



4. The complaint was filed after the first appraisal and before the second and final appraisal was sent to the client.

5. The appraisal's intended use was for a purchase transaction.

6. The Board alleges that the Respondent committed several errors in the appraisal report which resulted in a misleading or non-credible report.

7. Respondent does not agree that the appraisal was misleading or non-credible, but he does agree to compromise and settle the matter pursuant to this Consent Order.

8. The comparables selected by Respondent were more than 50 miles away from the subject in Broken Bow and were actually located in western Bowie County, Texas.

9. From a locational standpoint, this is an obviously difficult appraisal. While it is hard to locate comparables in the area, there are differences between McCurtain County with a 33,000 population and Bowie County, Texas with a population of 93,000. However, the area of western Bowie County is similar to McCurtain County. The median income is approximately \$10,000 more per person in Bowie County, Texas.

10. Respondent did not locate similar comparables in the State of Oklahoma that would have been considered good comparables for the subject.

11. Many of Respondent's comments were canned comments and offer nothing towards describing this specific property.

### **AGREED CONCLUSIONS OF LAW**

1. That Respondent has violated 59 O.S. § 858-723(C)(6) through 59 O.S. §858- 726, in that Respondent violated: Standards Rule 1-1, 1-2 and 2-1, 2-2 of the Uniform Standards of Professional Appraisal Practice.

2. That Respondent violated 59 O.S. § 858-723 C (8): which involves negligence in developing, preparing or communicating an appraisal.

3. That Respondent has violated 59 O.S. § 858-723(C)(6): which involves the violation of any of the standards for the development or communication of real estate appraisals as provided in the Oklahoma Certified Real Estate Appraisers Act.

### **CONSENT AGREEMENT**

The Respondent, by affixing his signature hereto, acknowledges:

1. That Respondent has been advised to seek the advice of counsel prior to signing this document, and
2. That Respondent possesses the following rights among others:
  - a. the right to a formal fact finding hearing before a disciplinary panel of the Board;
  - b. the right to a reasonable notice of said hearing;



- c. the right to be represented by counsel;
- d. the right to compel the testimony of witnesses;
- e. the right to cross-examine witnesses against him; and
- f. the right to obtain judicial review of the final decision of the Board.

3. The Respondent waives his right to contest these findings in any subsequent proceedings before the Board and to appeal this matter to the District Court.

4. The Respondent consents to the entry of this Consent Order affecting his professional practice of real estate appraising in the State of Oklahoma.

5. The Respondent agrees and consents that this Consent Order shall not be used by him for purposes of defending any other action initiated by the Board regardless of the date of the appraisal.

6. All other original allegations in this matter are dismissed.

### **ORDER**

**WHEREFORE**, on the basis of the foregoing Agreed Findings of Fact and Agreed Conclusions of Law, it is ordered and that:

1. The Respondent shall complete the following courses, which can be taken in person or on-line:
  - A) A 15 hour USPAP course which must be completed and tested;

- B) FHA/SFR Appraising Handbook 4000.1, No. 154, Columbia Institute 7 hours.
- C) Course #622 Advanced Residential Case Studies which must be tested.

The Respondent has one year from the final approval and filing of this consent order to complete the courses.

### **DISCLOSURE**

Pursuant to the Oklahoma Open Records Act, 51 O.S. §§24-A.1 – 24A.21, the signed original of this Consent Order shall remain in the custody of the Board as a public record and shall be made available for public inspection and copying upon request.

### **FUTURE VIOLATIONS**

In the event the Respondent fails to comply with any of the terms and conditions of this Consent Order, Respondent will be ordered to show cause for his failure to comply which could result in additional penalties.

RESPONDENT:

*Samuel R. Fannin*

SAMUEL R. FANNIN

12-21-2016

DATE

*Rachel Lawrence Mor*

RACHEL LAWRENCE MOR, OBA # 11400

**CERTIFICATE OF BOARD PROSECUTING ATTORNEY**

I believe this Consent Order to be in the best interests of the Oklahoma Real Estate Appraiser Board, the State of Oklahoma and the Respondent with regard to the violations alleged in the formal Complaint.



STEPHEN MCCALED, OBA #15649  
Board Prosecutor  
3625 NW 56<sup>th</sup> Street, Suite 100  
Oklahoma City, Oklahoma 73112



DATE

IT IS SO ORDERED on this 5<sup>th</sup> day of October, 2017<sup>6</sup>.



ERIC SCHOEN, Board Secretary  
Oklahoma Real Estate Appraiser Board

**OKLAHOMA REAL ESTATE  
APPRAISER BOARD**

By:



BRYAN NEAL, OBA #6590  
Assistant Attorney General  
Attorney for the Board  
313 NE 21<sup>st</sup> Street  
Oklahoma City, Oklahoma  
73105

**CERTIFICATE OF MAILING**

I, Sherry Ainsworth, hereby certify that on the 14<sup>th</sup> day of March, 2017 a true and correct copy of the above and foregoing Order was placed in the U.S. Mail, with postage pre-paid, by certified mail, return receipt requested to:

**Rachel Lawrence Mor**  
3037 N.W. 63rd Street, Suite 205  
Oklahoma City, Oklahoma 73116  
*Attorney for Respondent Samuel R. Fannin*

**7015 1520 0003 4174 4820**

and that copies were forwarded by first class mail to the following:

**Scott C. Goforth, Hearing Panel Officer**  
3705 W Memorial Rd, Ste 306  
Oklahoma City, OK 73134

**Bryan Neal, Assistant Attorney General**  
OFFICE OF THE ATTORNEY GENERAL  
313 N.E. 21<sup>st</sup> Street  
Oklahoma City, OK 73105

**Robert Kerbo, Hearing Panel Officer**  
12325 S. Longhorn Circle  
Glenpool, OK 74033

**Stephen L. McCaleb**  
DERRYBERRY & NAIFEH  
4800 N. Lincoln Boulevard  
Oklahoma City, OK 73105

**Brandon T. Lux, Hearing Panel Officer**  
6525 N Meridian Ave, Ste 309  
Oklahoma City, OK 73116

  
Sherry Ainsworth





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MAR 14 2017

OFFICE OF ATTORNEY GENERAL  
STATE OF OKLAHOMA

Real Estate Appraiser Board

ATTORNEY GENERAL OPINION  
2017-167A

Christine McEntire, Director  
Oklahoma Real Estate Appraiser Board  
3625 N.W. 56th St., Ste. 100  
Oklahoma City, OK 73112

March 9, 2017

Dear Director McEntire:

This office has received your request for a written Attorney General Opinion regarding agency action that the Oklahoma Real Estate Appraiser Board intends to take pursuant to a consent agreement with licensee 12649CRA. The proposed action is to require the licensee to complete a fifteen-hour course on the Uniform Standards of Professional Appraisal Practice, a seven-hour course on FHA/SFR real estate appraiser standards, and a course in advanced residential case studies.

The licensee holds a reciprocal license in Oklahoma and produced an appraisal report as part of a refinance transaction, which included inappropriate comparables. Comparables are properties with similar characteristics to the subject property. Specifically, the appraisal was for a manufactured home in Broken Bow, Oklahoma, but comparables were utilized from Bowie County, Texas, which resulted in distinct differences in population and median income. The report contained "canned comments," which did not describe the particular property, and contained conflicting legal descriptions.

The Oklahoma Certified Real Estate Appraisers Act, 59 O.S.2011 & Supp.2016, §§ 858-700-858-732, authorizes the Oklahoma Real Estate Appraiser Board to discipline licensees based on "[v]iolation of any of the standards for the development or communication of real estate appraisals," and based on "[n]egligence or incompetence," 59 O.S.Supp.2016, § 858-723(C)(6), (8). The Act requires adherence to the "current edition of" the Uniform Standards of Professional Appraisal Practice ("USPAP"), 59 O.S.2011, § 858-726, which is the 2016-2017 edition.

The USPAP contains professional requirements pertaining to ethics, competency, and scope of work. See ETHICS RULE, USPAP-8 (requiring compliance with USPAP standards); COMPETENCY RULE, USPAP-12 (requiring appraisers to be competent to perform assignment or acquire necessary competency); SCOPE OF WORK RULE, USPAP-14 (requiring appraiser to perform scope of work necessary to develop credible results and disclose such information in the appraisal report). USPAP also contains standards such as Standard 1, which requires the appraiser to "complete research and analyses necessary to produce a credible appraisal." USPAP-17. Components of Standard 1 clarify that this means the appraiser must employ proper valuation techniques and identify relevant characteristics of the property. USPAP-17, 18. Further, Standard 2 requires that appraisal reports communicate all analyses, opinions, and conclusions clearly and

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accurately. USPAP-22. The action seeks to enforce requirements of professionalism embodied in the Act and in the USPAP. The Board may reasonably believe that the disciplinary action is necessary to prevent future violations.

It is, therefore, the official opinion of the Attorney General that the Oklahoma Real Estate Appraiser Board has adequate support for the conclusion that this action advances the State of Oklahoma's policy to uphold standards of competency and professionalism among real estate appraisers.

A handwritten signature in black ink, appearing to read "Mike Hunter". The signature is written in a cursive, slightly stylized font.

MIKE HUNTER  
ATTORNEY GENERAL OF OKLAHOMA