

3. That the Respondent is a State Certified Residential Real Estate Appraiser in the State of Oklahoma holding credential number 10420CRA.

FINDINGS OF FACT

The Board adopts in full the Panel's finding that the following facts were demonstrated by clear and convincing evidence, as follows:

1. That on or about November 1, 2004, Respondent developed an appraisal and wrote an appraisal report ("report") for the property located at 4926 N. Cincinnati Place, Tulsa, Oklahoma ("subject property").

2. That Mr. Larry Stotts, a Certified Residential Appraiser, who has been appraising since approximately 1981, was retained to perform a desk review of Respondent's appraisal report for the subject property, by the client who originally retained Respondent to provide the report on the subject property.

3. Mr. Stotts testified that his review of county record data and prior appraisal data using Market Data Center ("MDC") software indicated that there had been updates to the property increasing its square footage from the 1,474 square feet reported by a prior appraisal and the 1,523 square feet reported by county records to the 2,829 square feet reported by Respondent. Respondent admitted that the property had been updated with an addition, an added second level and a garage conversion, though he did not mention the updates or improvements in his report.

4. Mr. Stotts testified that he also performed a market analysis of the subject property's neighborhood as defined by Respondent. Mr. Stotts also performed market analyses of the one (1) mile quadrant of the subject property defined by section lines, which was larger than and encompassed the neighborhood defined by Respondent, the high school district for the subject property defined by the district boundaries of the high school serving the subject property, and the subdivision in which the subject property was found ("Fair Hill"), respectively.

5. Mr. Stotts' market analysis of multiple listing service (the "MLS") for the subject neighborhood's one-mile quadrant revealed a range of closed sales from \$12,000 to \$67,000.00,

with predominant values in the \$20,000.00 to \$30,000.00 range. Mr. Stotts' subdivision analysis indicated sales from \$12,000.00 from \$58,000.00 (with an expired listing of \$67,000.00). The high school district analysis, which Mr. Stotts indicated would encompass a larger area than the quadrant, revealed a low sale of \$52,500.00 and a high sale of \$125,000.00. Respondent reported that the range of values for the subject neighborhood were \$40,000.00 to \$200,000.00 dollars with a predominant value of \$75,000.00. None of the data in the workfile for the report on the subject property submitted by Respondent in response to a Board subpoena revealed the existence of or any support for homes in the \$200,000.00 range. Respondent and witness Vincent Adams, a certified general appraiser with whom Respondent indicated he had a professional and mentoring relationship, testified that the neighborhood defined by Respondent was too narrow and the value range reported by Respondent was for a larger area more indicative of the market. However, Respondent explained this nowhere in the report. Respondent also testified that there were indeed properties worth \$200,000.00 that and that he could produce evidence of them, but offered no such evidence.

6. Mr. Stotts testified and the market data introduced into evidence all indicated whether the neighborhood was as defined by Respondent in the report or defined by subdivision or the by quadrant, the neighborhood was comprised generally of small homes ranging generally from 800 to 1,200 square feet that sold for far less than the value reported by Respondent for the subject property. Respondent did not report that the subject property was atypically large for the neighborhood, offered no discussion of functionality in his report, and did not report that the market data indicated that the subject property was overbuilt for the neighborhood. Neither Respondent nor his supporting witness Mr. Adams would acknowledge the apparent superadequacy of the subject property relative to its neighborhood, and suggested that the market was established by the fact that Respondent knew of some houses over 2,000 square feet that were not sales. Respondent testified some of houses were passed down generationally. Mr. Adams indicated that North Tulsa was "homogenous" such that the characteristics of the neighborhood of the subject property did not

require more explanation or adjustments to the comparables selected from different neighborhoods because square footage was more important than location. (Respondent used comparables that were 4.55, 3.36 and 3.31 miles away from the subject property, respectively, and were in different subdivisions. Respondent did state in his report that “[s]ales [are] over a mile due to limited sales of similiar [sic] size and quality in area.”)

7. Mr. Adams testified that, although the report could have reported more information, it was not so deficient in explanation to violate USPAP or be misleading. Mr. Adams also testified that USPAP did not require an appraiser to report information if it was available in his workfile. The panel disagrees. The inaccurate reporting and omissions regarding the neighborhood characteristics of the subject property’s neighborhood were important information for the intended user, the lender, which did not have Respondent’s workfile. Respondent’s report was inadequate, inaccurate and misleading.

8. The panel makes no finding regarding whether Respondent failed to respond to requests from Jane Martin for further information regarding comparables or a refund for the borrower.

9. The panel also makes no finding regarding whether there were more suitable comparables available closer to the subject property.

CONCLUSIONS OF LAW

That the Board adopts in full the Panel’s conclusions of law as follows:

That Respondent’s conduct as alleged above is in violation of the following:

1. 59 O.S. § 858-723 C (9).
2. 59 O.S. § 858-723 C (6) by violation of:
 - a. Standard 1 and Standards Rule 1-1(b) and Rule 1-2(e), USPAP, 2004 edition.
 - b. Standard 2 and Standards Rule 2-1(a) & Rule 2-2(b) (iii) & (9), USPAP 2004 edition.

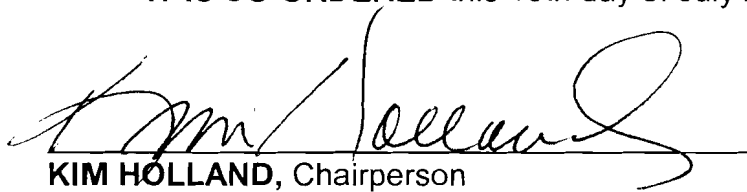
FINAL ORDER

The Board, having adopted in full the Panel's Findings of Fact and Conclusions of Law as set forth above, sets forth the following final order, adopting in part and modifying in part the Panel's recommended disciplinary sanctions:

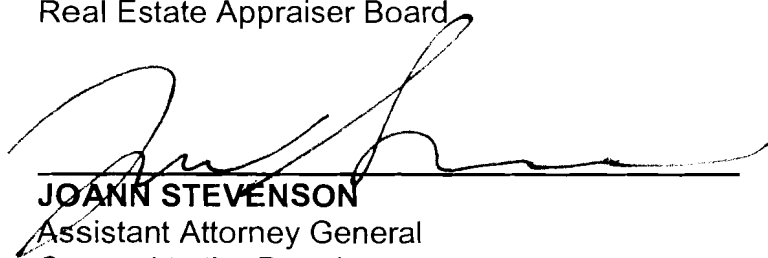
Respondent shall successfully complete, and furnish a certificate of course completion to the administrative office of the Board by not later than November 30, 2007, the following **THIRTY (30) HOUR** corrective education course: "613: Residential Sales Comparison and Income Approaches", from the list of course providers and courses approved by the Board, which may not be used as continuing education and may not be taken online, as self-study, or by any form of distance-learning.

THE BOARD WISHES TO ADVISE THE RESPONDENT THAT HE HAS THIRTY (30) DAYS TO APPEAL THIS ORDER WITH THE APPROPRIATE DISTRICT COURT.

IT IS SO ORDERED this 13th day of July 2007.



KIM HOLLAND, Chairperson
Real Estate Appraiser Board



JOANN STEVENSON
Assistant Attorney General
Counsel to the Board

CERTIFICATE OF MAILING


I, George R. Stirman, III, hereby certify that a true and correct copy of the above and foregoing Board's Decision on Disciplinary Hearing Panel Recommendation was mailed by certified mail, return receipt requested, on the 17th day of July, 2007 to:

Russell McIntosh
PO Box 27821
Tulsa, OK 74149

CERTIFIED MAIL NUMBER
7006 0100 0000 9939 7410

and that copies were mailed by first class mail to:

Richard Riley, 6101 Melrose Lane, Suite 1, Oklahoma City, OK 73102;
Timothy Wolzen, P. O. Box 1143, Choctaw, OK 73020;
James Artman, 4612 Foxbrough Court, Norman, OK 73072;
Jane Martin, JAM Consultants, 110 N. Harrison Street, Alexandria, Indiana 46001;
Sue Wycoff, Moore and Vernier, 301 NW 63rd, Ste 550, Oklahoma City, OK 73118; and
Joann Stevenson, Asst AG, 313 NE 21st St, Oklahoma City, OK 73105.



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