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

In the Matter of MICHAEL DODSON,) Complaint #16-031 &16-036
Respondent.)

CONSENT ORDER

COMES NOW the Oklahoma Real Estate Appraiser Board (“OREAB”), by and through the Prosecuting Attorney, Stephen McCaleb, and the Respondent MICHAEL DODSON, 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.

PROCEDURAL BACKGROUND

1. Michael Dodson (the “Respondent”) previously had Order #11-008 issued against him in 2011 relating to Complaint #10-016. (Said Order is attached as Exhibit “A.”)
2. Respondent filed a *Petition for Judicial Review and Stay* with the Oklahoma County District Court, given Case #CV-2011-560.
3. In early 2012, the District Court affirmed the Board’s Findings of Fact and Conclusions of Law, however, remanded the case back to the Board to reconsider discipline upon considering the Plaintiff’s revised *Brief on Recommended Discipline*.

4. Upon re-hearing, the Board issued Order #12-008 (Said Order is attached as Exhibit "B.") with the following discipline issued: **one year probation; 15 hour Residential Site Valuation and Cost Approach; 30 hour Residential Sales Comparison and Income Approaches; prosecutorial costs in the amount of \$1,000.**

5. This Order was also appealed by Respondent filing a *Petition for Judicial Review and Stay* with the Oklahoma County District Court, Case #CV-2013-880, which was dismissed by the District Court in April of 2014 for failure to prosecute.

FINDINGS OF FACT FOR COMPLAINT 16-031

1. In November of 2015, Michael D. Dodson accepted an appraisal assignment for an appraisal (the "appraisal") for a property located at 1928 Eagle Lane, Perry, Oklahoma (the "subject"). Respondent listed that the lender/client was Caliber Home Loans ("client"). The report was transmitted to the client, with an effective date of November 9, 2015. The Assignment Type was for a refinance transaction.

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

3. Respondent was not geographically competent to complete the report. He is located in Oklahoma City, Oklahoma and the subject was in Perry,

Oklahoma. Respondent acknowledges in his report that "I am not a member of the local Multi-List System since I have not regularly performed appraisal work in this area so therefore may not have had access to any other sales." Respondent did not affiliate with another appraiser who was geographically competent with the subject area. Respondent represents that he was not geographically competent and has since not accepted appraisal assignments outside of his area geographical of geographical competence.

4. Respondent provides no support for the site value in the report.
5. Respondent incorrectly included the basement square footage into the total 3,600 of gross living area in the report.
6. There are no site dimensions contained within the report.
7. The comparable sales are not truly comparable.
8. The Respondent compared a 5 acre rural property in Orlando, Oklahoma to a golf course view home in Perry which is an entirely different market.
9. The Appraisal Management Company ultimately rejected the Respondent's appraisal and obtained a second appraisal. The second appraisal showed a 28,000 square foot site while the Respondent's appraisal shows 17,000.
10. The Respondent's response to the grievance reflects that he did not spend nearly enough time performing the needed due diligence to verify the data

he needed to prepare this appraisal, especially when he acknowledges that he does not have access to the local Multi Listing Service.

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 Ethics Rule and the Conduct Section 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, 1-3, 1-4, and 1-6; Standard 2, Standards Rules 2-1, and 2-2 of the Uniform Standards of Professional Appraisal Practice. These include the sub sections of the referenced rules.

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."

FINDINGS OF FACT FOR COMPLAINT 16-036

1. In July of 2016, Michael D. Dodson accepted an appraisal assignment for an appraisal (the "appraisal") for a property located at 304 East Stroh Avenue, Okarche, Oklahoma (the "subject"). Respondent listed that the lender/client was Prosperity Bank ("client"). The report was transmitted to the client, with an effective date of July 19, 2016. The Assignment Type was for a Construction Loan.

2. Respondent committed multiple errors and deficiencies in this appraisal report which lead to a non-credible appraisal.

3. Respondent's land value is very high for Okarche, Oklahoma. Land sales in Okarche, range from \$47,000 to \$52,000 for similar locations.

4. The Respondent utilized superior comparable sales with site values ranging between \$180,000 - \$250,000, none of which are in Okarche, and all over thirty miles away.

5. Comparable #5 is listed as a million dollar sale, yet Multi Listing Services shows the list price was \$889,000.

6. In the comments, it identifies 20 additional acres that are available for sale at \$10,000 an acre. The house sold with 20 acres, but the Respondent listed it with only 5 acres.

7. The cost approach has a \$25,000 "as is" site improvement which is not understood. There is additional incorrect comparable data provided, including identification of the wrong neighborhoods; land adjustments are off-setting and do not make sense, and site adjustments were made by a percentage of the sales price which is not a valid methodology. There is a question of competency when looking at the caliber of the appraisal report.

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 Ethics Rule and the Conduct Section 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, 1-3, 1-4, and 1-6; Standard 2, Standards Rules 2-1, and 2-2 of the Uniform Standards of Professional Appraisal Practice. These include the sub sections of the referenced rules.

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."

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 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.

CONSENT ORDER TO BE ACCEPTED OR REJECTED BY THE BOARD

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 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.

ORDER

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

1. Respondent shall complete all qualifying education otherwise known as the "core curriculum" which totals 200 hours of education, as currently required of an appraiser applicant for the Certified Residential appraiser credential under the Appraiser Qualification Criteria, within a twelve (12) month period. Respondent does not need to repeat the 15 hour Residential Site Valuation and Cost Approach; and 30 hour Residential Sales Comparison and Income Approaches that he took pursuant to Order #12-008. Respondent will need to keep the Board's staff apprised, via written communication, of his progress on a monthly basis and must complete half of the hours within the first six months after the Board approves the Consent Order; and

2. Respondent is placed on probation for a period of thirty (30) months from the date this Consent Order is approved by the Board. Commencing six (6) months after this Consent Order is approved by the Board, 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.

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:


MICHAEL DODSON


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



DATE

IT IS SO ORDERED on this 7th day of June, 2017.



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 21st Street
Oklahoma City, Oklahoma 73105



OFFICE OF ATTORNEY GENERAL
STATE OF OKLAHOMA

FILED

JUL 14 2017

Real Estate Appraiser Board
State of Oklahoma

ATTORNEY GENERAL OPINION
2017-520A

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

July 13, 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 10840CRA regarding Board Complaints 16-031 and 16-036. The proposed action is to impose probation for thirty months; require completion of all 200 hours of qualifying education courses (the "core curriculum," excluding the 15-hour course in residential site valuation and cost approach and the 30-hour course in residential sales comparison and income approaches) within twelve months with half of the hours completed within the first six months; update the Board monthly on the status of completing the education courses; and, after six months of probation, submit monthly appraisal logs and any required work product samples.

On November 12, 2015, an appraisal management company filed a complaint alleging an appraisal prepared as part of a refinance transaction was deficient and stating they had to order a second appraisal from another appraiser. The licensee committed a series of errors in the report which led to a misleading and non-credible report, including but not limited to failure to be geographically competent to complete the report; failure to provide support for the site value or any site dimensions; incorrectly including basement square footage into the total gross living area; providing comparable sales that were not truly comparable; using property from an entirely different market; and failure to perform due diligence to verify data need to prepare the appraisal. In addition, an anonymous complaint was filed in July 2016, alleging an appraisal prepared as part of a refinance transaction contained multiple errors and deficiencies which led to a non-credible appraisal report, including but not limited to utilizing incorrect comparable data; using questionable and unsupported land and site adjustments; and omitting fifteen acres from the listing.

The Oklahoma Certified Real Estate Appraisers Act, 59 O.S.2011 & Supp.2016, §§ 858-700-858-732, authorizes the Board to discipline licensees based on "[f]ailure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report or communicating an appraisal" and "[n]egligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal." 59 O.S.Supp.2016, § 858-723(C)(7-8). The Act requires adherence to the "current edition of" the Uniform Standards of

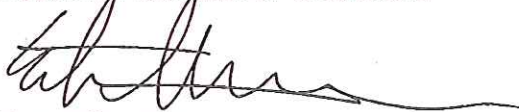
Professional Appraisal Practice (“USPAP”), which is the 2016-2017 edition. 59 O.S.2011, § 858-726.

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); and 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, identify relevant characteristics of the property, avoid making unsupported assumptions when developing a market value opinion, analyze relevant factors, and reconcile data and approaches used to arrive at a value conclusion. USPAP-17, 18, 19, 20, 21. Further, Standard 2 requires that appraisal reports communicate all analyses, opinions, and conclusions clearly and accurately and to summarize the information sufficient to identify the real estate involved in the appraisal. 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.



MIKE HUNTER
ATTORNEY GENERAL OF OKLAHOMA



ETHAN SHANER
DEPUTY GENERAL COUNSEL

CERTIFICATE OF MAILING

I, Christine McEntire, hereby certify that on the 14 day of July, 2017 a true and correct copy of the above and foregoing Consent Order was placed in the U.S. Mail, with postage pre-paid, by certified mail, return receipt requested to:

Michael D. Dodson
6309 Hyde Park Drive
Oklahoma City, OK 73162-3214

7016 3010 0000 2706 6841

and that copies were forwarded by first class mail, interagency mail or hand delivery to the following:

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

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


Christine McEntire