

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

In the Matter of)	
STEFAN M. BARNHOUSE)	
)	Complaint #13-023
Respondent.)	

CONSENT ORDER FOR RESPONDENT STEFAN M. BARNHOUSE

COMES NOW the Oklahoma Real Estate Appraiser Board ("OREAB"), by and through the Prosecuting Attorney, Stephen McCaleb, and the Respondent STEFAN M. BARNHOUSE, represented through his Counsel of Record, Rachel Lawrence Mor, and enter into this Consent Order pursuant to Oklahoma Statutes Title 59 §858-700, et seq. and Oldahoma Administrative Code 600:10-1-1, et seq. All sections of this order are incorporated together.

AGREED FINDINGS OF FACT

1. Upon information and belief, in August of 2013, Respondent was hired by BOKF (the "client"), to complete an appraisal (the "appraisal") for a property located at 400 North Richland Road, Yukon, Oklahoma (the "subject property").

2. Respondent completed the appraisal and transmitted the appraisal to the client with an effective date of June 24, 2013, and a final estimate of market value of \$180,000. The appraisal was for a refinance transaction.

3. Respondent committed a series of errors in the report which led to a misleading report. These errors include but are not limited to the following in paragraphs 4-13.

4. Respondent's neighborhood boundaries are listed as to the North by Highway 3, West by Cimarron Road, South by Highway 152, and the East by Council Road. These boundaries are overly broad, encompass five school districts, and overlap into two counties.

5. Respondent failed to identify and report that the subject property is in Oklahoma City, and not Yukon.

6. Respondent incorrectly reported that the specific zoning classification was "none" when the correct zoning classification is "AA" (agricultural).

7. Respondent's report contains conflicting information regarding the year the manufactured home was built. Respondent reports that it was built both in 2006 and 2007.

8. Respondent reports that the site is 9.99 acres. He gives the site value in the cost approach as \$60,000, which would result in a price per acre of \$6,000. In his supplemental addendum, Respondent reports that "[v]acant land sales indicate acreage of this type selling for \$10,000 per acre and adjustments are based on this amount." Respondent fails to provide support for this number. Further, it is unclear why, if vacant lots are selling for \$10,000, he values the subject at \$6,000 per acre.

9. In his sales comparison approach, Respondent's comparable one has a site size of 5.22 acres and he makes a positive adjustment of \$50,000; comparable two has a site size of 5.01 acres and he makes a positive adjustment of \$50,000; comparable three has a site size of 1.02 acres and he makes a positive adjustment of \$70,000. These adjustments are not supported and are not logical. Comparables one and two site adjustments would indicate that the sites would be worth \$10,000, or \$2,000 per acre. Comparable three's site adjustment would indicate the site value as negative \$10,000. Comparable four has 13.35 acres and Respondent failed to make any adjustment for this comparable.

10. Respondent failed to report that comparable one had a storm shelter and failed to adequately adjust for comparable one's 30x48 foot shop.

11. Respondent identified and adjusted for comparable one's fireplace, but failed to adjust for the fireplaces on comparables two and three.

12. Respondent failed to report that comparable three has a two car detached garage.

13. Respondent's report, in the Appraiser's Certification, states that the appraisal was developed and the report prepared in conformity with the Uniform Standards of Professional Appraisal Practice. It also states that the Respondent was aware of, and has access to, the necessary and appropriate public and private data sources, such as multiple listing services,...for the area in which the property is located.

AGREED CONCLUSIONS OF LAW

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

A) The Competency Rule of the Uniform Standards of Professional Appraisal Practice;

B) The Scope of Work Rule of the Uniform Standards of Professional Appraisal Practice;

C) 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)(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."

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 him 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.

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 placed on probation for a period of three (3) months from the date this consent order is approved by the Board. During the period of probation, Respondent shall provide an appraisal log on REA Form 3 to the administrative office of the Board no later than the fifth working day of each month, starting with November 5, 2014, 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; and
2. Respondent pay an administrative fine in the amount of One Thousand Five Hundred Dollars (\$1,500). Said fine is pursuant to 59 O.S. §858-723 and shall be paid in three installments of \$500 dollars per month with each payment due on the 15th of three consecutive months, beginning on October 15, 2014. Failure to pay each monthly payment timely will be a breach of this agreement.

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:

Stefan M. Barnhouse
STEFAN M. BARNHOUSE

10/1/14
DATE

Rachel Lawrence Mor
RACHEL LAWRENCE MOR,
Counsel for Respondent

October 1, 2014
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 McCaleb
STEPHEN MCCALED, OBA #15649
Board Prosectuor
3625 NW 56th Street, Suite 100
Oklahoma City, Oklahoma 73112

10-1-14
DATE

IT IS SO ORDERED on this 15th day of October, 2014.



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 21st Street
Oklahoma City, Oklahoma 73105

CERTIFICATE OF MAILING

I, Ashley Snider, hereby certify that on the 3rd day of October, 2014 a true and correct copy of the above and foregoing Consent Order as to Respondent Stefan M. Barnhouse 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, OK 73116

7013 2250 0000 5046 1066

Stefan M. Barnhouse
PO Box 5272
Edmond, Oklahoma 73013

7013 2250 0000 5046 1073

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. 21st Street
Oklahoma City, OK 73105

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



ASHLEY SNIDER