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ARIZONA BOARD OF APPRAISAL

BEFORE THE ARIZONA STATE BOARD OF APPRAISAL

In the Matter of : **WILLIAM R. RICHARDSON** Licensed Residential Appraiser License No. 10699	Case No. 2304 **CONSENT AGREEMENT AND ORDER OF DISCIPLINE**

On April 19, 2007, the Arizona Board of Appraisal ("Board") discussed Case No. 2304 regarding William R. Richardson ("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 Licensed Residential Appraiser in the State of Arizona, holder of Certificate No. 10699, issued on December 13, 2000, pursuant to A.R.S. § 32-3612.

FINDINGS OF FACT

1. This case involves the appraisal of property located at 18413 West Mauna Loa Lane, Surprise, Arizona, with an effective date of September 4, 2006.

2. The Board received a complaint on or about November 28, 2006. The complaint alleged that Respondent committed an act and/or omission involving dishonesty, fraud and/or misrepresentation. Additionally, the complaint alleged that the Respondent accepted an appraisal assignment for a fee contingent upon the opinion, conclusion or was conditioned upon a predetermined estimate of value.

3. The complainant stated that the purchase price of the home was $468,541, however, the buyer's initial appraisal performed by a different appraiser, reported a market value of $435,000. A second appraisal was ordered and performed by Respondent, which yielded a market value of $480,000.

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

a. Respondent failed to adjust the comparable data for variance in base price between the date of contract and the date of the appraisal, and did not accurately adjust for differences between the comparable data relative to lot premiums, upgrades and other factors, if any, impacting value;

b. The adjustments made to the three model match comparable sales in the immediate area included errors that impacted the final market value conclusion;

c. The sales adjustment grid in the report had a number of errors in the grid, based on information provided by the builder. The errors included a failure to accurately adjust for differences in comparable sale base price between the date

of contract and the date of the appraisal, lot premiums, and differences in amount of upgrades. These errors could potentially be misleading;

d. Without additional information regarding differences in comparable sale base prices between the date of contract and the date of the appraisal, differences in lot premiums, and differences in amount of upgrades, insufficient information is present to understand the report properly;

e. The legal description in the appraisal report is incorrect;

f. The flood map panel number in the appraisal report is incorrect;

g. The Respondent did not have signed copies of the report given to the client. As a result, the work file does not have a true copy of the report forwarded to the client.

CONCLUSIONS OF LAW

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

2. The conduct described above constitutes violations of the following provisions of the USPAP, 2006 edition: Standards Rule 1-1(a); Standards Rule 1-1(b); Standards Rule 1-1(c); Standards Rule 2-1(a); Standards Rule 2-1(b); and Ethics Rule – Record Keeping Section.

ORDER

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

1. Beginning on the effective date of this Consent Agreement, Respondent's License No. 10699 shall be placed on probation for a minimum of six (6) months. During the term of probation, Respondent shall: (a) demonstrate resolution of the problems that resulted in this disciplinary action; and (b) otherwise comply with the terms of this Consent Agreement.

2. Respondent shall successfully complete the following education within **six (6) months** of the effective date of this Consent Agreement: A 15 hour qualifying USPAP course (with exam). Within three (3) weeks after completion of the course, Respondent must submit proof of successful completion to the Board.

3. The education required under paragraph 2 may not be counted toward the continuing education requirements for the renewal of Respondent's certificate.

4. Respondent shall bear all costs and expenses incurred in attending the course.

5. Respondent's probation shall continue until: (a) Respondent petitions the Board for termination as provided in paragraph 6, and (b) the Board terminates the probation.

6. At the end of six (6) months from the effective date of this Consent Agreement, the Respondent must petition the Board for termination of his probation. If the Board determines that Respondent has not complied with **all** the requirements of this Consent Agreement, the Board, at its sole discretion, may either: (a) continue the probation; or (b) institute proceedings for noncompliance with this Consent

Agreement, which may result in suspension, revocation, or other disciplinary and/or remedial action.

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

8. Respondent shall comply with the Uniform Standards of Professional Appraisal Practice in performing all appraisals.

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

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

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

12. Respondent understands that his Consent Agreement, or any part thereof, may be considered in any future disciplinary action against him.

13. The parties agree that this Consent Agreement constitutes final resolution of this disciplinary matter.

14. Time is of the essence with regard to this agreement.

15. If Respondent fails to comply with the terms of this Consent Agreement, the Board shall properly institute proceedings for noncompliance with this Consent Agreement, which may result in suspension, revocation, or other disciplinary and/or remedial actions. Any violation of this Consent Agreement 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.

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

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

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

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

DATED this 11th day of September, 2007.

William R. Richardson, Respondent

Deborah G. Pearson, Executive Director
Arizona Board of Appraisal

ORIGINAL of the foregoing filed this 11th day of September, 2007 with:

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

COPY of the foregoing mailed regular and U.S. Certified Mail # 7006 0100 0002 8652 4636 this 11th day of September, 2007 to:

William R. Richardson
3724 E. Latham Court
Gilbert, Arizona 85297
Respondent

COPY of the foregoing sent or delivered this 11th day of September, 2007 to:

Dawn Walton Lee
Assistant Attorney General
Arizona Attorney General's Office
1275 West Washington, CIV/LES
Phoenix, Arizona 85007

By: _____
#48167