

3. In both reports, Respondent utilized the same vacant land sale #3.¹ This vacant lot sold for \$35,000 and its size is 7,377 square feet. This would result in a price per square foot as \$4.74. In both reports, Respondent incorrectly calculated the price per square foot as \$4.70.

4. Respondent did not discuss adjustments to the comparable sales for any sort of differences with the subject properties. Respondent summarizes the sales at the unadjusted values.

5. In her Reconciliation of Vacant Land Sales page (page 21 on both reports), Respondent reconciles the sales by "weighing" the sales. Respondent reports that "[s]ales #1 and #2 are given 45% of the weight each and sale #1 is given the remaining 10%." Sale #3 is not referenced and Sale #1 is referenced twice. If, as stated, Sales #1 and #2 are given 45% weight and if Respondent intended to give Sale #3 a 10% weight, the conclusion of \$6.00 per square foot is incorrect.

6. On Page 23 of both reports, Respondent reports her cost approach. She reports that Marshall and Swift Cost Estimating Service "provides the basis for detailed cost estimates." However, respondent does not report any category, section, or building class and no adjustments were made, multipliers, or any other points of analysis in her cost approach.

7. On Page 28 of both reports Respondent completed a Reconciliation of Improved Sales. Respondent's improved sales received no analysis and no comparison to the subject. Respondent's conclusion consists of simple averaging of the unadjusted values without regard to elements necessary for comparison.

8. Page 31 of both reports pertain to the income approach. In both reports Respondent writes one paragraph to serve as the sum of the market lease rate development. In the paragraph,

¹ All three sales in each report were the same.

Respondent refers to several rental properties as comparisons but does not identify their location in the reports for the reader to identify the locations.

9. Regarding 133, it was tenant occupied by Radio Shack on the effective date of the appraisal. Respondent did not disclose the current lease rate, nor did she disclose the terms or provisions of the lease.

10. On both reports, the stabilized income and expense estimate is not credible by omitting key categories such as maintenance and repair, management and reserves. An expense line item "accounting" is not clear as to its meaning.

11. Regarding 126, Respondent reports conflicting information on the net operating income (NOI). In the pro forma, she reports the NOI as \$5,979. In the comments, the NOI is reported as \$8,415.

12. Respondent uses RealtyRates.com, a national survey, as her sole basis for the overall capitalization rate. These sorts of data sources typically pertain to major markets and reflect a best case scenario for smaller rural markets. Respondent should have researched alternative methods to develop an overall rate.

13. Page 14 of both reports is titled "Improvement Analysis." On this page, the "analysis" does not report the size, age, or any relevant characteristics of the improvements.

14. In both reports, Respondent did not provide any meaningful, subject specific data in her Highest and Best Use analysis. It is not clear if the Highest and Best Use is "as if vacant" or "as improved."

15. In both reports the Respondent did not adequately analyze the comparable sales data available, did not adequately develop the cost approach, and did not adequately develop the income approach.

16. On both reports, Respondent did not include a signed certification.

AGREED 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 Competency Rule of the Uniform Standards of Professional Appraisal Practice.

B) Standard 1, Standards Rules 1-1, 1-2, 1-5 and 1-6; Standard 2, and Standards Rule 2-3 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)(8): "Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal."

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. Respondent shall retain her Certified General Appraiser license on the condition that Respondent agrees that she will only complete appraisal assignments allowed under the certified residential real property appraiser credential level.

2. Respondent agrees that she shall be allowed to complete appraisal assignments under the certified General Appraiser's scope of practice upon the successful completion of the following courses:

- a) 631 General Appraiser Market Analysis & Highest & Best Use – 30 hours
- b) 632 General Appraiser Sales Comparison Approach 30 hours
- c) 633 General Appraiser Site Valuation & Cost Approach – 30 hours
- d) 635 General Appraiser Income Approach – 60 hours

3. Upon successful completion of the course work, Respondent may submit proof of completion and then will be eligible to resume work under the full scope allowed under the Certified General Appraiser license.

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 her failure to comply which could result in additional penalties.

RESPONDENT:

Patsy Hoover
PATSY R. HOOVER

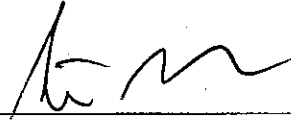
11/5/15
DATE

Rachel Lawrence Mor
RACHEL LAWRENCE MOR,
Counsel for Respondent

November 5, 2015
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.


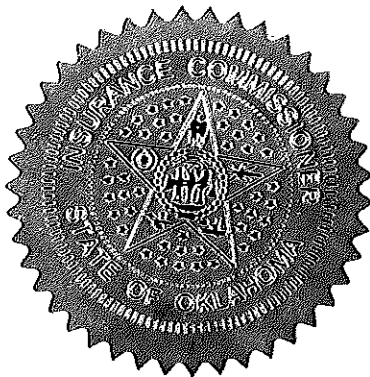


STEPHEN MCCALED, OBA #15649
Board Prosectuor
3625 NW 56th Street, Suite 100
Oklahoma City, Oklahoma 73112

11-12-15

DATE

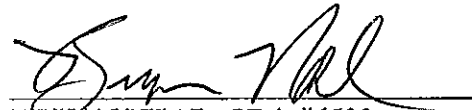
IT IS SO ORDERED on this 2nd day of December, 2015.



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

CERTIFICATE OF MAILING

I, Sherry Ainsworth, hereby certify that on the 11th day of December, 2015 a true and correct copy of the above and foregoing Consent Order for Respondent, Patsy R. Hoover, was placed in the U.S. Mail, with postage pre-paid, by certified mail, return receipt requested to:

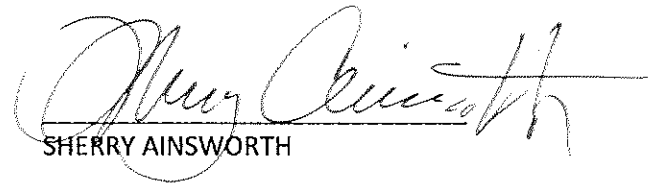
Rachel Lawrence Mor
3037 N.W. 63rd Street, Suite 205
Oklahoma City, OK 73116

7015 1520 0003 4174 1409

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



SHERRY AINSWORTH



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OKLAHOMA INSURANCE DEPT.

DEC 10 2015

Real Estate Appraiser Board

OFFICE OF ATTORNEY GENERAL
STATE OF OKLAHOMA

ATTORNEY GENERAL OPINION
2015-199A

Christine McEntire, Director
Oklahoma Real Estate Appraiser Board
3625 NW 56th Street, Ste. 100
Oklahoma City, Oklahoma 73112

December 9, 2015

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. The proposed action is to, pursuant to a consent order, require that licensee 11071CGA only prepare residential property appraisals until completion of four courses—one course each on the sales comparison, site valuation and cost, and income approach to valuation along with one course on market analysis and the highest and best use of property. The appraiser prepared two commercial property appraisals that, among other things, used comparison sales with no adjustment when applying valuations to subject properties; relied on clearly incorrect math with respect to weighted comparisons; and had no supporting data on information used for various cost estimates or lease comparisons.

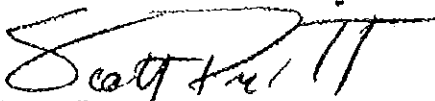
The Oklahoma Certified Real Estate Appraisers Act, 59 O.S.2011 & Supp.2015, §§ 858-700–858-732, authorizes the Oklahoma Real Estate Appraiser Board to discipline licensees who violate “any of the standards for the development . . . of real estate appraisals as provided” in the Act, those who “violat[e] any of the provisions of the” Act, and those who violate “any of the provisions in the code of ethics set forth in” the Act, 59 O.S.Supp.2015, § 858-723(C)(6), (9), (13). The Act requires adherence to “the current edition of the Uniform Standards of Professional Appraisal Practice,” 59 O.S.2011, § 858-726, which is 2014-2015 edition of the Uniform Standards of Professional Appraisal Practice (“USPAP”).

USPAP contains a COMPETENCY RULE that requires an appraiser to have competence before preparing a report. USPAP U-11. USPAP also contains standards such as Standard 1, which requires the appraiser to “complete research and analyses necessary to produce a credible appraisal.” USPAP U-16. Components of Standard 1 clarify that this means the appraiser must understand and correctly employ correct appraisal methods; identify characteristics of the property and objectives in the appraisal; and, for market value appraisals, identify all sales and agreements on the property. USPAP U-16–U-18, U-20.

The action seeks to enforce the requirements of professionalism embodied in the Act and in USPAP. The Board may reasonably believe that, by limiting licensee’s practice to residential

appraisals and requiring additional education before preparation of any more commercial appraisal reports, future violations will be prevented and this professional can be returned to full practice.

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 professionalism among real estate appraisers.

A handwritten signature in black ink, appearing to read "Scott Pruitt", with a long horizontal flourish extending to the right.

E. SCOTT PRUITT
ATTORNEY GENERAL OF OKLAHOMA