taken, the report states a total
14 site of 8,328 square feet is to be acquired, seven feet of which has an easement.
15 The recognized method and technique is to separate the interests to be valued.
16 Respondent did not do this;

17 d. Regarding Sale No. 1, the report states the property is 329,314
18 square feet, however, NetValue Central states this parcel is 611,006 square feet.
19 Respondent failed to verify. Also the original Co-Star Comps were reported in
20 error;
21

22 e. Regarding Sale No. 3, this property was reported as 180,333 square
23 feet, however, this was only part of the sale. Also included in the sale was the
24 southern portion of Lot 10, with a total size of 305,687;
25
26

1 f. Regarding Sale No. 4, this property was reported in error by
2 NetValue Central in October 2006 at 135,000 square feet. Subsequent NetValue
3 Central reported 217,158 square feet. Calculation off the legal description would
4 have revealed this error by NetValue Central;
5

6 g. Regarding Sale No. 6, this property did sell for \$2,463,330, and was
7 recorded April 14, 2005. The affidavit in the work file, which was post-dated
8 March 12, 2007, stated the sale date was September 2003;
9

10 h. Regarding Sale No. 7, the prior sales were disclosed without dollar
11 amounts reported;

12 i. There was substantial data in the work file was post-dated March 12,
13 2007;

14 j. The value of the part to be acquired was \$4.65 with the Respondent
15 stating that "The value of the front portion is worth at least 8 percent more."
16 There is no evidence to support this. Factually, the subject had 330 feet of
17 frontage and in the after situation the subject had 330 foot frontage. This is not a
18 recognized method and technique in eminent domain valuation assignments;
19

20 k. The valuation of the part to be acquired did not break out from the
21 8,328 square feet the easement burdened part of 2,310 square feet. This is a
22 recognized method and technique in partial acquisitions;
23

24 l. The compensation for the Temporary Construction Easement
25 ("TCE") utilized in the report is not a recognized method and technique for
26 compensation for a TCE.

1 **CONCLUSIONS OF LAW**

2 1. Pursuant to A.R.S. § 32-3635, a certified or licensed appraiser in the State
3 or 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 edition: Standards Rule 1-1(a); Standards Rule 1-1(b);
9 Standards Rule 1-1(c); Standards Rule 1-2(c); Standards Rule 2-2(b)(v); Standards Rule
10 2-1(b)(viii); Standards Rule 2-3; the Ethics Rule – Record Keeping, and the Competency
11 Rule.
12

13 **ORDER**

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

16 1. Beginning on the effective date of this Consent Agreement,
17 Respondent's agrees not to engage in Eminent Domain/Condemnation as part of his
18 practice as long as he remains a certificate holder in the State of Arizona, nor shall
19 Respondent act as a supervising appraiser for other appraisers or trainees, nor shall he
20 act as a mentor, in the area of Eminent Domain/Condemnation.
21

22 2. Respondent shall comply with the Uniform Standards of Professional
23 Appraisal Practice in performing all appraisals and all Board statutes and rules.

24 3. If, after the effective date of this Consent Agreement, Respondent fails
25 to renew his license while under this Consent Agreement and subsequently applies for
26

1 a license or certificate, the remaining terms of this Consent Agreement, shall be
2 imposed if the application for license or certificate is granted.

3 4. Respondent has read and understands this Consent Agreement as set
4 forth herein, and has had the opportunity to discuss this Consent Agreement with an
5 attorney or has waived the opportunity to discuss this Consent Agreement with an
6 attorney. Respondent voluntarily enters into this Consent Agreement for the purpose
7 of avoiding the expense and uncertainty of an administrative hearing.

8 5. Respondent understands that he has a right to a public administrative
9 hearing concerning each and every allegation set forth in the above-captioned matter,
10 at which administrative hearing he could present evidence and cross-examine
11 witnesses. By entering into this Consent Agreement, Respondent freely and
12 voluntarily relinquishes all rights to such an administrative hearing, as well as all
13 rights of rehearing, review, reconsideration, appeal, judicial review or any other
14 administrative and/or judicial action, concerning the matters set forth herein.
15 Respondent affirmatively agrees that this Consent Agreement shall be irrevocable.

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

18 7. The parties agree that this Consent Agreement constitutes final
19 resolution of this disciplinary matter.

20 8. Time is of the essence with regard to this agreement.

21 9. If Respondent fails to comply with the terms of this Consent Agreement,
22 the Board shall properly institute proceedings for noncompliance with this Consent
23 Agreement, which may result in suspension, revocation, or other disciplinary and/or
24 remedial actions. Respondent agrees that any violation of this Consent Agreement is a
25 violation of A.R.S. § 32-3631(A)(8), which is willfully disregarding or violating any
26

1 of the provisions of the Board's statutes or the rules of the Board for the
2 administration and enforcement of its statutes.

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

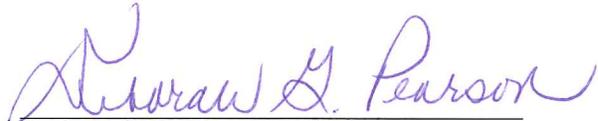
11 11. Respondent understands that the foregoing Consent Agreement shall not
12 become effective unless and until adopted by the Board of Appraisal and executed on
13 behalf of the Board. Any modification to this original document is ineffective and
14 void unless mutually approved by the parties in writing.

15 12. Respondent understands that this Consent Agreement is a public record
16 that may be publicly disseminated as a formal action of the Board.

17 13. Pursuant to the Board's Substantive Policy Statement #1, the Board
18 considers this violation to amount to a **Level III Violation**.

19 DATED this ^{5th} ~~29th~~ day of ^{February} ~~January~~, 2008.

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22 
Peter B. Repsold, Respondent


Deborah G. Pearson
Arizona Board of Appraisal

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1 ORIGINAL of the foregoing filed
this 1th day of February, 2008, with:

2 Arizona Board of Appraisal
3 1400 West Washington Street, Suite 360
Phoenix, Arizona 85007

4 COPY of the foregoing mailed regular and U.S.
5 Certified Mail # 7006 0100 0002 8652 3783
6 this 8th day of February, 2008, to:

7 Peter B. Repsold
8 P.O. Box 10702
9 Scottsdale, AZ 85271

10 COPY of the foregoing sent or delivered
11 this 8th day of February, 2008, to:

12] r
13] JEANNE GALVIN
14] ASSISTANT ATTORNEY GENERAL
15] 1275 W. WASHINGTON-CIV/LES
16] PHOENIX, AZ 85007

17 By: *Robert G. Pearson*

18 PHX-#113478

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