

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

In the matter of Julian Harris,	)	
Disciplinary Hearing	)	Complaints #05-037 and 05-088
	)	
Respondent.	)	

**CONSENT ORDER**

This Order is an agreement between Julian Harris (hereinafter referred to as “Respondent”) and the Oklahoma Real Estate Appraiser Board (hereinafter referred to as the “Board”). Respondent is represented by Danny Shadid and the Board is represented by Stephen McCaleb, from the law firm of Derryberry & Naifeh, in his capacity as prosecutor for the Board. Respondent and the Board agree and consent as follows:

**JURISDICTION**

1. The Board has jurisdiction in this matter pursuant to the provisions of the Oklahoma Real Estate Appraisers Act, OKLA. STAT. TIT. 59, §§858-700 *et seq.*
2. The proceedings in this matter were conducted pursuant to the Oklahoma Real Estate Appraisers Act, OKLA. STAT. TIT. 59, §§858-700 *et seq.* and the Oklahoma Administrative Procedures Act, OKLA. STAT. TIT. 75, §§301 *et seq.*
3. Respondent is a Trainee Real Estate Appraiser Licensed Appraiser in the State of Oklahoma, holding certificate number 90053TRA
4. The Board and Respondent consent to the following Unopposed Facts, Unopposed Violations of Law and Agreed Settlement of this matter:

**UNOPPOSED FACTS AS TO COMPLAINT 05-037**

5. On or about August 6, 2002, Respondent Julian Harris (“Respondent”) performed an appraisal of a property located at 14001 Apache Drive, Edmond, Oklahoma 73013, prepared a report of that appraisal (the “report”), and submitted the report to Big Red Mortgage Corporation, 5900 Mosteller Drive, Suite 440, Oklahoma City, Oklahoma 73112.
6. The report had numerous errors, omissions, inaccuracies and/or misrepresentations, which in the aggregate led to a misleading and fraudulent report and artificially inflated the value of the property.
7. The errors included but were not limited to the following, listed in paragraphs 8-14:

8. Respondent traveled outside of the subject property's subdivision when there were eighteen (18) properties sold within the subdivision from August 1, 2001 through August 7, 2002.
9. Respondent list the condition of the subject property as good with an effective age of ten years. However, the property is nineteen (19) years old and the report lists no updating or remodeling of the subject property, which would not constitute a good condition property.
10. Respondent list the price range of the subject neighborhood as one-hundred ninety thousand dollars and no cents (\$190,000.00) to two-hundred fifty thousand dollars and no cents (\$250,000.00). However, the accurate price range for the subject property's neighborhood is one hundred thousand dollars and no cents (\$100,000.00) to one hundred sixty thousand dollars and no cents (\$160,000.00).
11. The comparable properties utilized by Respondents were superior in quality of construction, design and appeal. Comparables one, two and four are in an area with a homeowners' associations, including a pool, clubhouse, play area, and other superior amenities.
12. Respondent utilized comparables that were four bedroom houses when the subject property is a three bedroom house. Ten of the eighteen homes sold in the same subdivisions as the subject property within a year of the report were three bedroom homes.
13. Respondent determined that the sales comparison approach was the best indicator of the subject property's value, and concluded that the market value of the property was \$229,000.00. This value is reliant upon the inappropriate comparables chosen by Respondents.
14. Respondent cost approach determinations are not accurate and Respondents did not perform the cost approach per Marshall & Swift techniques.
15. A review appraisal of the subject property was performed on or about May 9, 2005.
16. Said review appraisal concluded that the market value of the subject property was one hundred thirty-three thousand dollars and no cents (\$133,000.00).

#### **UNOPPOSED VIOLATIONS OF LAW**

17. That Respondents have violated 59 O.S. § 858-723(A)(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."
18. That Respondents have violated 59 O.S. § 858-723(A)(6) through 59 O.S. §

858-726, in that Respondents violated:

- a) The Conduct and Management Sections of the 2002 Edition of the Uniform Standards of Professional Appraisal Practice Ethics Rule;
- b) The Competency Rule number 2 in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- c) Standard Rule 1 in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- d) Standards Rule 1-1(a) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- e) Standards Rule 1-1(b) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- f) Standards Rule 1-1(c) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- g) Standards Rule 1-2(a) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- h) Standards Rule 1-2(b) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- i) Standards Rule 1- 2(e)(i) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- j) Standards Rule 1-4(a) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- k) Standards Rule 1-4(b)(i) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- l) Standards Rule 1-4(b)(ii) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- m) Standards Rule 1-4(b)(iii) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- n) Standard Rule 2 in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- o) Standards Rule 2-1(a) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- p) Standards Rule 2-1(b) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- q) Standards Rule 2-2(b)(i) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- r) Standards Rule 2-2(b)(ii) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice;
- s) Standards Rule 2-2(b)(iii) in the 2002 Edition of the Uniform Standards of Professional Appraisal Practice; and
- t) Standards Rule 2-2(b)(ix) in the 1999 Edition of the Uniform Standards of Professional Appraisal Practice.

19. That Respondents have violated 59 O.S. § 858-723(A)(7): "Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an

appraisal report or communicating an appraisal."

20. That Respondents have violated 59 O.S. § 858-723(A)(8): "Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal."
21. That Respondents have violated 59 O.S. § 858-723(A)(9): "Willfully disregarding or violating any of the provisions of the Oklahoma Certified Real Estate Appraisers Act or the regulations of the Board for the administration and enforcement of the provisions of the Oklahoma Certified Real Estate Appraisers Act."
22. That Respondents have violated 59 O.S. § 858-723(A)(10): "Accepting an appraisal assignment when the employment itself is contingent upon the appraiser reporting a predetermined estimate, analysis or opinion, or where the fee to be paid is contingent upon the opinion, conclusion or valuation reached, or upon the consequences resulting from the appraisal assignment."
23. That Respondents have violated 59 O.S. § 858-723(A)(13), in that Respondents 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."

#### **UNOPPOSED ALLEGATIONS TO 05-088**

24. That on or about September 28, 2005, an appraisal was conducted by Respondent Julian Harris ("Harris") on a property located at 2008 Silver Fox Drive, Edmond, Oklahoma.
25. Harris is a trainee appraiser who has a professional relationship with Jerry Gill ("Gill") who is a licensed appraiser and has signed as Harris's supervisor on numerous appraisal reports.
26. That on or about September 30, 2005, Harris called Gill for the purpose of notifying him that Harris would be sending him an appraisal that Gill needed to sign as Harris's supervisor and that the mortgage company was needing it expeditiously.
27. The appraisal report was not transmitted to Gill until October 1, 2005. When it arrived, Gill's electronic signature had already been placed on the signature line.
28. Gill later called the mortgage company and was notified that the mortgage company received the appraisal report on September 30, 2005 with Gill's signature on the report.

#### **UNOPPOSED VIOLATIONS OF LAW**

29. That Respondent has violated 59 O.S. § 858-723(A)(6) through 59 O.S. §858-726, in that Respondent violated:
- a) The 2005 Edition of the Uniform Standards of Professional Appraisal Practice Ethics Rule; and
  - b) The Competency Rule in the 2005 Edition of the Uniform Standards of Professional Appraisal Practice;
30. That Respondent has violated 59 O.S. §858-723(A)(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;”
31. That Respondent has violated 59 O.S. §858-723(A)(8): “Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal;”
32. That Respondent has violated 59 O.S. §858-723(A)(9): “Willfully disregarding or violating any of the provisions of the Oklahoma Certified Real Estate Appraisers Act or the regulations of the Board for the administration and enforcement of the provisions of the Oklahoma Certified Real Estate Appraisers Act;”
33. That Respondent has violated 59 O.S. §858-723(A)(9): “Violating any of the provisions in the code of ethics set forth in this act.”

### **AGREED SETTLEMENT**

The Respondent, by affixing his signature hereto, acknowledges that:

34. Respondent’s license is suspended retroactively from October 20, 2005 (the day he unilaterally surrendered his license) through October 20, 2008.
35. Respondent must successfully complete the initial qualifying courses at the trainee appraiser level, 75 hours per the AQB Core Curriculum, from one of the sponsoring organizations of The Appraisal Foundation, and provide certificates of course completion to the administrative office of the Board prior to termination of this suspension.
36. As a condition to termination of the suspension, respondent must provide proof that he has a supervisor in place, and respondent must be supervised for a period of two years following termination of suspension in the manner contemplated by OAC 600:10-1-16.
37. Upon termination of the suspension, respondent must submit a log of all appraisal activity

to the administrative office of the Board on or before the first day of each month, such logs to be submitted for a period of two years, with the further stipulation that such logs be hand signed by both respondent and the supervisor.

38. The Board may direct that sample work product in the form of the work files contemplated by 59 O.S. § 858-729 and the Record Keeping Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice from the appraisal log be furnished to the administrative office of the Board for the purpose of investigation and review throughout the two years that logs are required, with the additional stipulation that true copies of appraisal reports contained in such work files be hand signed by both respondent and supervisor.
39. Respondent may not utilize the electronic signature of his supervisor or any other person in the practice of appraising.

IT IS SO ORDERED on this 3RD day of NOVEMBER, 2006.

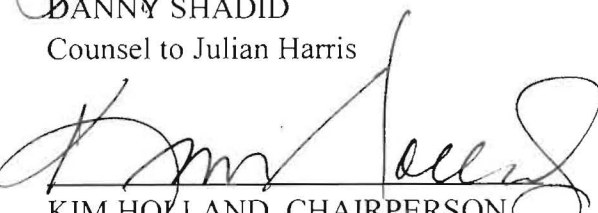
APPROVED BY:

  
JULIAN HARRIS, RESPONDENT

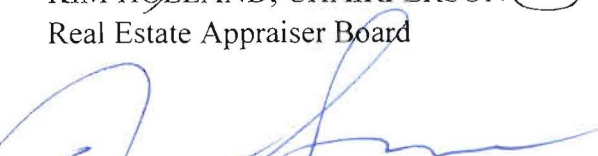
11-2-06  
Date

  
DANNY SHADID  
Counsel to Julian Harris

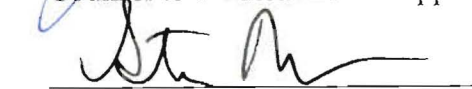
11/2/06  
Date

  
KIM HOLLAND, CHAIRPERSON  
Real Estate Appraiser Board

11-7-06  
Date

  
JOANN STEVENSON, Asst. Attorney General  
Counsel to the Real Estate Appraiser Board

11/6/06  
Date

  
STEPHEN McCALEB  
Real Estate Appraiser Board Prosecutor

11-2-06  
Date



## CERTIFICATE OF MAILING

I, George R. Stirman III, hereby certify that a true and correct copy of the above and foregoing Consent Order was mailed by certified mail, return receipt requested, on the 7th day of November, 2006 to:

Julian L. Harris  
c/o Danny K. Shadid, P.C.  
6307 Waterford Blvd, Ste 133  
Oklahoma City, OK 73118

**VIA CERTIFIED MAIL**  
**7006 0810 0002 6164 4625**

and that copies were mailed by first class mail to:

Betty J. Cagle, Hearing Panel Member, 305 E. Will Rogers Loop, Oologah, OK 74053;  
Rick L. Carlile, Hearing Panel Member, 4407 Briarwood, Enid, OK 73703;  
Robert J. Dunkle, Hearing Panel Member, 1600 E 126<sup>th</sup> St N, Skiatook, OK 74070;  
F. Richard Ellis II, Alternate Panel Member, 7121 S. 297<sup>th</sup> E Ave, Broken Arrow, OK;  
Stephen L. McCaleb, Board Prosecutor, 4800 N. Lincoln Blvd, Oklahoma City, OK 73105; and  
Joann Stevenson, Board Counsel, 4545 N Lincoln Blvd, Ste 260, Oklahoma City, OK 73105.



**GEORGE R. STIRMAN III**, Director  
Real Estate Appraiser Board  
PO Box 53408  
Oklahoma City, OK 73152  
Telephone: (405) 521-6636  
Facsimile: (405) 522-4599

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### COMPLETE THIS SECTION

Items 1, 2, and 3. Also complete Restricted Delivery is desired. Name and address on the reverse can return the card to you. Attach to the back of the envelope. (Full size of 140x100)

used to:

Harris  
y L. Shadid, P.C.  
erford Blvd, Ste 133  
a City, OK 73118

ORDER 06-013 REAB

### COMPLETE THIS SECTION ON DELIVERY

A. Signature

☒

☐ Agent

☐ Addressee

B. Receiver by Printed Name

C. Date of Delivery

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☐ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

service label)

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February 2004

Domestic Return Receipt

102595-02-M-1540