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ARIZONA BOARD OF APPRAISAL

BEFORE THE ARIZONA STATE BOARD OF APPRAISAL

In the Matter of : **JOHN M. UGROTZI, JR.** Licensed Residential Appraiser License No. 21011	Case No. 2513 AND 2514 **CONSENT AGREEMENT AND ORDER OF DISCIPLINE**

On January 17, 2008, the Arizona Board of Appraisal ("Board") discussed Case Nos. 2513 and 2514 regarding John M. Ugrotzi, Jr. ("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 License No. 21011, issued on February 27, 2002, pursuant to A.R.S. § 32-3612.

FINDINGS OF FACT

1. These matters involve the appraisal of property located at 4300 N. Kearny Drive, in Prescott Valley, Arizona 86314, with an effective date of August 8, 2007 and an appraisal of property located at 10170 E. Mountain Manor Drive, Tucson, AZ 85730, with an effective date of September 11, 2007.

2. On or about November 6 and 7, 2007, the Board received two complaints regarding the first property alleging that the Respondent failed to use appropriate comparable sales data for his analysis.

3. On or about November 7, 2007, the Board received a third complaint regarding the second property alleging that the appraisal report completed by Respondent and his trainee contained a number of errors or misrepresentations.

4. On January 17, 2007, the Board's investigation revealed the following:

a. While the two appraisal reports subject of these complaints contained many deficiencies and errors, the reports were not prepared by the Respondent but rather by his trainee, Mr. Jeff Mott.

b. Mr. Mott completed the inspections and the written reports without the knowledge or consent of the Respondent.

c. Mr. Mott submitted a letter to the Board in which he acknowledged that he was not a licensed appraiser, that he completed these two inspections and appraisal reports without the knowledge or the consent of the Respondent and that he, Mr. Mott, signed the Respondent's signature on the reports without his knowledge or consent.

d. Respondent was unaware of how Mr. Mott obtained his signature. He has not filed a report with any law enforcement agency for identity theft.

e. During the course of Respondent's supervision of Mr. Mott, Respondent lived in Tucson and Mr. Mott lived in Phoenix. The Respondent's supervision of Mr. Mott was not appropriate under the Board's rules.

CONCLUSIONS OF LAW

1. Pursuant to A.R.S. § 32-3631(A)(8), the State Board of Appraisal may suspend or revoke the license or certificate of a certified or licensed appraiser in the State or Arizona or otherwise discipline a licensed or certified appraiser for willfully disregarding or violating any of the statutory provisions or rules of the Board relating to the administration and enforcement of its statutes.

2. The conduct described above constitutes violations of the following provisions of the Arizona Administrative Code R4-46-201(D)(1)(a)(b) and (c).

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 shall not act as a supervisory appraiser for any other appraisers or trainees for a period of one year.

2. Respondent shall successfully complete the following education within **six (6) months** of the effective date of this Consent Agreement:

a. A minimum of seven (7) hours of course work in Supervising a Trainee; and

b. A minimum of six (6) hours of education in mortgage fraud.

Proof of completion of the required education must be submitted to the Board within 3 weeks of completion of the required course(s).

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

The same class may not be repeated to fulfill the education requirements of this Consent Agreement.

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

5. 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.

6. 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.

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

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

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

10. 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. Respondent agrees that 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.

11. 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.

12. 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.

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

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

DATED this ~~20th~~ 22nd day of February, 2008.

John M. Ugrotzi, Jr.
Respondent

Deborah G. Pearson
Arizona Board of Appraisal

ORIGINAL of the foregoing filed this 25th day of February, 2008, 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 3929 this 22nd day of February, 2008, to:

John M. Ugrotzi, Jr.
11901 W. Desert Oasis Trail
Tucson, AZ 85743
Respondent

By: Deborah G. Pearson

Phx#123952