

each work log, appraisal assignments may be randomly requested for review. On May 10, 2017, pursuant to a request from Board staff, Lockwood submitted the subject appraisal report, which was listed on his work log, for appraisal assignments during the month of April. This report was submitted to the OREAB and did not receive a passing score. The errors in this matter were similar to the ones found in Board Order 16-017.

2. Upon information and belief, in April of 2017, Respondent was hired by Landmark Bank, NA (the "client") to complete an appraisal (the "subject appraisal") for a property located at 2229 Timber Xing, Yukon, Oklahoma (the "subject"). Respondent completed and transmitted the appraisal with an effective date of April 25, 2017. The appraisal's intended use was for a "Purchase Transaction."

3. Respondent committed a series of errors in the report which led to a misleading, confusing, and non-credible report. These errors include, but are not limited to, the following in paragraphs 11-19.

The Cost Approach

4. Respondent did not correctly employ recognized methods and techniques in the cost approach. There is no support for site value, as Respondent did not list land sales nor list his method calculations. Respondent states extraction method but no support was offered; Respondent did not show his work.

Sales Comparison Approach

5. Respondent did not analyze comparable sales data and use appropriate appraisal methods and techniques that support his value conclusions.

6. Respondent did not adequately collect, verify and report comparable sales.

7. Respondent did not show adequate reasoning for adjustments, analysis, opinions

and conclusions and did not employ recognized methods and techniques.

8. The Subject property is a three (3) year old home that has been occupied. Each of the comparables is a new home that was transferred from builder to purchaser and would be rated with a condition of C1 as new construction and not previously occupied. Appraiser reports each as C2 condition. Respondent provided no mention of this on comments nor any age adjustment.

9. Comparable 2 has an in ground sprinkler that is not noted on the reports grid.

10. Comparable 3 is a 1.5 story property, not a 1 story property as indicated in the report, and has a storm cellar and in ground sprinkler that is not noted on the grid.

11. Comparables 1 & 2 each have expired listings per the Multi Listing Service ("MLS") which the Respondent only listed the most recent listing for days on market.

Income Approach

12. Respondent's exclusion of the Income Approach is not supported.

AGREED CONCLUSIONS OF LAW FOR COMPLAINT 17-027

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

- A) The Ethics, and Conduct Sections of the Uniform Standards of Professional Appraisal Practice Ethics Rule;
- B) The Competency Rule of the Uniform Standards of Professional Appraisal Practice;
- C) The Scope of Work Rule of the Uniform Standards of Professional Appraisal Practice;
- D) Standard 1, Standards Rules 1-1, 1-2, 1-4, and 1-6; Standard 2, Standards Rules 2-1, 2-2, and 2-3 of the Uniform Standards of Professional

Appraisal Practice. These include the sub sections of the referenced rules;
and

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)(8): "Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal."

4. 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."

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 ethically and competently and not engage in conduct that is unlawful, unethical or improper. An appraiser who could reasonably be perceived to act as a disinterested third party in rendering an unbiased real property valuation must perform assignments with impartiality, objectivity and independence and without accommodation of personal interests."

6. 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."

AGREED FINDINGS OF FACT FOR COMPLAINT 17-038

8. On November 14, 2016 the OREAB issued Board Order 16-017 in resolution of Complaint 15-040 as to Robert Lockwood. As part of this Order, Lockwood was placed on probation for a period of six (6) months. Further, he was required to take two education courses

to remedy the errors found in Board Order 16-017. During probation, Lockwood was required to submit monthly work logs for all appraisal assignments completed during the month prior. From each work log, appraisal assignments may be randomly requested for review. On May 10, 2017, pursuant to a request from Board staff, Lockwood submitted the subject appraisal report, which was listed on his work log, for appraisal assignments during the month of April. This report was submitted to the OREAB and did not receive a passing score. The errors in this matter were similar to the ones found in Board Order 16-017.

9. Upon information and belief, in May of 2017, Respondent was hired by Centennial Home Mortgage, LLC (the "client") to complete an appraisal (the "subject appraisal") for a property located at 3712 Coachlight Drive, Edmond, Oklahoma (the "subject"). Respondent completed and transmitted the appraisal with an effective date of May 24, 2017. The appraisal's intended use was for a "Purchase Transaction."

10. Respondent committed a series of errors in the report which led to a misleading, confusing, and non-credible report.

Neighborhood Section

11. The analysis of the market area trends are inconsistent. The Respondent reports days on market ("DOM") is below 90 days and checks the 3-6 month market time box. The data from the neighborhood indicates DOM range from 0-93 with an average days OM of 22 days and a median DOM of 13 days. Respondent's one unit housing trends are indicated as \$215,000 to \$290,000 with a predominant value of \$250,000. The actual data shows a range of \$185,000 - \$319,000 with a predominant price of \$230,000.

12. The market trends were not adequately and reasonably discussed and analyzed.

Site Section

13. The zoning was not adequately and accurately reported. Respondent reports that zoning is PUD127A/R-1. According to the city of Edmond the property is zoned A-Single Family Residential.

Improvements

14. Relevant characteristics of improvements and any effect they have on value were not adequately described.

15. The report indicates average condition ratings through all of the exterior and interior material and condition ratings. The subject property is a 34 year old home with a reported effective age of 9 years. The comments indicate that the subject has had updated kitchens and bathrooms within the last 1-5 years, that the property has had excellent maintenance with no noted deficient items. The commentary is not consistent with the material and condition ratings.

Cost Approach

16. The site value was not developed by an appropriate appraisal method or technique. Respondent cites extraction as the method but provided no documentation to support the extraction method. The Respondent indicates a remaining economic life of 45-55 years in the commentary then selects a remaining economic life of 51 years for depreciation calculations. The range of economic life and the exact economic life are confusing to the reader of the report. Since the depreciation is based on the age/life method the depreciation could be from 8% to 25% given the range of remaining economic life. The utilized depreciation based on the 51 year remaining economic life is 15%.

Sales Comparison Approach

17. Respondent did not analyze comparable sales data and use appropriate appraisal methods and techniques that support his conclusions.

18. Respondent did not adequately collect, verify, and report comparable sales.

19. Respondent did not provide adequate reasoning for his adjustments, analysis, opinions and conclusions.

20. Respondent reported 4 sales in the subject neighborhood in the previous 12 months ranging from \$215,000 to \$289,777. All four of those sales were utilized in the report with an additional two listings that were identified. Data shows 17 sales in the previous 12 months ranging from \$185,000 to \$319,900.

21. On comparable one, Respondent reports that a swimming pool did not contribute to value and failed to report an outdoor kitchen and gazebo. Respondent also failed to report that comparable one previously was transferred on 4/29/16 for a recorded price of \$213,000.

22. Comparable two appears to be a flip that was updated for profitable resale. Respondent failed to analyze the previous transfer of the property which sold on 3/30/2016 for \$151,000. This comparable appears to be superior to the subject property with more significant updating. Comparable two also had a swimming pool and Respondent indicated that the swimming pool did not contribute to the value.

23. Comparable three appears to have been purchased for profitable resale. Respondent failed to analyze the previous transfer of this comparable property which sold on 11/4/2016 for \$172,000. This comparable resold for \$250,000 and appears to be superior to the subject property with more significant updating.

24. Regarding comparable four, Respondent reports that a swimming pool did not contribute to value and failed to report the previous transfer of the comparable which occurred on 7/28/2014 for a reported price of \$277,000.

25. Comparables five and six were current listings and the previous transfers of these

comparables were not reported by Respondent. Additionally, when utilizing listings, it would be advisable to apply a market derived Sales Price to List Price ratio to a current offering. The analysis comments associated with comparables five and six indicate that they were provided for informational purposes and not included in the value calculation. It is not reported why they were included if the Respondent deemed them irrelevant.

26. Respondent utilized four comparables to conclude value. Of the four comparables chosen three have swimming pools and Respondent indicates that they do not contribute to value. Two of the comparable sales utilized appear to be flips and superior to the subject in overall condition.

27. In the summary of the sales comparison reconciliation, Respondent discusses a "Fannie Mae Method" to develop the adjustment price for square footage differences. It is unclear what the "Fannie Mae Method" is.

28. In the reconciliation, Respondent gave most reliance to comparable three which provided an indicated value of \$248,540 after adjustment, the indicated value is \$6,960 less than the appraisers concluded value and is the only comparable sale without a swimming pool.

29. Available data revealed that seven alternate comparables without swimming pools were available ranging from \$200,000 to \$234,000.

30. By failing to adjust for the swimming pool and misrepresenting the condition and other amenities of the comparables, Respondent appears to have inflated the value of the property in order to meet a targeted sales price of a sales transaction that appears to be between interrelated parties.

Income Approach

31. Exclusion of the Income Approach was not supported. The Respondent indicated

that the income approach was not used due to lack of reliable data. Lack of reliable data is not sufficient reason to exclude the income approach.

Final Reconciliation

32. The quality and quantity of data available and analyzed within the approaches used was not been adequately reconciled.

33. The applicability and suitability of the approaches used to arrive at the value conclusions were not been adequately reconciled.

AGREED CONCLUSIONS OF LAW FOR COMPLAINT 17-038

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

- A) The Ethics, and Conduct Sections of the Uniform Standards of Professional Appraisal Practice Ethics Rule;
 - B) The Competency Rule of the Uniform Standards of Professional Appraisal Practice;
 - C) The Scope of Work Rule of the Uniform Standards of Professional Appraisal Practice;
 - D) Standard 1, Standards Rules 1-1, 1-2, 1-4, and 1-6; Standard 2, Standards Rules 2-1, 2-2, and 2-3 of the Uniform Standards of Professional Appraisal Practice. These include the sub sections of the referenced rules;
- and

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)(8): "Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal."

4. 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."

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 ethically and competently and not engage in conduct that is unlawful, unethical or improper. An appraiser who could reasonably be perceived to act as a disinterested third party in rendering an unbiased real property valuation must perform assignments with impartiality, objectivity and independence and without accommodation of personal interests."

6. 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."

AGREED FINDINGS OF FACT FOR COMPLAINT 17-041

On November 14, 2016 the OREAB issued Board Order 16-017 in resolution of Complaint 15-040 as to Robert Lockwood. As part of this Order, Lockwood was placed on probation for a period of six (6) months. Further, he was required to take two education courses to remedy the errors found in Board Order 16-017. During probation, Lockwood was required to submit monthly work logs for all appraisal assignments completed during the month prior. From each work log, appraisal assignments may be randomly requested for review. On May 10, 2017, pursuant to a request from Board staff, Lockwood submitted the subject appraisal report, which was listed on his work log, for appraisal assignments during the month of April. This report was

submitted to the OREAB and did not receive a passing score. The errors in this matter were similar to the ones found in Board Order 16-017.

9. Upon information and belief, in July of 2017, Respondent was hired by Supreme Lending (the "client") to complete an appraisal (the "subject appraisal") for a property located at 10616 Tumility Terrace, Midwest City, Oklahoma (the "subject"). Respondent completed and transmitted the appraisal with an effective date of July 18, 2017.

10. Respondent committed a series of errors in the report which led to a misleading, confusing, and non-credible report. It is difficult to understand how the \$90,400 value conclusion was developed with the "weighted average" procedure. It was not very well explained. The errors in the report include, but are not limited to, the following in paragraphs 11-32.

The Cost Approach

11. Respondent did not correctly employ recognized methods and techniques in the cost approach. There is no support for site value, as Respondent did not list land sales nor list his method calculations. The cost approach in this appraisal utilizes a flawed methodology of the extraction method for developing site value.

12. A cost approach on a 58 year old home is in most cases not appropriate because the improvements are not new and not anywhere close to new. Estimating the appropriate amount of depreciation on an older improvement is difficult and less reliable.

13. Respondent based the extraction method of site valuation not on actual market sales as required by the methodology, but on the value opinion of \$90,400. Moreover, the report utilizes a depreciated replacement cost applied to a market value estimate not a sale. This technique is flawed because of the number of subjective inputs involved. First, the value opinion does not count as a market oriented sale which is a requirement of the market extraction methodology. Market

Extraction requires sale properties. The dictionary of Real Estate Appraisal defines market Extraction as: A method of estimating land value in which the depreciated cost of the improvements on the improved property is calculated and deducted from the total *sale price* to arrive at an estimated sale price for the land. Second, other subjective inputs are the estimated costs and estimated depreciation which is far less accurate on a 58 year old property. Conclusion is that the \$21,000 site value is not market oriented and not adequately supported. The report cost estimates were obtained from Marshall and Swift and appear reasonable. The estimated effective age of 18 years also appears reasonable based upon the degree of updating and remodeling performed on the property. Assuming the effective age was estimated correctly, the 30% calculated depreciation would appear reasonable.

Sales Comparison Approach

14. Respondent did not analyze comparable sales data and use appropriate appraisal methods and techniques that support his value conclusions.

15. Respondent did not adequately collect, verify and report comparable sales.

16. Respondent did not show adequate reasoning for adjustments, analysis, opinions and conclusions and did not employ recognized methods and techniques.

17. At the outset it should be noted that this report has four comparable sales identified on the grid but there are five sales identified on the location map addendum. Sale 4 on the grid is identified as sale number 5 on the location map. It appears the appraisal was amended by eliminating the original sale 4 and moving sale 5 to the sale 4 positions and forgetting to amend the map.

18. The sale price, sale date and gross living area are all accurately reported on the appraisal. However, there is a problem with sales 2 & 3. Both of these sales sold over their

advertised list price. There was no analysis as to why did these two homes sold for more than the seller was originally willing to take. There are usually only two reasons why this happens in the local market and both impact the price. Either the price is bid up by multiple offers or the price is increased to compensate the seller for expenses paid on buyer's behalf. Both of those situations occurred and the failure to address those on the appraisal indicates the data was not adequately collected, verified and reported on the comparable sales.

19. Sale 2 was listed for \$104,900 and closed for \$107,000. In this case the \$2,100 difference or increase in sale price over list price is made to compensate the seller for expenses paid on the buyer's behalf. It is a seller concession that in most cases would require a negative \$2,100 adjustment. The concession impacted the sale price. If the \$2,100 adjustment was made it would drop the indication of sale 1 down to \$84,200, assuming all other adjustments are correct.

20. The sales comparison reconciliation uses a "weighted average" procedure which is believed to be a software generated response. There is no real explanation of how this "weighted average" procedure is developed and supported. Conversely, sale number 3 was listed for \$105,000 but sold for \$114,000. Again, any experienced appraiser would ask; why is a buyer willing to pay \$9,000 more for a property than the seller is originally willing to accept. In the case of sale 3 there were multiple bids that drove the price up and in this case no adjustment would be necessary. However, in both cases, some analysis and explanation should be provided in spite of the fact that the Intended user would most likely never know the difference. There is a comment on the appraisal that says *"If concessions or incentives exist, the comparables were checked for similar concessions and appropriate adjustments were made if applicable"*. The failure to adequately analyzed comparable sales 2 & 3 does not rise to the level of minimum USPAP compliance.

21. No support was provided for site adjustments and no explanatory comments were

provided regarding the adjustments.

Income Approach

22. The subject was vacant when sold and no prior rental history was provided if in fact it was previously rented. Respondent provided no support data for the gross rent multiplier provided in the approach. The goal is to extract a ratio of sale price to income that can be applied to the estimated gross income of the subject. The correct method for applying the income approach to a subject property is to obtain comparable sales that were rented when sold and dividing the sale price by the rental amount to derive a gross rent multiplier (GRM). That multiplier is then applied to the estimated rental amount for the subject property to develop an indication of value by the income approach. There is no evidence of supporting data on the appraisal showing how the 118 GRM was developed.

23. According to MLS, rental number 1 was leased on 3/1/2012. That is almost five and a half years before the effective date of the appraisal. In this local market, single family homes are typically leased on an annual basis. Residential appraisers familiar with the local rental market and in fact with the procedures of the income approach would question whether or not a five year old lease was still in effect.

24. Rental number 1 was leased to a new tenant in July 2016 on a one year lease that was renewed to expire in July 2018 and was rented at a higher rental amount than was originally published in MLS and was the amount incorrectly utilized on single family rent schedule in the income approach.

25. Likewise, the operating/income statement did not estimate expenses for the subject property. Single family rental properties typically require some expenses for general maintenance, repairs and interior painting especially after vacancy. Management expenses are also common in

the single family rental market. In this local rental market, landlords typically pay these expenses while the tenant pays utilities. These facts were not addressed in the limited analysis of the income approach further indicating a lack of knowledge regarding the income approach to value.

Site Highest and Best Use

26. The site has not been adequately identified/defined.
27. The zoning was not adequately reported.
28. Easements, restrictions or other items of a similar nature have not been adequately reported and considered.
29. The site dimensions provided on the report are not accurate. The appraisal report simply shows the county assessors 103x161 dimensions which are incomplete and incorrect. According to the County Clerk plat map, the actual site dimensions are 92.91x81.95x42.33x160.95x116.25. The subject site is an irregular shape, not rectangular as indicated on the report. Use of the County Assessors site size is acceptable practice on an irregular shaped site like the subject.
30. The report does not allude to any easements. According to the county plat, there is a 15 foot drainage and utility easement along the rear site boundary and a 25 foot front building line limit.
31. The zoning description on the appraisal is also incorrect. According to the Midwest City Zoning Map, the subject zoning classification is R-6 which is a "Single Family Detached Residential District" The R-1 classification and the "Residential" description on the appraisal are not accurate. Simply checking the highest and best use box on the form does not satisfy SR 1-3(b) or SR 2-2(a-x, b-x). The R-6 zoning classification also allows for churches, schools and public parks. The appraisal does not address the relevant legal, physical and economic factors to support

the highest and best use conclusion. The appraisal simply states that the zoning allows the current use. Zoning allows other uses that were not explained.

AGREED CONCLUSIONS OF LAW FOR COMPLAINT 17-041

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

- A) The Ethics, and Conduct Sections of the Uniform Standards of Professional Appraisal Practice Ethics Rule;
- B) The Competency Rule of the Uniform Standards of Professional Appraisal Practice;
- C) The Scope of Work Rule of the Uniform Standards of Professional Appraisal Practice;
- D) Standard 1, Standards Rules 1-1, 1-2, 1-4, and 1-6; Standard 2, Standards Rules 2-1, 2-2, and 2-3 of the Uniform Standards of Professional Appraisal Practice. These include the sub sections of the referenced rules; and

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)(8): "Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal."

4. 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."

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 ethically and competently and not engage in conduct that is unlawful, unethical or improper. An appraiser who could reasonably be perceived to act as a disinterested third party in rendering an unbiased real property valuation must perform assignments with impartiality, objectivity and independence and without accommodation of personal interests."

6. 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."

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 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 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 this will be placed on the Board's agenda for its next monthly meeting after receipt of the executed Order from Respondent, and notice for the Order's placement on that agenda is accepted.¹

8. All parties to this Consent Order have been represented by counsel.

9. This Consent Order may be executed in one or more counterparts, but all of such counterparts, taken together, shall constitute only one Consent Order. When delivered to the other party, facsimile and visual digital reproductions of original signatures shall be effective the same as if they were the originals.

10. This Consent Order shall be governed by the internal laws of the State of Oklahoma without regard to the conflict of law principles.

11. This Consent Order contains the entire agreement between the parties hereto and all provisions of this Consent Order are contractual and not a mere recital. The Parties acknowledge that no presentation or promise not expressly set forth in this Consent Order has been made by any of the Parties hereto or any of their agents, employees, representatives, or attorneys. No modification of, or amendment to, this Consent Order shall be valid unless it is in writing and signed by the Parties. In the event any portion of this Consent Order shall be declared illegal or

¹ Currently the 2018 Board meetings are scheduled for 9:30 a.m. for: June 6, July 11, August 1, September 5, October 3, November 7, December 5.

unenforceable as a matter of law, the remainder of the Consent Order shall remain in full force and effect.

12. The undersigned Respondent agrees that presentation of this Consent Order to the OREAB without the undersigned Respondent being present shall not constitute an improper *ex parte* communication between the OREAB and its counsel.

13. The Parties represent and warrant to one another that each party has authority to enter into this binding Consent Order. The OREAB represents and warrants that the undersigned have full authority to execute this Consent Order on behalf of the OREAB and bind the OREAB to the terms set forth herein.

CONSENT ORDER TO BE ACCEPTED OR REJECTED BY THE BOARD

The Oklahoma Real Estate Appraiser Board will not submit this Consent Order for the Board's consideration until its agreement and execution by the Respondent(s). It is hereby agreed between the parties that this Consent Order shall be presented to the Board with recommendation for approval of the Board at the next scheduled meeting of the Board. The Respondent understands that the Board is free to accept or reject this Consent Order and, if rejected by the Board, a formal hearing on the complaint may be held. If the Board does not accept the Consent Order, it shall be regarded as null and void. Admissions by Respondent in the rejected Consent Order will not be regarded as evidence against him/her at the subsequent disciplinary hearing. Respondent will be free to defend himself and no inferences will be made from his willingness to have entered this agreement. It is agreed that neither the presentation of the Consent Order nor the Board's consideration of the Consent Order will be deemed to have unfairly or illegally prejudiced the Board or its individual members and therefore will not be grounds for precluding the Board or any individual Board member from further participation in proceedings related to the matters set forth

in the Consent Order.

- THIS CONSENT ORDER IS NOT EFFECTIVE UNTIL ITS APPROVAL BY A MAJORITY OF THE BOARD AND THE APPROVED ORDER RECEIVES A SUBSEQUENT ENDORSEMENT ("SIGNATURE") BY A REPRESENTATIVE OF THE BOARD. THE EXECUTED ORDER IS THEN SUBJECT TO A WRITTEN ANALYSIS BY THE OKLAHOMA ATTORNEY GENERAL'S OFFICE.

ORDER

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

1. Respondent agrees that he will successfully complete, pass the test, and provide proof of completion and passing of the tests to the Board's office for the following corrective education courses within nine (9) months from the date the Consent Order is approved by the Oklahoma Attorney General. The courses to be taken are:

- a) Course Number 600: The fifteen (15) hour National USPAP course (no credit will be given for these continuing education hours);
 - b) Course Number 602: Basic Appraisal Procedures (30 Hours);
 - c) Course Number 612: Residential Site Valuation & Cost Approach (15 Hours);
 - d) Course Number 613: Residential Sales Comparison & Income Approach (30 Hours);
 - e) All of the courses to tested, and successfully completed;
2. Respondent shall pay costs of Two Thousand Five Hundred Dollars (\$2,500), to be paid within thirty (30) days of the Final Order.

3. Respondent shall pay an administrative fine of One Thousand Dollars (\$1,000) to be paid in accordance with 59 O.S. Section 858-723 (B)(2), which states: "All administrative fines shall be paid within thirty (30) days of notification of the certificate holder by the Board of the order of the Board imposing the administrative fine, unless the certificate holder has entered into an agreement with the Board extending the period for payment."

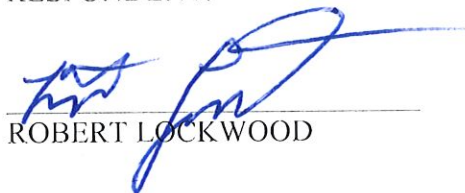
4. Respondent is placed on probation for a period of six (6) months from the date this Consent Order is approved by the Board and then the Attorney General. Commencing nine (9) months after this Consent Order is approved, Respondent shall provide an appraisal log on REA Form 3 to the administrative office of the Board no later than the fifth day of each month, detailing his appraisal activity during the preceding month. The Board may select and require samples of work product from these appraisal logs be sent for review.

5. Failure to comply the preceding paragraphs in a timely manner will result in an instant suspension of Respondent's license. For good cause, an extension may be granted by the Board. An application for an Extension of Time should be filed in sufficient time to be placed on a Board meeting agenda in advance of the deadline.

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.

RESPONDENT:


ROBERT LOCKWOOD

5-30-2018
DATE

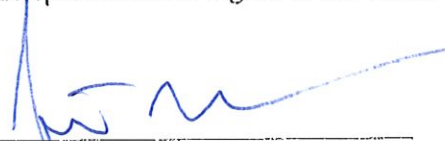


RICHARD MORRISSETTE
Counsel for Respondent

5-30-18
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 56th Street, Suite 100
Oklahoma City, Oklahoma 73112

5-30-18
DATE

IT IS SO ORDERED on this 6th day of June, 2018.



ERIC SCHOEN, Board Secretary
Oklahoma Real Estate Appraiser Board



OKLAHOMA REAL ESTATE
APPRAISER BOARD

By:

A handwritten signature in blue ink, appearing to read "Bryan Neal", written over a horizontal line.

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

CERTIFICATE OF MAILING

I, Christine McEntire, hereby certify that a true and correct copy of the above and foregoing instrument was mailed postage prepaid by certified mail with return receipt requested on this 5 day of July, 2018 to:

Richard Morrissette
7204 S PENNSYLVANIA AVE
OKLAHOMA CITY OK 73159-3317
Counsel for Respondent

9214 8902 0982 7500 0103 59

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

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

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



Christine McEntire



RECEIVED
OKLAHOMA INSURANCE DEPT.

JUN 27 2018

Real Estate Appraiser Board

OFFICE OF ATTORNEY GENERAL
STATE OF OKLAHOMA

ATTORNEY GENERAL OPINION
2018-239A

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

June 27, 2018

Dear Director McEntire:

This office has received your request for a written Attorney General Opinion regarding action that the Oklahoma Real Estate Appraiser Board intends to take pursuant to an agreed consent order with licensee 12396SLA with respect to Board complaints 17-027, 17-038 and 17-041. The licensee is currently on Board-ordered probation, the terms of which require the licensee to submit work logs on a monthly basis reflecting all appraisal assignments. From those work logs, appraisal reports were randomly selected by the Board for review and grading. Three reports received a failing grade. The Board proposes to (i) require the licensee to complete and pass a test in four corrective education courses and pay a \$1,000 administrative fine and \$2,500 in costs, and (ii) place the licensee on probation for a period of six months, during which time the licensee must provide appraisal logs to the Board each month for review.

The Oklahoma Certified Real Estate Appraisers Act authorizes the Board to require a licensee to complete educational programs, to pay administrative fines, to pay prosecutorial costs and place a licensee on probation if he/she violates any provision of the Act or Board Rules. *See* 59 O.S. § 858-723(A)(3), (7)-(9). The Board may discipline licensees who “violat[e]...any of the standards for the development or communication of real estate appraisals as provided in the [Act],” “[f]ail[]...to exercise reasonable diligence in developing an appraisal, preparing an appraisal report or communicating an appraisal,” act “negligent[ly] or incompetent[ly] in developing an appraisal, in preparing an appraisal report or in communicating an appraisal,” “[w]illfully disregard[] or violat[e] any provision of the [Act]” and/or “[v]iolat[e] any of the provisions in the code of ethics set forth in th[e] [A]ct.” *Id.* § 858-723(C)(6)-(9), (13); *see also id.* § 858-732(A)(1). The Act also requires licensees to adhere to the Uniform Standards of Professional Appraisal Practice, which contain professional requirements pertaining to ethics, competency, and scope of work. 59 O.S.2011, § 858-726. The Board may reasonably believe that the proposed 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 advance the State's policy to uphold standards of competency and professionalism among real estate appraisers.



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