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BEFORE THE ARIZONA STATE BOARD OF APPRAISAL

In the Matter of :

JOHN K. SENERCHIA
Licensed Appraiser
License No. 10587

Case No. 2215
(Cross-reference Case Nos. 2004 and 2005)

**CONSENT AGREEMENT AND ORDER
OF DISCIPLINE**

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In resolution of the cases herein, the Arizona State Board of Appraisal (“Board”) and John K. Senerchia (“Respondent”) hereby enter into the following Consent Agreement and Order of Discipline (“Consent Agreement”).

JURISDICTION

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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.

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2. Respondent is a Licensed Appraiser in the State of Arizona, holder of License No. 10587, issued on December 10, 1993, pursuant to A.R.S. § 32-3612.

FINDINGS OF FACT

Case No. 2004

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1. The subject property is located at 9116 South 138th Avenue in Goodyear, Arizona. The appraisal report has an effective date of January 20, 2004.
 2. Respondent made an error in the adjustment for power lines on Sale No. 4.
 3. Respondent incorrectly showed the site size of Sale No. 1.

1 13. Respondent indicates that Sale No. 4 is a closed sale. However, Sale No. 4
2 never closed at the price stated in the appraisal report.

3 14. The appraisal report incorrectly shows that Sale No. 5 is three years old.
4 Sale No. 5 is seventeen years old.

5 15. The appraisal report does not identify the intended user of the report.

6 16. The appraisal report does not identify the intended use of the report.

7 17. The appraisal report does not include an estimate of exposure time.

8 18. The appraisal report failed to note that the subject had private streets with
9 private maintenance.
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11 19. The appraisal report does not include the scope of the appraisal assignment.
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13 20. The appraisal report states that the subject has a contract offer of \$106,000,
14 and has not been sold in the past three years. Public records indicate that the subject
15 property had previously sold February 25, 2003 for \$14,000.

16 21. The appraisal report is potentially misleading as a result of its failure to
17 indicate the subject's streets are private with private maintenance.

18 22. The appraisal report does not prominently state which reporting option is
19 being used: Self-Contained Appraisal Report, Summary Appraisal Report, or Restricted
20 Use Appraisal Report.
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22 23. Respondent failed to comply with the supplemental standards established
23 by HUD.
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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 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.
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7 2. The conduct described above in relation to Case No. 2004 constitutes
8 violations of the following provisions of the USPAP, 2003 edition: Standards Rule 1-
9 1(c); Standards Rule 1-2(b); Standards Rule 1-2(c); Standards Rule 1-2(e)(i); Standards
10 Rule 1-2(f); Standards Rule 2-1(a); Standards Rule 2-1(b); Standards Rule 2-2; Standards
11 Rule 2-2(b)(ii); Standards Rule 2-2(b)(iii); Standards Rule 2-2(b)(v); Standards Rule 2-
12 2(b)(vii); and Supplemental Standards Rule.

13 3. The conduct described above in relation to Case No. 2005 constitutes
14 violations of the following provisions of the USPAP, 2003 edition: Standards Rule 1-
15 1(c); Standards Rule 1-2(a); Standards Rule 1-2(b); Standards Rule 1-2(c); Standards
16 Rule 1-2(e)(i); Standards Rule 1-2(f); Standards Rule 1-5(b); Standards Rule 2-1(a);
17 Standards Rule 2-1(b); Standards Rule 2-2; Standards Rule 2-2(b)(i); Standards Rule 2-
18 2(b)(ii); Standards Rule 2-2(b)(iii); Standards Rule 2-2(b)(v); Standards Rule 2-2(b)(vii);
19 and Supplemental Standards Rule.
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22 **ORDER OF DISCIPLINE**

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24 Based upon the foregoing Findings of Fact and Conclusions of Law, the parties
25 agree to the following Amended Order of Discipline:
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1 1. Beginning on the effective date of this Order, Respondent's License No.
2 10587 shall be placed on probation for an **additional six (6) months**. During the term
3 of probation, Respondent shall: (a) successfully complete at least 15 hours of
4 **qualifying (with exam)** education on report writing; (b) successfully complete the
5 qualifying (with exam) 15 hour USPAP course; (c) successfully complete at least 30
6 hours of qualifying (with exam) education in appraisal procedures; (d) complete at
7 least 15 appraisal reports under the supervision of an Arizona Certified Residential or
8 Certified General Appraiser who shall serve as Respondent's mentor ("Mentor"); (e)
9 demonstrate resolution of the problems that resulted in this disciplinary action; and (f)
10 otherwise comply with the terms of this Order of Discipline.

11 2. The education required under paragraph 1 may be counted toward the
12 continuing education requirements for the renewal of Respondent's certificate;
13 however, the 15 hour USPAP course may not be counted toward Respondent's
14 USPAP requirement. The same class may not be repeated to fulfill the education
15 requirements in paragraph 1. The education required under paragraph 1 must be
16 completed within 6 months of the effective date of this Order.

17 3. During the probationary period, the Respondent shall not issue a verbal
18 or written appraisal, appraisal review, or consulting assignment without prior review
19 and approval by the Mentor. Each report shall be signed by the Mentor as a
20 supervisory appraiser.

21 4. The Mentor must be approved by the Board and is subject to removal by
22 the Board for nonperformance of the terms of this Order. The Mentor may not have a
23 business relationship with Respondent or be related to respondent. Any replacement
24 Mentor is subject to the Board's approval and the remaining terms of this Order. The
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1 Board's Executive Director may give temporary approval of the Mentor until the next
2 regular meeting of the Board.

3 5. Not more than **30 days** after the effective date of this Order, Respondent
4 shall submit to the Board the name and resume of an Arizona Certified Residential or
5 Arizona Certified General Appraiser who is willing to serve as Respondent's Mentor
6 together with a letter from the potential Mentor agreeing to serve as Respondent's
7 Mentor. If requested by Board staff, Respondent shall continue to submit names,
8 resumes, and letters agreeing to serve as Mentor until a mentor is approved by the
9 Board. Any Mentor must be approved in writing by the Board.

10 6. Respondent shall bear all costs and expenses associated with the
11 mentorship and incurred in attended the courses.

12 7. The Mentor shall submit monthly reports to the Board for each calendar
13 month during Respondent's probationary period reflecting the quantity and quality of
14 Respondent's work, including, but not limited to, improvement in Respondent's
15 practice and resolution of those problems that prompted this action. The Mentor's
16 report shall be filed monthly beginning the 15th day of the first month following the
17 start of Respondent's probationary period and continuing each month thereafter until
18 termination of the probationary period by the Board. **Even if the Mentor reviews no**
19 **appraisals during a given month, a report stating that no appraisals were**
20 **reviewed or approved must be submitted.** It is the Respondent's responsibility to
21 ensure that the Mentor submits his/her reports monthly. If the monthly reporting date
22 falls on a Saturday, Sunday, or holiday, the report is due on the next business day.
23 The monthly report may be filed by mail or facsimile.

24 8. The Respondent shall file an appraisal log with the Board on a monthly
25 basis listing every Arizona appraisal that he has completed within the prior calendar
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1 month by property address, appraisal type, valuation date, the Mentor's review date,
2 the date the appraisal was issued, and the number of hours worked on each
3 assignment. The report log shall be filed monthly beginning the 15th day of the first
4 month following the start of Respondent's probationary period and continuing each
5 month thereafter until the Board terminates the probation. If the log reporting date
6 falls on a Saturday, Sunday, or holiday, the report log is due on the next business day.

7 **Even if Respondent performs no appraisals within a given month, he must still**
8 **file an appraisal log with the Board showing that no appraisals were performed.**

9 The monthly log report may be field by mail or facsimile.

10 9. The Board reserves the right to audit any of Respondent's reports and
11 conduct peer review, as deemed necessary, during the probationary period. The Board
12 may, in its discretion, seek separate disciplinary action against the Respondent for any

13 violation of the applicable statutes and rules discovered in an audit of the
14 Respondent's appraisal reports provided to the Board under the terms of this Order.

15 10. Respondent's probation, including mentorship, shall continue until: (a)
16 Respondent petitions the Board for termination as provided in paragraphs 11 and 12,
17 and (b) the Board terminates the probation and mentorship. Upon petition by the
18 Respondent for termination of the probation and mentorship, the Board will select and
19 audit 3 of Respondent's appraisal reports.

20 11. After Respondent has completed 15 appraisals of Arizona properties
21 under the supervision of a Mentor, the Respondent may petition the Board for **early**
22 termination of his mentorship and probation, provided he has successfully completed
23 **all** other requirements of paragraph 1 as determined by the Board.

24 12. If not terminated earlier, at the end of 6 months from the effective date
25 of this Order, the Respondent shall petition the Board for termination of his
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1 mentorship and probation. If the Board determines that Respondent has not complied
2 with **all** the requirements of paragraph 1, the Board, at its sole discretion, may either:
3 (a) continue the probation, including mentorship; or (b) institute proceedings for
4 noncompliance with this Order, which may result in suspension, revocation, or other
5 disciplinary and/or remedial action.

6 13. Respondent shall not act as a supervising appraiser for other appraisers or
7 trainees, nor shall he act as a mentor, during the term of the probation. Respondent shall
8 also not teach any course related to real estate appraisals during the term of the probation.
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10 14. Respondent shall comply with the Uniform Standards of Professional
11 Appraisal Practice in performing all appraisals.

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

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

24 17. Respondent understands that he has a right to a public administrative
25 hearing concerning each and every allegation set forth in the above-captioned matter,
26 at which administrative hearing he could present evidence and cross-examine

1 witnesses. By entering into this Consent Agreement and Order of Discipline,
2 Respondent freely and voluntarily relinquishes all rights to such an administrative
3 hearing, as well as all rights of rehearing, review, reconsideration, appeal, judicial
4 review or any other administrative and/or judicial action, concerning the matters set
5 forth herein. Respondent affirmatively agrees that this Consent Agreement and Order
6 of Discipline shall be irrevocable.

7 18. Respondent understands that his Consent Agreement and Order of
8 Discipline, or any part thereof, may be considered in any future disciplinary action
9 against him.

10 19. The parties agree that this Consent Agreement and Order of Discipline
11 constitutes final resolution of this disciplinary matter.

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

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

17 22. Any violation of USPAP resulting from an appraisal performed prior to
18 the effective date of this Consent Agreement and Order of Discipline shall not be
19 deemed a violation of this Consent Agreement and Order of Discipline; however, the
20 Board may, in its discretion, seek separate disciplinary action against the Respondent
21 for such violations.

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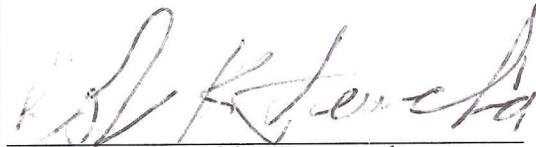
1 future investigation, action or proceeding. Respondent also understands that
2 acceptance of this Consent Agreement and Order of Discipline does not preclude any
3 other agency, subdivision or officer of this state from instituting other civil or criminal
4 proceedings with respect to the conduct that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

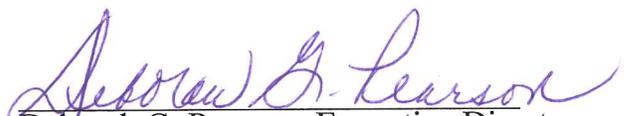
6 24. Respondent understands that the foregoing Consent Agreement and
7 Order of Discipline shall not become effective unless and until adopted by the Board
8 of Appraisal and executed on behalf of the Board. Any modification to this original
9 document is ineffective and void unless mutually approved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

10 25. Respondent understands that this Consent Agreement and Order of
11 Discipline is a public record that may be publicly disseminated as a formal action of
12 the Board.

13 26. Pursuant to the Board's Substantive Policy Statement #1, the Board
14 considers this violation to amount to a Level IV Violation.

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16 DATED this 27 day of DECEMBER, 2006.

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18 
19 John K. Senerchia, Respondent

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21 Deborah G. Pearson, Executive Director
22 Arizona Board of Appraisal

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ORIGINAL of the foregoing filed
this 27th day of December, 2006 with:

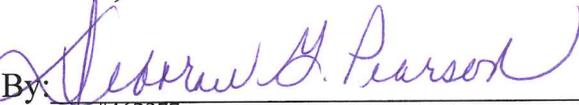
Arizona Board of Appraisal
1400 West Washington Street, Suite 360
Phoenix, Arizona 85007

COPY of the foregoing mailed regular and U.S.
Certified Mail # 7005 1820 0000 5286 8594
this 28th day of December, 2006 to:

John K. Senerchia
3747 W. Potter Drive
Glendale, Arizona 85308
Respondent

COPY of the foregoing sent or delivered
this 28th day of December, 2006 to:

Elizabeth A. Campbell
Assistant Attorney General
Arizona Attorney General's Office
1275 West Washington, CIV/LES
Phoenix, Arizona 85007

By: 
#462377