



4. Additionally, Respondent failed to perform the cost approach on a property that is new construction (reported as six years) and failed to explain the cost approach exclusion.

5. Respondent references a \$20,000 basement value, but he failed to make an adjustment for the basement.

6. Respondent provided no support for his \$30,000 site value.

**AGREED CONCLUSIONS OF LAW FOR COMPLAINT 15-023**

1. That Respondent has violated 59 O.S. § 858-723(C)(6) through 59 O.S. §858- 726, in that Respondent violated:

A) The Ethics Rule, and the Competency rule of the Uniform Standards of Professional Appraisal Practice Ethics Rule;

B) Standard 1, Standards Rules 1-1, 1-2, 1-3, 1-4, and 1-6; Standards Rules 2, 2-1, 2-2, and 2-3 of the Uniform Standards of Professional Appraisal Practice. These include the sub sections of the referenced rule.

2. That Respondent has violated 59 O.S. § 858-723(C)(7): "Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report or communicating an appraisal."

3. That Respondent has violated 59 O.S. § 858-723(C)(9): "Willfully disregarding or violating any of the provisions of the Oklahoma Certified Real Estate Appraisers Act."

4. That Respondent has violated 59 O.S. § 858-723(C)(6): "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."

5. That Respondent has violated 59 O.S. § 858-723(C)(13) in that Respondent violated 59 O.S. § 858-732(A)(1): "An appraiser must perform competently. "

**AGREED FINDINGS OF FACT FOR COMPLAINT 15-055**

1. In April of 2014, Respondent was engaged by Quicken Loans, Inc. (“the “client”), to complete an appraisal report (the “report”) for a property located at 308 West Watova St., Talala Oklahoma 74080 (the “subject” or subject property”). The report was for a refinance transaction. The effective date of the report is April 18, 2014. The opinion of value was determined to be \$122,000.

2. Respondent committed a series of errors in the report.

3. Respondent placed all weight on Comparable Sale #1, which is reported to have a sales price of \$122,000. Comparable #1 was actually a part of a sale package of 3 duplexes that sold for \$366,000 per the Multi Listing Service listing #1334430). The Appraisal split the sale and assigned a value of \$122,000.00 to Comparable Sale #1. The site for the three duplexes includes 1.46 acres.

4. Commentary indicates the Gross Rent Multiplier range in the market is from \$50.00 to \$52.50; however, Respondent used \$90.00.

5. Respondent does not provide sufficient supporting commentary as to how the adjustments were derived.

6. The legal description reported is incorrect.

7. The Comparables are not truly comparable and Respondent utilized single family residences when the subject is a duplex.

8. Respondent provides no explanation or support for his adjustments.

9. Respondent contradicts himself calling the subject “good” in some places and “average” in others, and the map is wrong.

**AGREED CONCLUSIONS OF LAW FOR COMPLAINT 15-055**

1. That Respondent has violated 59 O.S. § 858-723(C)(6) through 59 O.S. §858- 726, in that Respondent violated:

A) The Ethics Rule, and the Competency rule of the Uniform Standards of Professional Appraisal Practice Ethics Rule;

B) Standard 1, Standards Rules 1-1, 1-2, 1-3, 1-4, and 1-6; Standards Rules 2, 2-1, 2-2, and 2-3 of the Uniform Standards of Professional Appraisal Practice. These include the sub sections of the referenced rule.

2. That Respondent has violated 59 O.S. § 858-723(C)(7): "Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report or communicating an appraisal."

3. That Respondent has violated 59 O.S. § 858-723(C)(9): "Willfully disregarding or violating any of the provisions of the Oklahoma Certified Real Estate Appraisers Act."

4. That Respondent has violated 59 O.S. § 858-723(C)(6): "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."

5. That Respondent has violated 59 O.S. § 858-723(C)(13) in that Respondent violated 59 O.S. § 858-732(A)(1): "An appraiser must perform competently."

**AGREED FINDINGS OF FACT FOR COMPLAINT 15-056**

1. Upon information and belief, in May of 2015, Respondent was engaged by Wells Fargo Bank ("the "client"), to complete an appraisal report (the "report") for a property located at



21745 E 10st St. S, Broken Arrow, Oklahoma 74014 (the “subject” or subject property”). The report was for a purchase transaction. The effective date of the report is May 13, 2015.

2. Respondent provides no support for his \$75,000 site value in the cost approach.
3. All of Respondent’s comparables are identified as 1-1/2 story homes, but they are actually all 1 story homes.
4. Respondent cloned a prior report and has the subject identified incorrectly with both a garage and a carport.
5. Respondent made a negative adjustment of \$5,000 across the board for the subject’s lack of garage, when in fact it has a garage. (Respondent indicated in his response to the OREAB that this would not impact value)
6. Respondent did not prepare an income approach stating it was not necessary for this assignment, however he included rents.
7. Respondent ignored a comparable available on the subject street. Respondent should have utilized it and provided an analysis.

**ALLEGED VIOLATIONS OF LAW FOR COMPLAINT 15-056**

1. That Respondent has violated 59 O.S. § 858-723(C)(6) through 59 O.S. §858- 726, in that Respondent violated:

- A) The Ethics Rule, and the Competency rule of the Uniform Standards of Professional Appraisal Practice Ethics Rule;
- B) Standard 1, Standards Rules 1-1, 1-2, 1-3, 1-4, and 1-6; Standards Rules 2, 2-1, 2-2, and 2-3 of the Uniform Standards of Professional Appraisal Practice. These include the sub sections of the referenced rule.

2. That Respondent has violated 59 O.S. § 858-723(C)(7): "Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report or communicating an appraisal."

3. That Respondent has violated 59 O.S. § 858-723(C)(9): "Willfully disregarding or violating any of the provisions of the Oklahoma Certified Real Estate Appraisers Act."

4. That Respondent has violated 59 O.S. § 858-723(C)(6): "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."

5. That Respondent has violated 59 O.S. § 858-723(C)(13) in that Respondent violated 59 O.S. § 858-732(A)(1): "An appraiser must perform competently."

### **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;
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 stipulates to the facts as set forth above and specifically waives the 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 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.

7. Respondent acknowledges that this Consent Order must be approved by the Board and the Attorney general's office before it becomes final.

### **ORDER**

WHEREFORE, on the basis of the foregoing Agreed Findings of Fact and Agreed Conclusions of Law for all three complaints, it is ordered and that:

1. The Respondent shall complete the following courses, which can be taken in person or on-line:

A. (1) APP004 60C Online Basic Appraisal Procedures: 1906; and (2) APP04 60F Online Residential Sales Comparison & Income Approach;

B. An administrative fine of \$1,500, to be paid no later than 30 days from the date the Final Order is approved by the Attorney General; and

2. Respondent shall provide the OREAB office proof of completion of the courses within sixty (60) days of this Order's effective date, which will begin upon receipt of the Order's approval from the Oklahoma Attorney General's Office.

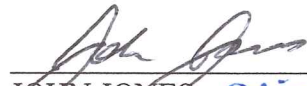
**DISCLOSURE**

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:

  
\_\_\_\_\_  
JOHN JONES *originally signed 1/3/2017*


*3-20-17*  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
RACHEL LAWRENCE MOR OBA #11400  
COUNSEL FOR JOHN JONES

*3/20/17 originally signed 1/3/2017*  
\_\_\_\_\_  
DATE

**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 01/04/2017

IT IS SO ORDERED on this 4<sup>th</sup> day of January, 2017.



*Eric M. Schoen*

ERIC SCHOEN, Board Secretary  
Oklahoma Real Estate Appraiser Board

**OKLAHOMA REAL ESTATE  
APPRAISER BOARD**

By: *Bryan Neal*  
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, Christine McEntire, hereby certify that on the 29th day of March, 2017 a true and correct copy of the above and foregoing Consent Order for Respondent John H. Jones was placed in the U.S. Mail, with postage pre-paid, by certified mail, return receipt requested to:

**Rachel Lawrence Mor**  
3037 N.W. 63<sup>rd</sup> Street, Suite 205  
Oklahoma City, Oklahoma 73116

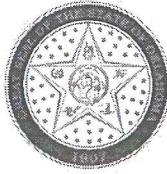
**7016 3010 0000 2706 6742**

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

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

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

  
CHRISTINE MCENTIRE



OFFICE OF ATTORNEY GENERAL  
STATE OF OKLAHOMA

RECEIVED  
OKLAHOMA INSURANCE DEPT.  
MAR 03 2017  
Real Estate Appraiser Board

ATTORNEY GENERAL OPINION  
2017-143A

Christine McEntire, Director  
Oklahoma Real Estate Appraiser Board  
3625 NW 56<sup>th</sup> St., Ste. 100  
Oklahoma City, Oklahoma 73112

March 1, 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 with respect to licensee 12563CRA in Board Case nos. 15-023, 15-055, and 15-056. The proposed action is to approve a Consent Order between the licensee and the Board requiring the licensee to successfully complete two online corrective educational courses and requiring the licensee to pay an administrative fine of \$1,500. This proposed action is based on the licensee's submittal of an appraisal which cloned an old appraisal using old photographs and which failed to provide support for the site value and failed to perform a cost approach in Case no. 15-023, the licensee's submittal of an appraisal report which used comparables which were not truly comparable and which provided no explanation for the adjustments made and contained an inaccurate legal description in Case no. 15-055, and the licensee's submittal of an appraisal which cloned a prior report and which made a negative adjustment of \$5,000 across the board for the subject's lack of a garage when in fact there was a garage, causing the sales price to be reduced, in Case no. 15-056.

The Oklahoma Certified Real Estate Appraiser's Act, 59 O.S.2011 & Supp.2016, §§ 858-700-858-732, authorizes the Oklahoma Real Estate Appraiser Board to discipline licensees who violate "any of the standards for the development . . . of real estate appraisals as provided" in the Act, 59 O.S.Supp.2016, § 858-723(C)(6). The Act requires adherence to "the current edition of the Uniform Standards of Professional Appraisal Practice," 59 O.S.2011, § 858-726, also known as "USPAP." In each of the three cases, the respondent licensee agrees that he violated the Act in that the licensee violated the Ethics Rule and the Competency Rule of the USPAP, and Standards Rules 1-1, 1-2, 1-3, 1-4, 1-6, 2-1, 2-2, and 2-3 of the USPAP. The Act further prohibits "[v]iolations of any of the standards for the development of communication of real estate appraisals;" "[f]ailure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report or communicating an appraisal" the "[w]illful[] disregard[] or violat[ion] of any of the provisions of the Oklahoma Certified Real Estate Appraisers Act;" and incompetent performance of appraisal duties. 59 O.S.Supp.2016, §§ 858-723(C)(6)-(7), (9), 858-732(A)(1).

USPAP's Standard 1 requires that "an appraiser . . . correctly complete research and analyses necessary to produce a credible appraisal." The Board could reasonably conclude that the Respondent licensee's submission of appraisal reports which fell below this standard in three separate cases justifies the agreed disciplinary action as set forth in the Consent Order. The Board may reasonably believe that the Consent Agreement requiring licensee to complete two online courses covering Basic Appraisal Procedures and Online Residential Sales Comparison & Income Approach, and to pay a moderate administrative fine, will serve to deter 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 Consent Order advances the State of Oklahoma's policy to ensure real estate appraisals meet minimum standards of competency, completeness, and accuracy.

A handwritten signature in black ink that reads "Mike Hunter". The signature is written in a cursive, slightly slanted style.

MIKE HUNTER  
ATTORNEY GENERAL OF OKLAHOMA