

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

In the Matter of ROBERT L. LOCKWOOD,) )  
Respondent. ) ) Complaint #15-040

**BOARD'S DECISION AS TO  
DISCIPLINARY HEARING PANEL RECOMMENDATION**

ON THE 5th day of October, 2016, the above numbered and entitled cause came on for hearing before the Oklahoma Real Estate Appraiser Board (the "Board" or "OREAB") following a disciplinary hearing held on the 25th day of August, 2016, at approximately 9:33 a.m. The Board was represented by a Disciplinary Hearing Panel composed of three (3) appraiser members, Robb E. Glendening of Muskogee, Oklahoma, Randal M. Boevers of Fort Gibson, Oklahoma, and Richard E. "Dick" Grace of Shawnee, Oklahoma. Robb E. Glendening was elected and served as Hearing Panel Chairman at the hearing. Said panel was represented by the Board's attorney, Assistant Attorney General Bryan Neal. The case was prosecuted by the Board's Prosecutor, Stephen L. McCaleb. On behalf of the Board, Mr. McCaleb elected to have this matter recorded by electronic device and to rely on the electronic recording.

The Respondent, Robert L. Lockwood (formerly of Norman, Cleveland County, Oklahoma), of Oklahoma City, Oklahoma (the "Respondent"), having been mailed a copy of the Notice of Disciplinary Proceedings and Appointment of Hearing Panel (the "Notice") by first class U.S. certified mail with return receipt requested to his then-last known address, on June 1, 2016, pursuant to the Oklahoma Certified Real Estate Appraisers Act, 59 O.S. § 858-724, and the Administrative Procedures Act, 75 O.S. §§250-323, and having been mailed a Notice of Continued Disciplinary Hearing and Appointment of Alternate Hearing Panel Officers by first class U.S. certified mail with return receipt requested to his most recent last known address (due to his recent relocation from

Cleveland County to Oklahoma County), on July 25, 2016, appeared in person and was not represented by an Attorney. The Respondent elected to have this matter recorded by electronic device and to rely on the electronic recording.

As the Board's Prosecutor, Mr. McCaleb presented his opening statement on behalf of the Board and the Respondent likewise presented his opening statement in his defense at the beginning of the Hearing.

### **PRELIMINARY MATTERS**

The Board's Prosecutor initially moved for the admission of seven (7) exhibits for the Board (Exhibits 1, 2, 3, 4, 5, 6, and 7, respectively) to which there was no objection and all seven such Board exhibits were admitted into evidence.

Exhibit 1 was the Respondent's appraisal report on 4006 NW 50<sup>th</sup> Street, Oklahoma City, Oklahoma, 73112 (the "subject property"); Exhibit 2 was the Respondent's submitted one page e-mail and work file for 4006 NW 50<sup>th</sup> Street, Oklahoma City, Oklahoma, 73112; Exhibit 3 was the Data researched by the Witness for the Board; Exhibit 4 was the Return of Sale of Property, filed July 27, 2015, in the District Court of Oklahoma County as *In the Matter of the Estate of John Roy Reid, Jr.*, Case No. PB-2014-1051; Exhibit 5 was the Objection to Return of Sale of Property, filed August 25, 2015, in the District Court of Oklahoma County as *In the Matter of the Estate of John Roy Reid, Jr.*, Case No. PB-2014-1051; Exhibit 6 was the Return of Sale of Property, filed April 22, 2016, in the District Court of Oklahoma County as *In the Matter of the Estate of John Roy Reid, Jr.*, Case No. PB-2014-1051; and, Exhibit 7 was the OSCN Court Docket, *In the Matter of the Estate of John Roy Reid, Jr.*, Case No. PB-2014-1051, District Court of Oklahoma County. There being no objection, all seven (7) of the Board's Exhibits, which are Bates-stamped, were admitted into evidence.

The Respondent did not submit any documents for admission as evidence in this matter. Neither party to these proceedings requested that a court reporter record this matter and neither party to these proceedings submitted any proposed findings of fact or proposed conclusions of law to the Disciplinary Hearing Panel for their consideration.

### **WITNESSES AND EVIDENCE PRESENTED**

The Board's Prosecutor presented one (1) witness in support of the case against the Respondent: Patti L. Fisher, a certified general appraiser licensed as 10173CGA, of Shawnee, Oklahoma, and a current Member of the Board's Standards and Disciplinary Procedures Committee.

#### **Patti L. Fisher Testimony (Summary)**

Upon being duly sworn, Ms. Fisher testified that she resides in Shawnee, Pottawatomie County, Oklahoma, that she had been a licensed real estate appraiser since the State first had licensing in 1991 or 1992, that she is licensed as a Certified General Appraiser, and that she works primarily for residential appraisals in Pottawatomie County. According to Ms. Fisher, the approach she followed in this instance was to look over the complaint and the appraisal report on the property at 4006 NW 50<sup>th</sup> Street, Oklahoma City, Oklahoma, and that through her research she assembled her own stack of documents (See Exhibit 3). In response to a question, Ms. Fisher stated that in her opinion, the Respondent's appraisal report was contradictory and misleading.

Ms. Fisher proceeded to explain that she started with the Respondent's appraisal report for the subject property at 4006 NW 50<sup>th</sup> Street, Oklahoma City, Oklahoma, which she identified as Exhibit 1, that she read the Respondent's appraisal report all the way through until she got over to the photographs and the Building Sketch and that she went back to verify the information the Respondent put into his appraisal report. Ms. Fisher found that the owner of record was really "John R. Reid" rather than "John Reid" as noted in the Respondent's appraisal report (the "appraisal

report”) in Exhibit 1, page 4, in the “Subject” section. Ms. Fisher further noted that the Respondent stated in the appraisal report in Exhibit 1, page 4, in the “Subject” section, that the real estate taxes were \$450.00. Continuing, Ms. Fisher noted that the real estate taxes were actually \$901.30 according to records of the Oklahoma County Treasurer that she found on-line (Exhibit 3, page1), which record she said was also available to the Respondent and that she did not know why the Respondent reported a different amount of money as the real estate taxes.

As to the Respondent’s “Contract” section of the appraisal report (Exhibit 1, page 4), Ms. Fisher stated that the Respondent left the section blank with no explanation provided as to why he left it blank.

As to the Respondent’s “Neighborhood” section of the appraisal report (Exhibit 1, page 4), Ms. Fisher noted that the Respondent’s stated “Neighborhood Boundaries” reports streets in error as to direction with his northern boundary of NW 50<sup>th</sup> Street being reported to be north of NW 52<sup>nd</sup> Street, which NW 52<sup>nd</sup> Street is stated to be southern boundary, with his western boundary stated to be “N. Tula Ave.” rather than N. Tulsa Ave., and that none of the Respondent’s three comparable sales are located within the Respondent’s stated “Neighborhood Boundaries”. Ms. Fisher further noted that located in the Respondent’s “Neighborhood” section of the appraisal report (Exhibit 1, page 4), are the Respondent’s conclusions that home values in the Respondent’s stated “Neighborhood Boundaries” range from a low value of \$27,000 to a high value of \$36,000 with the predominate value being \$30,000. Ms. Fisher testified that she prepared a Market Analysis (Exhibit 3, page 4 and 5) of the of the sales she was able to pull up from the same time period with 44 sales being within a one half (.5) miles of the subject property (rather than the 1.80, 1.85, and 1.98 mile distances of the Respondent’s three chosen comparables) with quite a bit of difference in actual sales prices ranging in price from \$32,500 to \$570,000. According to Ms. Fisher, although the school

district in which the subject property is located was not listed or disclosed by the Respondent in his appraisal report (Exhibit 1, page 4), the subject property is located in the Putnam City School District. Although also not listed or disclosed by the Respondent in his appraisal report, Ms. Fisher noted that all three of the Respondent's comparables are located in the Oklahoma City School District.

As to the Respondent's "Improvements" section of his appraisal report (Exhibit 1, page 4), Ms. Fisher noted that the Respondent reported that the subject property was built in 1957 while the Respondent reported the effective age of the subject property to be 40 years with no updates in the last 15 years with no explanation, that the Respondent reported that upon inspection the subject was in need of many repairs, that in its present condition it is considered "unlivable", that the outside condition of the subject property is "average" while reporting that the inside condition was "poor", and that the Respondent reported that the subject generally conforms with the rest of the neighborhood.

At this point, the Respondent voluntarily interjected that if you look at his photographs, you can see that black mold is visible at the subject.

Following the interruption, Ms. Fisher said that the Respondent's information is contradictory, that his appraisal report says that the subject property is the same as the neighborhood yet the condition of the inside of the subject property is reported to be "poor".

Ms. Fisher noted that the Respondent's room count of a total of six rooms (Exhibit 1, page 4) matches his sketch room count of six rooms (Exhibit 1, page 10), but that the appraisal report should list total of four rooms and two bedrooms with one bathroom. While Ms. Fisher noted that the Respondent reported the square footage of the subject to be 854 (Exhibit 1, page 4), she has no knowledge if he really did measure the subject property.

Ms. Fisher identified Exhibit 2 as the Respondent's work file that she examined consisting of a one-page e-mail transmittal of the work file and appraisal report to the Board, a one-page hand-drawn building sketch of the subject property and multi-list sheets (MLS sheets) for the Respondent's three comparables that he chose (one page each), noting that the Respondent's appraisal report was not actually included in his work file (Exhibit 2), but is presented in Exhibit 1. As to the one-page e-mail transmittal of the work file and appraisal report (Exhibit 2, page 1), Ms. Fisher said that as the Respondent states that the appraisal was a "private appraisal", she assumes that the appraisal was done for an individual. Ms. Fisher stated that the second page of the Respondent's work file that the Respondent submitted to the Board (Exhibit 2, page 2) is a building sketch which is labeled at the top of the page to be "5005 Colfax" yet the handwritten notes says that the property sketch is that of the subject property, 4006 NW 50<sup>th</sup> Street. Continuing, Ms. Fisher stated that the County Assessor's sketch of the subject property she located through her research (Exhibit 3, page 2) includes three outbuildings on the subject property, none of which are reported by the Respondent or described in any way in his appraisal report.

As to the Respondent's comparables chosen by him in his appraisal report (Exhibit 1, page 5), Ms. Fisher testified that two other properties she believes might have been possible comparables (or sales) at the time have been sold in the designated neighborhood and that during the relevant time frame she found four sales in the designated neighborhood within the last twelve months. Ms. Fisher noted that her research in her parameters presented in her Market Analysis (Exhibit 3, pages 4 and 5), shows sales within one-half (.5) miles of the subject totaling 44 such sales not three as reported by the Respondent in his appraisal report (Exhibit 1, page 5) with prices ranging from \$36,000 to \$575,000. Ms. Fisher noted that in the appraisal report (Exhibit 1, page 5), that the Respondent reported that Sale 1 was 1.85 miles south of the subject, that Sale 2 was 1.80 miles

south of the subject, and that Sale 3 was 1.98 miles southeast of the subject.

As to the comparable sales chosen by the Respondent, noting that the handwritten notes on all the pages were hers and that identification of a school district shows a value indicator, Ms. Fisher found and copied the relevant MLS sheets for Sale (or Comp) 1 that provides that the Respondent's Comp 1 is located in the Oklahoma City School District (Exhibit 3, page 12), that the MLS sheet for Sale 2 provides that Respondent's Comp 2 is located in the Oklahoma City School District (Exhibit 3, page 19), and that the MLS sheet for the Respondent's Comp 3 is likewise located in the Oklahoma City School District (Exhibit 3, page 23).

Continuing her testimony about the Respondent's comparable sales (Exhibit 1, page 5), Ms. Fisher stated that none of the Respondent's three comparables are located in the neighborhood as he has defined it, that he does not disclose this and provides no explanation as to the reason he went outside the neighborhood that he defined to be "the Neighborhood", and in her opinion the Respondent should disclose why he chose his comparables outside "the neighborhood".

As to her documents in Exhibit 3, Ms. Fisher testified that Exhibit 3, page 15 is the County Assessor's record she found on-line about the Respondent's Comparable 1 at 3841 NW 25<sup>th</sup> Street, Oklahoma City, Oklahoma, that was a December 2015 real estate owned (REO) sale from REO, Inc. to Jose Hernandez that was not disclosed by the Respondent in his appraisal report to be a REO sale, but should have been so disclosed. As to the Respondent's Comparable 2 at 3712 NW 27<sup>th</sup> Street, Oklahoma City, Oklahoma, according to Ms. Fisher, it also was an REO sale that was identified as such in the MLS sheet (Exhibit 3, page 19) that was not disclosed by the Respondent in his appraisal report to be a REO sale, but should have been so disclosed. As to the Respondent's Comparable 3 at 3214 Pioneer Street, Oklahoma City, Oklahoma, according to Ms. Fisher, this sale was an owner-carry that was identified in the MLS sheet with the Lender being the owner (Exhibit

3, page 23), but which fact, while in the MLS sheet in the Respondent's work file (Exhibit 2, page 5), was not disclosed by the Respondent in his appraisal report.

With regard to the Respondent's choice of his three comparable sales (Exhibit 1, page 5), Ms. Fisher pointed out that all three of the Respondent's comparables were of smaller size, all are located in a different neighborhood than the one he defined, he made no adjustments as to his choices as to his reasons for not making any adjustments, and he said nothing about site values of his comparables. As to the site value chosen by the Respondent and disclosed in his "Cost Approach Section" (Exhibit 1, page 6), the Respondent reports his opinion that the amount of \$20,000 is the site value with no support as to how he determined the amount.

With regard to data he used from his data sources, Ms. Fisher noted that if differences in data sources differ from that obtained through observation, it should usually be noted. The MLS sheet for the Respondent's Comparable 1 (Exhibit 3, page 12), provides that the garage is detached while the Respondent's appraisal report provides no such disclosure (Exhibit 1, page 5).

Ms. Fisher testified that the Respondent's Comparable 1 and Comparable 3 in the "Sales Comparison Approach" of his appraisal report (Exhibit 1, page 5) states that the Respondent's research did not reveal any prior sales or transfers of either comparable within the three years of the effective date of the appraisal report. However, Ms. Fisher testified that her research in the County Assessor's records revealed the existence of prior transfers of the Respondent's Comparable 1 (Exhibit 3, page 15) within the three years of the effective date of the appraisal report and her research of the MLS sheets revealed the existence of prior sales of The Respondent's Comparable 3 within the three years of the effective date of the appraisal report.

As to the Respondent's work file (Exhibit 2), Ms. Fisher testified that she was given a copy to examine and that it was her opinion that the Respondent's work file does not support the



Respondent's appraisal report.

As to the Respondent's choice of appraisal report form being for a mortgage loan transaction, according to the witness, Patti Fisher, the Respondent's choice of form was not the best choice because this was not a mortgage loan transaction. Ms. Fisher noted that the Respondent signed the appraisal report (Exhibit 1, page 9) with the certification that he was subject to the provisions of the Uniform Standards of Professional Appraisal Practice (USPAP) in appraiser certification section number 22 on the same page.

As to her research for possible comparable sales other than the three chosen by the Respondent, Ms. Fisher testified that she could identify a number of possible comparable sales that she included in Exhibit 3.

One identified by Ms. Fisher is located at 5217 Lombardy Lane, Oklahoma City, Oklahoma 73112, which sale she documented with the MLS sheet and County Assessor's real property detail sheet (Exhibit 3, pages 26 and 27). Ms. Fisher testified and noted some comments on the MLS sheet that the 5217 Lombardy Lane property appears from the MLS information to be similar to the subject, in similar condition to the subject, in close proximity to the subject, it's represented to contain 1099 square feet, it was built in 1963, it's not been updated, that some flooring is gone, that it shows signs of leaks in the interior ceilings, and it sold for \$60,000.

A second sale identified by Ms. Fisher is located at 3800 NW 50<sup>th</sup> Street, Oklahoma City, Oklahoma 73112, which sale she documented with the MLS sheet and County Assessor's real property detail sheet (Exhibit 3, pages 28 and 29). Ms. Fisher testified and noted some comments on the MLS sheet that the 3800 NW 50<sup>th</sup> Street property appears to be in similar condition to the subject, in similar size to the subject as its represented to contain 887 square feet, it was built in 1956, it's a HUD home "as is" with all faults, it's located in an area of similar homes, it has

hardwood floors, is indicated to be in need of repairs, and it sold for \$40,288.

A third sale identified by Ms. Fisher is located at 5565 N. Shawnee Avenue, Oklahoma City, Oklahoma 73112, which sale she documented with the MLS sheet and County Assessor's real property detail sheet (Exhibit 3, pages 30 and 31). Ms. Fisher testified and noted some comments on the MLS sheet that the 5565 N. Shawnee Avenue property appears to be in similar condition to the subject, it's represented to contain 1109 square feet, it was built in 1954, that it needs work, that it was to be sold in an "as is" basis, that it needs lots of work, and that it sold for \$65,000.

A fourth sale identified by Ms. Fisher as a possible comparable is located at 5113 N. Roff Avenue, Oklahoma City, Oklahoma 73112, which sale she documented with the MLS sheet and County Assessor's real property detail sheet (Exhibit 3, pages 32 and 33). Ms. Fisher testified and noted some comments on the MLS sheet that the 5113 N. Roff Avenue property appears to be comparable to the subject, to be in superior condition to that of the subject except as to its floors, in similar size to the subject as its represented to contain 891 square feet, it was built in 1953, its wood floors show need of refinishing, it has updated kitchen, bathroom and interior paint, and that it sold for \$68,000.

A fifth sale identified by Ms. Fisher as a possible comparable sale is located at 5524 N. Shawnee Avenue, Oklahoma City, Oklahoma 73112, which sale she documented with the MLS sheet and County Assessor's real property detail sheet (Exhibit 3, pages 34 and 35). Ms. Fisher testified and noted some comments on the MLS sheet that the 5524 N. Shawnee Avenue property appears to be in superior condition to that of the subject, in similar size to the subject as its represented to contain 880 square feet, that it was built in 1954, its located in the Putnam City School District, that it's in the same general neighborhood as the subject, that it has a similar room count, and that it sold for \$81,000.

A sixth sale identified by Ms. Fisher as a possible comparable sale is located at 4204 NW 53<sup>rd</sup> Street, Oklahoma City, Oklahoma 73112, which sale she documented with the MLS sheet and County Assessor's real property detail sheet (Exhibit 3, pages 36 and 37). Ms. Fisher testified and noted some comments on the MLS sheet that the 4204 NW 53<sup>rd</sup> Street property appears to be in superior condition to that of the subject, it has one bedroom and one bathroom, its located in the Putnam City School District, that it has a carport and no garage, its represented to contain 677 square feet, that it was built in 1930, that it has hardwood floors and an updated kitchen, and it sold for \$49,900.

A seventh sale identified by Ms. Fisher as a possible comparable sale is located at 3925 NW 52<sup>nd</sup> Street, Oklahoma City, Oklahoma 73112, which sale she documented with the MLS sheet and County Assessor's real property detail sheet (Exhibit 3, pages 38 and 39). Ms. Fisher testified and noted some comments on the MLS sheet that the 3925 NW 52<sup>nd</sup> Street property appears to be in superior condition to that of the subject, in similar size to the subject as its represented to contain 985 square feet, it was built in 1962, its located in a similar neighborhood to that of the subject, it has an extra half bath, is a possible comparable, and it sold for \$94,500.

An eight sale identified by Ms. Fisher as a possible comparable sale is located at 4904 N. Quapah Place, Oklahoma City, Oklahoma 73112, which sale she documented with the MLS sheet and County Assessor's real property detail sheet (Exhibit 3, pages 40 and 41). Ms. Fisher testified and noted some comments on the MLS sheet that the 4904 N. Quapah Place property appears to be in superior condition to that of the subject, that there is not a lot of information provided in the MLS sheet and that she would call a realtor for additional information, its represented to contain 1075 square feet, it was built in 1955, and it sold for \$65,000.

As to Exhibits 4, 5, and 6, Ms. Fisher identified these exhibits to be related to a probate case

filed in the District Court of Oklahoma County as *In the Matter of the Estate of John Roy Reid, Jr.*, Case No. PB-2014-1051, with Exhibit 4 being a Return of Sale of Real Property for \$30,000, apparently based on the Respondent's appraisal report, and Exhibit 5 being an Objection to Order of Return of Sale of Real Property filed in the District Court of Oklahoma County as *In the Matter of the Estate of John Roy Reid, Jr.*, Case No. PB-2014-1051, because the sale was not an arms-length transaction that may have been worked out as a deal with family that was not offered to the public generally. Continuing, Ms. Fisher identified Exhibit 6 to be a Return of Sale of Real Property filed in the District Court of Oklahoma County as *In the Matter of the Estate of John Roy Reid, Jr.*, Case No. PB-2014-1051, with a sale of \$66,699.99. The Board's Prosecutor represented that Exhibit 7 was the OSCN Court Docket, for the probate case styled as *In the Matter of the Estate of John Roy Reid, Jr.*, Case No. PB-2014-1051, filed in the District Court of Oklahoma County.

Ms. Fisher testified that she was not paid to testify in this matter, that she was not promised anything for her testimony, and that in her opinion, the Respondent's appraisal report was a misleading report.

At the conclusion of Ms. Fisher's testimony, the State rested.

**Robert L. Lockwood Testimony (Summary)**

The Respondent, Robert L. Lockwood, upon being duly sworn, testified that he is 62 years of age, that basically his work file consists of his building sketch and his appraisal report, that the three MLS sheets he transmitted with his work file were actually printed at a date later (See Exhibit 2, pages 3 through 5 for August 31, 2015, print date) than the effective date of his appraisal report, March 23, 2015, he thinks he met the requirements for his work file, that his sketch gives him plenty of information, that he knows the area around the subject because he lives about 3 miles from the subject, that he keeps a lot of information in his head, that school district disclosure is not very

important, that there are good teachers in both the Oklahoma City School District and in the Putnam City School District.

The Respondent said that his Comparable 3 has central heat/air and that it was his mistake to list it wrong, that the outbuildings added no value, that he did get his neighborhood boundaries wrong in his appraisal report, that he looks at a range of values for comparable sales and not at all sales, and that he could not find any comparable sales in the neighborhood that were even close to being comparable due to the poor condition of the subject's interior.

The Respondent admitted that got the real estate taxes wrong for the subject property in his appraisal report, that he probably reported just one-half of the taxes, just not all of the real estate taxes. Continuing the Respondent said that he had heard that hoarders had lived in the subject property, that the subject property smelled like death when he entered the house, that it was so bad inside as to the odor that he could hardly stand it, that water was shooting out of a pipe as he entered the inside of the subject, that Geraldine Reid, who lived just around the corner from the subject let him into the subject, that he got a water key from her and shut off the water to the subject.

In response to a question about the recent location of his residence in Norman, Oklahoma, the Respondent testified that he did live in Norman at one time but that he did not live there very long, that he changed his residence to Oklahoma City, Oklahoma, in June of this year.

When questioned about his neighborhood boundaries that he established in his appraisal report in the "Neighborhood" section (Exhibit 1, page 4), he admitted that he made a mistake in his description.

In response to a question about his appraisal report conclusion that the subject general conforms to the neighborhood in the "Improvements" sSection (Exhibit 1, page 4) despite the subject interior's poor condition, the Respondent stated that he just checked the wrong box on the

form and that he should have qualified it with an explanation.

When questioned about the absence of an engagement letter in his work file (Exhibit 2), the Respondent admitted that he did not do an engagement letter on this assignment and that he was not worried about it when he took the assignment.

In response to a question about the identity or name of his client, the Respondent said that he was contacted by telephone by a man whom he had never met and whose name he could not remember. At this point the Respondent referred to his appraisal report for the name of the client, who was actually the woman who let in inside the subject and whose name is Geraldine Reid as stated in his appraisal report, but that it was her son (whose name he could not recall several times during the Hearing) who had called him to perform the appraisal.

When questioned about the list of 44 other possible comparables researched and provided by Ms. Fisher (Exhibit 3, page 4) compared to the three he found, the Respondent stated that he did not look at any of them, that he did not look at the MLS sheet for the property at 5217 Lombardy Lane (Exhibit 3, page 26), that he sees the remarks on the MLS sheet that it needs minor updating, and that he both did and did not look at it. The Respondent mentioned the MLS sheet for the property at 5565 N. Shawnee Avenue (Exhibit 3, page 30), that he did not look at this possible comparable either, that it was an REO property, and that he did not disclose REO on two of his comparables as it makes no difference, and proceeded to state that as to REO sales that he probably should name listed REO sales in an appraisal report.

When questioned about the presence of an attached or detached garage at a property, the Respondent stated that it creates no change in value.

When questioned about his determination of site value of \$20,000, in the "Cost Approach" section of his appraisal report (Exhibit 1, page 6), the Respondent admitted that he got the sum of

\$20,000 from the County Assessor's records, that he did not have anything in his work file about the \$20,000, that amount just came from the County Assessor's data.

In response to a question about his disclosure of the days on the market (DOM) falling below 60 days in his appraisal report in his "Additional Comments" section (Exhibit 1, page 6), the Respondent admitted that he got the DOM wrong.

When questioned about his statement as to housing trends (property values, demand/supply, and marketing time) in the "Neighborhood" section of his appraisal report (Exhibit 1, page 4), the Respondent stated that he made a mistake.

The Respondent testified that he thinks the errors in his appraisal report are all minor, that his appraisal report is credible, that his opinion of value is good, that he measured the house, that it's a small 900 square foot house, and stating that "how can you mess that up?" Continuing, the respondent stated that now he keeps more in his work file including his field notes, MLS sheets from the day he inspects a house, the appraisal report itself, pictures, and County documents. The Respondent stated that he has renewed his appraisal license till 2019 and that he's taken many hours of continuing education (CE).

When asked about how he transmitted the appraisal report to his client, he responded that he e-mailed it to her, and when asked if he kept e-mails in his work file, he responded that that was a good idea.

At this point in the proceedings, the Respondent rested his defense.

The Respondent presented no other witnesses in his defense and at no time introduced any exhibits into evidence on his own behalf.

The Respondent did not file a request for oral argument and did not appear at the noticed board meeting to address the imposed discipline.

## JURISDICTION

1. The OREAB has the duty to carry out the provisions of the Oklahoma Certified Real Estate Appraisers Act as set forth at Title 59 of the Oklahoma Statutes, §§858-701, *et seq.* and to establish administrative procedures for disciplinary proceedings conducted pursuant to the provisions of the Oklahoma Certified Real Estate Appraisers Act.

2. The OREAB has promulgated rules and regulations to implement the provisions of the Oklahoma Certified Real Estate Appraisers Act in regard to disciplinary proceedings as set forth at the Oklahoma Administrative Code, §§600:15-1-1 thru 600:15-1-22, including administrative hearings.

3. The Respondent, ROBERT L. LOCKWOOD, is a state licensed appraiser in the State of Oklahoma, holding certificate number 12396SLA and was first licensed with the Oklahoma Real Estate Appraiser Board on January 17, 2001.

## FINDINGS OF FACT

The Board adopts in full the Findings of the Hearing Panel and that the following Facts were proven by clear and convincing evidence:

1. The Respondent, ROBERT L. LOCKWOOD, is a state licensed appraiser in the State of Oklahoma, holding certificate number 12396SLA and was first licensed with the Oklahoma Real Estate Appraiser Board on January 17, 2001.

2. In March of 2015, the Respondent was hired to complete an appraisal (the "appraisal") for a property located at 4006 NW 50<sup>th</sup> Street, Oklahoma City, Oklahoma. The client was Geraldine Reid. The Respondent completed and transmitted the appraisal report with an effective date of March 23, 2015, to the client, and the appraisal was for the purpose to ascertain the market value.



3. The Respondent committed a series of errors in the appraisal report which led to a misleading and non-credible appraisal report. These errors include, but not limited to, the following paragraphs 4 – 6.

4. The Respondent did not keep or have an adequate work file at any time, including prior to the issuance of the appraisal report. The Respondent testified that only his building sketch was his work file as of the effective date of the appraisal report, March 23, 2015, and the MLS data sheets for his three comparables were added at a later date as shown on the MLS sheets (See Exhibit 2, pages 3 through 5 for August 31, 2015, print date).

5. The Respondent did not properly identify the intended use of the appraisal for estate purposes. (See Exhibit 4, page 1, Return of Sale of Real Property to which the appraisal report is attached at page 4). The Respondent did not have an adequate scope of work.

6. The lack of documentation in the Respondent's work file (Exhibit 2) and the lack of explanations in his appraisal report (Exhibit 1) resulted in a misleading and non-credible appraisal report.

#### **CONCLUSIONS OF LAW**

The Board adopts in the full the Conclusions of Law as determined by the Hearing Panel below:

1. The Respondent has violated 59 O.S. §858-723(C)(6) through 59 O.S. §858- 726, in that the 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) The Record Keeping Rule of the Uniform Standards of Professional

Appraisal Practice;

E) 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.

2. The 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. The 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. The Respondent has violated 59 O.S. §858-723(C)(13) in that Respondent violated 59 O.S. § 858-732(A)(1) because an appraiser must perform ethically and competently and not engage in conduct that is unethical or improper.

5. The 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".

### **FINAL ORDER**

**WHEREFORE**, having adopted in full the Findings of Fact and Conclusions of Law entered by the Disciplinary Hearing Panel, the Board hereby makes its Final Order as follows:

1. Respondent Robert L. Lockwood shall pay an administrative fine in the amount of

**FIVE HUNDRED DOLLARS (\$500.00)** to the Board. Payment of the fine shall be remitted to the Board in accordance with the manner contemplated by 59 O.S. § 858-723(B).

2. Respondent Robert L. Lockwood, shall successfully complete corrective education as follows:

- The **FOURTEEN (14) HOUR** Course Number 705: Residential Report Writing & Case Studies: 1804
- The **FOURTEEN (14) HOUR** Course Number 706: Advanced Residential Applications & Case Studies: 1804

The course(s) must all be completed with copies of certificates of course completion transmitted to the administrative office of the Board within **ONE HUNDRED TWENTY (120) DAYS** beginning immediately upon the date that any final agency order is entered in this matter plus a period of thirty (30) days after the Respondent is notified of the final agency order either personally or by certified mail, return receipt requested. The course(s) must be tested and must be live courses, attended in person by the Respondent (not distance and/or correspondence and/or on-line courses). The course(s) shall not be counted toward continuing education credit by the Respondent.

3. Respondent Robert L. Lockwood shall be placed on **PROBATION** for a period of **SIX (6) MONTHS** beginning immediately upon the date that the period of **ONE HUNDRED TWENTY (120) DAYS** in which corrective education is ordered hereinabove to be completed shall end. During the period of probation, Respondent Robert L. Lockwood 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 detailing all 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, to include for review the appropriate work file of the Respondent.

4. Respondent Robert L. Lockwood shall pay the costs expended by the Board for legal

fees and travel costs incurred in this matter. The Board staff will provide a statement of the costs incurred to Respondent with the final order. Costs shall be fully paid within thirty (30) days from the date of any final order of the Board.


5. Failure by Respondent to comply with any requirement of this order shall result in his appraisal credential being suspended instantly, with notification forwarded immediately to Respondent by Certified U. S. mail, return receipt requested.

**THE BOARD WISHES TO ADVISE THE RESPONDENT THAT HE HAS THIRTY (30) DAYS FROM THE DATE THE RESPONDENT IS NOTIFIED OF THIS ORDER, EITHER PERSONALLY OR BY CERTIFIED U.S. MAIL, RETURN RECEIPT REQUESTED, TO APPEAL THIS ORDER WITH THE APPROPRIATE DISTRICT COURT.**

IT IS SO ORDERED this 5th day of October, 2016.



By:   
BRYAN NEAL, Assistant Attorney General  
Counsel to the Board

By:   
ERIC SCHOEN, Board Secretary

**CERTIFICATE OF MAILING**

I, Sherry Ainsworth, 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 14<sup>th</sup> day of November, 2016 to:

**Robert L. Lockwood**  
2515 NW 11<sup>th</sup> St  
Oklahoma City, OK 73107

**7015 1520 0003 4174 4837**

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

**Randal M. Boevers, Hearing Panel Officer**  
23765 White Road  
Ft Gibson, OK 74434

**Robb E. Glendening, Hearing Panel Officer**  
733 E. Smith Ferry Road  
Muskogee, OK 74403

**Richard E. Grace**  
**Hearing Panel Officer**  
PO Box 3579  
Shawnee, OK 74802-3579

**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

  
Sherry Ainsworth



OFFICE OF ATTORNEY GENERAL  
STATE OF OKLAHOMA

RECEIVED  
OKLAHOMA INSURANCE DEPT.  
NOV 14 2016  
Real Estate Appraiser Board

ATTORNEY GENERAL OPINION  
2016-649A

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

November 10, 2016

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 12396SLA. The proposed action is to impose a \$500 fine and require the licensee to complete courses in residential report writing and advanced residential applications. In addition, the license will be placed on probation for six months during which time the licensee must provide the Board with monthly appraisal logs. The licensee must also pay the Board's costs. The Board received a complaint after the licensee prepared an appraisal report that grossly undervalued the subject property. Specifically, the 2015 report appraised the property at \$30,000 while the taxable market value of the property was \$70,136 in 2014 and \$71,872 in 2015. Although there were available comparable properties in the neighborhood, the report made use of comparable properties 25 blocks away. In addition, no work file was prepared in conjunction with the report.

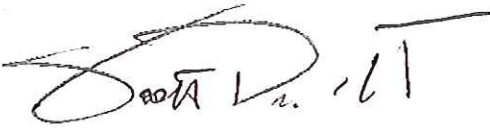
The Oklahoma Certified Real Estate Appraisers Act, 59 O.S.2011 & Supp.2015, §§ 858-700-858-732, authorizes the Oklahoma Real Estate Appraiser Board to discipline licensees based on "[v]iolation of any of the standards for the development or communication of real estate appraisals," "[n]egligence or incompetence," or "[v]iolati[on] of any of the provisions in the code of ethics set forth in [the Act]," 59 O.S.Supp.2015, § 858-723(C)(6), (8), (13). The Act requires adherence to the "current edition of" the Uniform Standards of Professional Appraisal Practice ("USPAP"), 59 O.S.2011, § 858-726, which is the 2014-2015 edition.

The USPAP contains professional requirements pertaining to ethics, competency, record keeping, and scope of work. *See* ETHICS RULE, USPAP-7 (requiring compliance with USPAP standards); COMPETENCY RULE, USPAP-11 (requiring appraisers to be competent to perform assignment or acquire necessary competency); RECORD KEEPING RULE, USPAP-10 (requiring a work file for each appraisal); 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-16. Components of Standard 1 clarify that this means the appraiser must

employ proper valuation techniques, identify relevant characteristics of the property, analyze relevant factors, and reconcile data and approaches used to arrive at a value conclusion. USPAP-16, 17, 19, 20. Further, Standard 2 requires that appraisal reports communicate all analyses, opinions, and conclusions clearly and accurately. USPAP-21.

The action seeks to enforce requirements of professionalism embodied in the Act and in 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.

A handwritten signature in black ink, appearing to read "E. Scott Pruitt". The signature is stylized and includes a horizontal line extending to the right.

E. SCOTT PRUITT  
ATTORNEY GENERAL OF OKLAHOMA