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BEFORE THE ARIZONA STATE BOARD OF APPRAISAL

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ARIZONA BOARD OF APPRAISAL

In the Matter of:

CLARE A WILLIAMSON-REDDING
Licensed Residential Appraiser
License No. 10919

Case No. 2502

CONSENT AGREEMENT AND ORDER

In the interest of a prompt and judicious settlement of the above-captioned matter before the Arizona Board of Appraisal ("Board") and consistent with public interest, statutory requirements and responsibilities of the Board, and pursuant to A.R.S. § 32-3601 *et seq.* and A.R.S. §41-1092.07(F)(5), Clare A. Williamson-Redding, ("Respondent"), holder of license no. 10919 and the Board enter into this Consent Agreement, Findings of Fact, Conclusions of Law and Order ("Consent Agreement") as the final disposition of this matter.

On April 17, 2008, the Board held an Informal Hearing to discuss Case No. 2502; Respondent, having received notice of the proceedings, did not appear. At the conclusion of the Informal Hearing, the Board voted to offer the Respondent a Consent Agreement and Order of Discipline in lieu of further administrative proceedings. Respondent exercised her option not to sign the Consent Agreement initially offered and requested a formal hearing before the Office of Administrative Hearing. That hearing was set for April 21, 2009. The hearing was convened but prior to the taking of testimony, the parties entered into settlement negotiations resulting in this 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

✓

1 4. The appraisal report shows no comparable properties listed for sale or that have
2 sold, within the last year, in the Sales Comparison Approach. The lines are left blank with
3 no explanation.

4 5. The appraisal report shows 3 comparables from outside the defined
5 neighborhood. All 3 comparables are from superior neighborhoods than the subject
6 property. The market data clearly shows that a typical buyer of a home from the
7 neighborhoods of the comparables used in this report would not consider the subject's
8 neighborhood as an alternative.

9 6. The appraisal report shows Comparable #1's location as "Backs busy str". The
10 home actually backs up to the golf course for the Arizona Country Club.
11

12 7. The report shows comparable #2's condition to be "Good", with no adjustment
13 or an explanation of why an adjustment was not made. Nor does Respondent note why
14 there is a discrepancy between what she reported as the square footage and what is
15 reported by the Maricopa's County Assessor's Office, 2 public reporting agencies, and
16 the MLS.
17

18 8. Additionally, the report shows Comparable #3's location as "Backs Busy Str".
19 The home actually backs up to a canal and Indian School Road is beyond the canal. The
20 market data for this neighborhood does not support this location having either a negative
21 or positive impact on the value or marketability of the home. The report also shows the
22 condition of this sale as "Very Good", with no adjustment or an explanation of why an
23 adjustment was not made.
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1 9. Two sales recorded on 8/2/2006 and 12/14/2004 were reported but not properly
2 analyzed. All occurred within the last 3 years of the effective date of the report.

3 10. In the Reconciliation section the Income Approach was not analyzed. All 3
4 approaches to value were not considered.

5 11. In the Cost Approach section the report shows no Quality Rating or effective
6 date of the cost data. The dwelling's cost per sq. ft. cannot be supported for any of the
7 quality ratings in the Marshall & Swift Residential Cost Handbook. The physical
8 depreciation stated in the report is 25% of the Total Estimated Cost New. This is
9 extremely low for a 54 year old home in "Average" condition.

10 12. The Scope of Work stated in the addendum does not properly state the
11 identification of the problem to be solved. There is no mention of the type or extent of the
12 research or analyses performed by the Respondent.

13 13. In the Scope section in the addendum, paragraph 7, it is stated "Time
14 adjustments, location, site, view, quality of construction...the appraiser used reasonable
15 methods to determine these adjustments". "Reasonable methods" is not defined in the
16 report. Good appraisal methods and techniques would be to derive the adjustments from
17 an analysis of paired sales from the market area.

18 14. While no copy of an appraisal request was contained within the Workfile, the
19 client/lender information was written on the outside of the Workfile that was provided to
20 the Board at a later date.

21 15. In the workfile there is no supporting data for the adjustment made for site
22 size, age, livable area, garages, or swimming pool.
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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 edition: Standards Rule 1-1(a) and (b); Standards Rule 1-
9 2 (h); Standards Rule 1-4 (b)(iii); Standards Rule 1-5 (b); Standards Rule 1-6 (b)
10 Standards Rule 2-1(a); Standards Rule 2-2 (b)(viii); Standards Ethics Rule—
11 Competency; and Standards Ethics Rule—Scope of Work 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. **Upon the effective date of this Consent Agreement, Respondent's**
17 **Certificate as a Licensed Residential Appraiser shall be placed on probation for a**
18 **minimum period of twelve (12) months.** During probation, Respondent shall comply
19 with USPAP, Arizona Revised Statutes and Appraisal Board rules.
20

21 2. Respondent shall successfully complete the following education within
22 **six (6) months** of the effective date of this Consent Agreement: **Seven (7) hours of**
23 **complex properties and seven (7) hours of scope of work.** The education required
24 under this paragraph **may not** be counted toward the continuing education
25 requirements for the renewal of Respondent's certificate. The same class may not be
26 repeated to fulfill the education requirements of this Consent Agreement

1 Proof of completion of the required education must be submitted to the Board
2 within 3 weeks of completion of the required courses.

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

6 4. During the period of probation, Respondent shall complete a minimum
7 of **twelve (12) appraisal reports** under the supervision of an Arizona Certified
8 Residential or Certified General Appraiser who shall serve as Respondent's mentor
9 ("Mentor"). The Mentor shall be either an Arizona Certified Residential or General
10 Appraiser.

11 5. During the probationary period, the Respondent shall not issue a verbal
12 or written appraisal, appraisal review, or consulting assignment without prior review
13 and approval by a Mentor. Each report shall be signed by the Mentor as a supervisory
14 appraiser. In the event that the Respondent's client will not accept the signature of the
15 Mentor affixed to an assignment as a supervisory appraiser, the Mentor need not co-
16 sign the report, but must complete a written review of each report ensuring that the
17 report complies with USPAP and the Board's statutes and rules. The Mentor's review
18 shall comply with the requirements of Standard 3 of the USPAP. The Mentor's
19 Standard 3 review shall be completed before the report is issued to the client. Any
20 changes the Mentor requires to ensure the report complies with the USPAP shall be
21 completed by the Respondent and approved by the Mentor before the report is issued.
22 The Mentor's written Standard 3 review shall be maintained by the Mentor and made
23 available to the Board upon request. In order to invoke these provisions, the
24 Respondent must submit proof to the Board with his monthly log showing that her
25 client's policies prevent co-signature by the Mentor.

26

1 As set forth in paragraph 13, after six (6) months, the requirement of pre-
2 approval of appraisals by a mentor may be terminated upon approval by the Board if
3 Respondent has complied with the conditions set out in this Order.

4 6. The Mentor must be approved by the Board and is subject to removal by
5 the Board for nonperformance of the terms of this Consent Agreement. The Mentor
6 may not have a business relationship with Respondent except for the Mentor/Mentee
7 relationship nor may the Mentor be related to Respondent. Any replacement Mentor
8 is subject to the Board's approval and the remaining terms of this Consent Agreement.
9 The Board's Executive Director may give temporary approval of the Mentor until the
10 next regular meeting of the Board.

11 7. Not more than **30 days** after the effective date of this Consent
12 Agreement, Respondent shall submit to the Board the name and resume of an Arizona
13 Certified Residential or Arizona Certified General Appraiser who is willing to serve as
14 Respondent's Mentor together with a letter from the potential Mentor agreeing to
15 serve as Respondent's Mentor. If requested by Board staff, Respondent shall continue
16 to submit names, resumes, and letters agreeing to serve as Mentor until a Mentor is
17 approved by the Board. Any Mentor must be approved in writing by the Board.

18 8. Respondent shall bear all costs and expenses associated with the
19 mentorship and incurred by attending the courses.

20 9. The Mentor shall submit monthly reports to the Board for each calendar
21 month during Respondent's probationary period reflecting the quantity and quality of
22 Respondent's work, including, but not limited to, improvement in Respondent's
23 practice and resolution of those problems that prompted this action. The Mentor's
24 report shall be filed monthly beginning the 15th day of the first month following the
25 start of Respondent's probationary period and continuing each month thereafter until
26 termination of the probationary period by the Board. **Even if the Mentor reviews no**

1 **appraisals during a given month, a report stating that no appraisals were**
2 **reviewed or approved must be submitted. It is the Respondent's responsibility to**
3 **ensure that the Mentor submits his/her reports monthly.** If the monthly reporting date
4 falls on a Saturday, Sunday, or holiday, the report is due on the next business day.
5 The monthly report may be filed by mail or facsimile.

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

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

23 12. Respondent's probation, including mentorship, shall continue until: (a)
24 Respondent petitions the Board for termination as provided in paragraph 13, and (b)
25 the Board terminates the probation and mentorship. Upon petition by the Respondent
26

1 for termination of the probation and mentorship, the Board will select and audit 3 of
2 Respondent's appraisal reports.

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

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

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

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

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

25 18. Respondent understands that she has a right to a public administrative
26 hearing concerning each and every allegation set forth in the above-captioned matter,

1 at which administrative hearing she could present evidence and cross-examine
2 witnesses. By entering into this Consent Agreement, Respondent freely and
3 voluntarily relinquishes all rights to such an administrative hearing, as well as all
4 rights of rehearing, review, reconsideration, appeal, judicial review or any other
5 administrative and/or judicial action, concerning the matters set forth herein.

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

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

9 20. The parties agree that this Consent Agreement constitutes final
10 resolution of this disciplinary matter.

11 21. Time is of the essence with regard to this agreement.

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

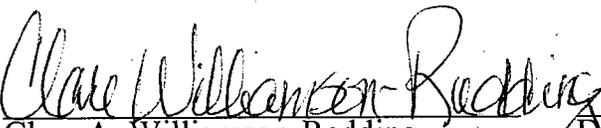
19 23. Respondent understands that this Consent Agreement does not constitute
20 a dismissal or resolution of other matters currently pending before the Board, if any,
21 and does not constitute any waiver, express or implied, of the Board's statutory
22 authority or jurisdiction regard any other pending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

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

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

7 26. Pursuant to the Board's Substantive Policy Statement #1, the Board
8 considers the violations in the above-referenced matter to constitute to a **Level III**
9 **Violation.**

10 DATED this ^{22nd} ~~29~~ day of April May, 2009.

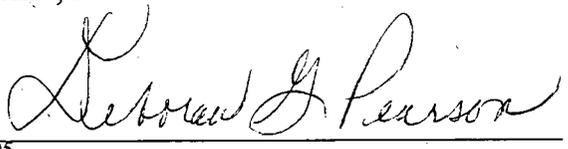
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12 
13 Clare A. Williamson-Redding Deborah G. Pearson, Executive Director
14 Respondent Arizona Board of Appraisal

15
16 **ORIGINAL** of the foregoing filed
17 this 22nd day of May, 2009 with:
18 Arizona Board of Appraisal
19 1400 West Washington Street, Suite 360
20 Phoenix, Arizona 85007

21 **COPY** of the foregoing mailed regular mail *and certified mail 7008 1830 0003 4483 7882*
22 this 22nd day of May, 2009 to:
23 Clare A. Williamson-Redding
24 4001 East Topeka Dr.
25 Phoenix, Arizona 85050
26

1 COPY of the foregoing sent or delivered
this 2nd day of may, 2009 to:

2
3 Jeanne M. Galvin
4 Assistant Attorney General
5 Arizona Attorney General's Office
6 1275 West Washington, CIV/LES
7 Phoenix, Arizona 85007

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By: 
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