

**BEFORE THE REAL ESTATE APPRAISER BOARD  
STATE OF OKLAHOMA**

In the Matter of NANCY L. CATES,            )  
Respondent.                                        )

Complaint #15-024

**CONSENT ORDER FOR RESPONDENT NANCY L. CATES**

COMES NOW the Oklahoma Real Estate Appraiser Board (“OREAB”), by and through the Prosecuting Attorney, Stephen McCaleb, and the Respondent NANCY L. CATES, represented through her Counsel of Record, K. Ellis Ritchie, and enter into this Consent Order pursuant to Oklahoma Statutes Title 59 §858-700, et seq. and Oklahoma Administrative Code 600:10-1-1, et seq. All sections of this order are incorporated together.

**AGREED FINDINGS OF FACT**

1. In January of 2015, Respondent was hired to complete an appraisal (the “appraisal” or “report”) for a property located at 20818 South 4120 Road, Claremore, Oklahoma (the “subject” or “subject property”). Respondent completed and transmitted the appraisal to Gateway Mortgage Group (the “client”) with an effective date of January 21, 2015. The appraisal’s intended use was for a “Refinance Transaction.”

2. Respondent committed an error in the report which resulted in a report that did not comply with the current edition of the Uniform Standards of Professional Appraisal Practice and a violation of the standards for the development or communication of real estate appraisals as provided in the Oklahoma Certified Real Estate Appraisers Act.

3. The subject property was a residential property comprised of a primary residence which was not rented and produced no income and a secondary rental unit which rented for \$450 per month. The Respondent utilized the Sales Comparison Approach, Cost Approach and the Income Approach to value in the performance of the appraisal assignment and reporting of value.

4. The Respondent committed an error in the performance of the income approach to value for the rental unit component of the property. The Respondent incorrectly arrived at the Gross Rent Multiplier used in the Income Approach by dividing the total value of the property, as determined by the Sales Comparison approach, by the rental rate of the rental unit. The Gross Rent Multiplier should have been properly derived from the market by identifying other sales of rental units in the market and dividing their sales prices by their rental income to determine a proper Gross Rent Multiplier.

**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:

- A) The Scope of Work Rule of the Uniform Standards of Professional Appraisal Practice; And
- B) Standard 1, Standards Rules 1-1(a), and 1-4(c)

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."

**CONSENT AGREEMENT**

The Respondent, by affixing her 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 her; 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 her 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 her 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 her for purposes of defending any other action initiated by the Board regardless of the date of the appraisal.

6. Respondent acknowledges that this Order must be approved by the OREAB. If it is not, Respondent understands that the matter will be reset for further hearing and that the OREAB will vote on any further recommendations or other proposals.

7. Respondent acknowledges that, pursuant to Executive Order 2015-33, this order shall not become effective until the Oklahoma Attorney General reviews and approves this order.

8. 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. Respondent is officially reprimanded; and
2. Respondent agrees that she will successfully complete one of the following courses by October 1, 2016:
  - a) 60F Online Residential Sales Comparison & Income Approach – 30 hours; or
  - b) 613 Residential Sales Comparison & Income Approach – 30 hours.

Failure to timely comply will result in this Order being rescinded.

**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 her failure to comply which could result in additional penalties.

RESPONDENT:

  
\_\_\_\_\_  
NANCY L. CATES

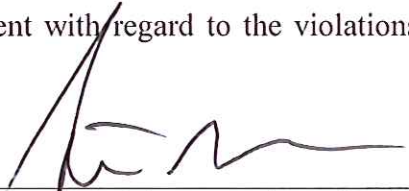
  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
K. ELJIS RITCHIE,  
Counsel for Respondent

  
\_\_\_\_\_  
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


5-24-16  
DATE

IT IS SO ORDERED on this 1<sup>st</sup> day of June, 2016.

  
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 29<sup>th</sup> day of June, 2016 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:

**K. Ellis Ritchie**  
**RITCHIE LAW FIRM**  
P.O. Box 246  
Pryor, OK 74362-0246

**7015 1520 0003 4174 4028**

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

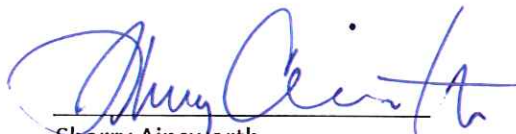
**Stephen E. Meyer, Hearing Panel Officer**  
2405 Bent Trail Road  
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**Bryan Neal, Assistant Attorney General**  
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**Stephen L. McCaleb**  
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PO Box 7624  
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Sherry Ainsworth