

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

In the Matter of MATTHEW J. STOMPRUD            )           Complaint #16-039  
Respondent.    )

**CONSENT ORDER FOR RESPONDENT MATTHEW J. STOMPRUD**

COMES NOW the Oklahoma Real Estate Appraiser Board (“OREAB”), by and through the Prosecuting Attorney, Stephen McCaleb, and the Respondent MATTHEW J. STOMPRUD, 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. Respondent MATTHEW J. STOMPRUD is a certified residential appraiser (“CRA”) in the State of Oklahoma, holding certificate number 12758CRA and was first licensed with the Oklahoma Real Estate Appraiser Board on November 30, 2005.

2. In June of 2014, Respondent was hired by F&M Bank (the “client”) to complete an appraisal (the “appraisal”) for a property located at 2506 Braxton Drive, Woodward, Oklahoma (the “subject”). Respondent completed and transmitted the appraisal with an effective date of June 16, 2014. The appraisal’s intended use was for a “Refinance Transaction.”

3. Respondent committed a series of errors in the report which led to a misleading, confusing, and non-credible report. Respondent failed to perform sufficient due diligence. In his response to the Board after the grievance was filed, Respondent provided quite a bit of explanation in his written response to the grievance which is what he should have reported in the actual appraisal report. Respondent did not provide any support for his site value; there are

wrong-way adjustments in the grid with limited or no explanation or support for much of his data. His contention is that MLS square footage is unreliable is not valid. Any time there are different numbers as to square footage, a little more research must be done. If there are large discrepancies, that information should be contained in the appraisal report, along with an explanation as to why one was chosen over another. Although some of the errors are minor, where there are multiple errors, it takes the legs off the appraisal and makes it lack credibility. These errors include the fore mentioned, and also include but are not limited to, the following in paragraphs 10-24.

4. The information in the neighborhood section is not complete and accurate. Only a portion of Woodward was chosen for the neighborhood; however the market condition statement refers to the state of Oklahoma as a whole. The neighborhood described was not addressed as far as Market Conditions area. The report states that homes in the Southfork Addition are similar in quality, condition, and style; however Comparable #4 is the only property within the Southfork addition that has been adjusted for quality. The MCC report was run on the entire city of Woodward on properties above 2,000 square feet without regard to age which would appear to be the great range at the top of page 1 & the range of sales lower than final value. Comps were also chosen outside the neighborhood area without comment. The marketing time is stated as 3-6 months; however 2 of the first 3 comps used were sold in over 6 months.

5. The comparable sales selected were not locationally, physically, and functionally the most similar to the subject property. No evidence was found that the subject was superior to any of the comps in quality. Two private sales in the same addition were not included in the report even though it was stated that the Assessor public records was a data source. The grid brackets the lot size, the square feet and has considered the quality and amenities as relatively

similar. Comparable #3 of original report was owner financed after being on the market 283 days, which the report failed to disclose. Better comparables were available and ignored by Respondent.

6. The data and analysis (including the individual adjustments) presented in the sales comparison approach are not complete and accurate. Comparable #1 in the report, according to MLS, shows that it is 3,184 square feet; county records show 2,924 square feet. MLS sheet says the Assessor (county records was used for source) Appraiser used MLS sheet without comment. Also the quality rating in the assessor report conflicts without analysis.

7. Comparable #2 shows 6,000 sq ft in the MLS sheet, however Respondent appraiser used Assessor's square footage of 2,880 . Also the quality rating in the assessor report conflicts without analysis.

8. Comparable #3 MLS shows 3,584 per seller, Assessor shows 3,094 square feet. Appraiser used the MLS square footage of 3,384. This property also has a 2 car attached garage & a 3 car detached garage which was not reported.

9. Comparable #4 was used as the comp from the subject addition. MLS shows 3,800 square feet per appraisal & assessor shows 2,207 square feet. Respondent used the MLS square footage without explanation on why the assessor's data was not analyzed. The assessor sheet also shows that the quality of Comparable #4 is the same as the subject (B+). However, Respondent made a \$40,500 plus adjustment for the quality of comparable 4 on the grid.

10. Comparable #5 was not adjusted for quality and also has a B+ rating by Assessor.

11. Comparable #6 was a listing and has 4,380 square feet per MLS, which was what Respondent reported, and 2,699 square feet per the Assessor which was not analyzed or explained. It had a quality of B and was not adjusted.

12. Data is not consistently used in the report.
13. Respondent may have been inside all homes but that was not stated and no evidence that one home was better in quality than any other. There was no discussion in QUALITY difference between subject and comps.
14. The adjustment for the basement is per square foot larger than the cost in the cost approach with no explanation. The above ground square footage was adjusted as a percent of cost, which is inconsistent.
15. Respondent's adjustments were not supported properly.
16. Comparable #2 was adjusted \$2,000 for brick on subject workshop, no supporting evidence of market preference for brick vs. siding workshop.
17. The opinion of value is misleading. The report seems inconsistent in adjustments for Quality with additional adjustments for amenities that are similar to comparables according to data. There were inconsistencies in adjustments for the basement. 2 sales in the neighborhood were not used; however sales 2 years prior were used. A great deal of emphasis was placed on comparable 3 which was owner financed.
18. The errors in the report resulted in a report that produced an inflated estimate of market value.

#### **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 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, and 2-2 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)(5): “An act or omission involving dishonesty, fraud, or misrepresentation with the intent to substantially benefit the certificate holder or another person or with the intent to substantially injure another person.”

7. 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 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 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 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. The Respondent MATTHEW J. STOMPRUD shall successfully complete corrective education as follows:

A. The **FIFTEEN (15) HOUR** Course Number Online 60F or 613: Residential Sales Comparison and Income Approach. Credit for hours allowed.

The course must be completed with copies of certificates of course completion transmitted to the administrative office of the Board within **SIXTY (60) DAYS** from the date of the Board Order. The course may be taken live or online. The course may be counted toward continuing education credit by the Respondent.

B. The <sup>TWENTY (20)</sup>~~FIFTEEN (15)~~ **HOUR** Course Number Online 60E or 612: Residential Site Valuation and Cost Approach.

The course must be completed with copies of certificates of course completion transmitted to the administrative office of the Board within **SIXTY (60) DAYS** from the date of the Board Order. The course must be tested and must be a live course, attended in person by the

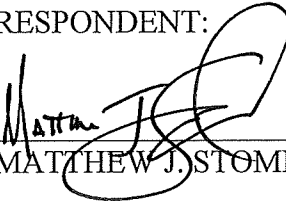
Respondent (not distance and/or correspondence and/or online course). The course shall **not** be counted toward continuing education credit by the Respondent.

2. Failure by Respondent MATTHEW J. STOMPRUD to comply with any requirement of this order shall result in his appraisal credential being suspended instanter, with notification forwarded immediately to Respondent by Certified Mail, Return Receipt Requested.

**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:

  
\_\_\_\_\_  
MATTHEW J. STOMPRUD

7/27/2017  
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 Prosectuor  
3625 NW 56<sup>th</sup> Street, Suite 100  
Oklahoma City, Oklahoma 73112

7-27-17

DATE

IT IS SO ORDERED on this 4<sup>th</sup> day of October, 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 21<sup>st</sup> Street  
Oklahoma City, Oklahoma 73105

**CERTIFICATE OF MAILING**

I, Christine McEntire, hereby certify that on the 6<sup>th</sup> day of November, 2017 a true and correct copy of the above and foregoing Consent Order for Respondent Matthew J. Stomprud was placed in the U.S. Mail, with postage pre-paid, by certified mail, return receipt requested to:

**Matthew J. Stomprud**  
216 Kingsgate Rd.  
Yukon, OK 73099-4434

**7016 0340 0000 7986 7400**

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



RECEIVED  
OKLAHOMA INSURANCE DEPT.

NOV 03 2017

OFFICE OF ATTORNEY GENERAL  
STATE OF OKLAHOMA

Real Estate Appraiser Board

ATTORNEY GENERAL OPINION  
2017-770A

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

November 3, 2017

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 consent agreement in regard to Complaint #16-039. In preparing a property appraisal for a refinance transaction, the licensee did not perform sufficient due diligence and committed errors that led to a misleading, confusing, and non-credible report. For example, information in several sections of the report was not complete and accurate; the comparable sales selected were inapt; data was not used consistently; and adjustments were not supported properly. The Board proposes to require additional education courses.

The Oklahoma Certified Real Estate Appraisers Act authorizes the Oklahoma Real Estate Appraiser Board to discipline licensees who "[v]iolat[e] of any of the standards for the development or communication of real estate appraisals," "[f]ail[] or refus[e] without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report or communicating an appraisal," are "[n]egligen[t] or incompeten[t] in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal," or "[v]iolat[e] any of the provisions in the code of ethics set forth in [the] Act." 59 O.S.Supp.2016, § 858-723(C)(6)-(8), (13). The Act also requires adherence to the Uniform Standards of Professional Appraisal Practice, which contains 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 advances the State's policy to uphold standards of competency and professionalism among real estate appraisers.

Handwritten signature of Mike Hunter in black ink.

MIKE HUNTER  
ATTORNEY GENERAL OF OKLAHOMA

Handwritten signature of Ryan Chaffin in black ink.

RYAN CHAFFIN  
DEPUTY CHIEF – ASSISTANT ATTORNEY GENERAL