



2. That the proceedings were conducted in accordance with the Oklahoma Real Estate Appraiser Act, 59 O.S. § 858-700 *et seq.*, and the Oklahoma Administrative Procedures Act, 75 O.S., § 301-323.

3. That the Respondent is a State Certified Residential Real Estate Appraiser in the State of Oklahoma holding credential number 12417CRA.

### **FINDINGS OF FACT**

The hearing panel finds that the findings of fact as set forth in the subsequent paragraphs were proved by clear and convincing evidence:

1. On or about May 12, 2003, Frontier Financial Services (the “client”) hired Respondent to appraise a parcel of land located at 18880 South Harvard, Bixby, Oklahoma 74008 (the “subject property”).

2. On or about May 20, 2003, Respondent completed an appraisal on the subject property (the “report”) and submitted it to the client. The effective date of the report is May 20, 2003. Respondent reported a final estimate of value as Six Hundred Fifty One Thousand and 00/100 dollars (\$651,000.00). Respondent indicates on the report that the purpose of the appraisal was for a refinance transaction. Said report was purportedly performed in conformity with the Uniform Standards of Professional Appraisal Practice.

3. The report contained numerous errors, some which appear minor, but in the aggregate, led to an inflated value of the subject property and a misleading report. These errors include, but are not limited to, the following:

4. The legal description of the property indicates that its total acreage is approximately twenty two (22) acres. The report states on page four (4) of twenty three (23) that the subject’s site size is four (4) acres. In the adjustment grid located on page five (5) of twenty three (23), the report states that the subject site is five (5) acres. Respondent fails to adequately explain and reconcile the acreage size discrepancies. Respondent testified that he was instructed

by the client only to assign value to the 4 or 5 acre portion of the property upon which the subject improvement sat, but Respondent did not explain this in his report which made the report misleading as evidenced by litigation that indicated that the discrepancy in the report compounded confusion regarding what was actually encumbered by the lender.

5. Respondent listed the subject as a two (2) story house and the size of the gross living area of the subject as four thousand seven hundred forty seven (4,747) square feet. The Tulsa County Assessor's records show the house to be a one and a half (1.5) story house and the size to be four thousand and seventy-two (4,072) square feet. The discrepancy between the county records and the square footage stated in the report is not explained by Respondent. The size discrepancy, at the Respondent's estimated cost of One Hundred Six and 92/100 dollars (\$106.92) per square foot, as calculated in his cost approach analysis, is a value difference of Seventy Two Thousand One Hundred Four and 00/100 dollars (\$72,104.00). Respondent indicated that there was a sketch in the report submitted to the client and in his workfile to justify the square footage he reported, but the evidence showed that Respondent created the sketch later in time than the subject report and dishonestly testified that it existed at the time and was submitted with the report.

6. In his cost approach, Respondent's analysis produced an inflated value. Respondent states that he used Marshall & Swift in the cost approach. However, Marshall & Swift does not support his price per square foot and ultimately his indicated value by cost approach.

7. Respondent, in the cost approach, valued the subject site at Forty Five Thousand and 00/100 dollars (\$45,000.00), a value of Nine Thousand and 00/100 dollars (\$9,000.00) per acre. However, in the sales comparison analysis he adjusts One Thousand and 00/100 dollars (\$1,000.00) per acre for site size differences. These values per acre do not correlate and Respondent failed to explain his analysis in the report.

8. Respondent's One Hundred and 00/100 dollars (\$100.00) per year adjustments as to the age difference of the comparables does not appear to be supported. Further, as the subject property is reportedly a one year old house, Respondent should have used comparables more

similar in age. The comparables he chose had an age difference of three (3), ten (10) and twenty-seven (27) years.

9. In the gross living area adjustments, Respondent adjusted Eighteen and 00/100 dollars (\$18.00) per square foot, which appears to be insufficient and thus inflated the value of the subject property.

10. Respondent did not explain how he arrived at the indicated value by sales comparison approach.

11. The comparables Respondent chose appear to be so dissimilar to the subject property based on photographs of the properties and the quality rating given to them by the county assessor's office that Respondent should have either chosen better comparables or explained, as the evidence, including Respondent's own comparable research and selection and testimony by Larry Nelson, the appraiser who reviewed the subject appraisal, indicated, that the subject property was atypical in design and appeal.

12. Respondent states in the report that the appraisal is made subject to completion per plan & specifications, but later states in the report that the subject property was built in 2002.

13. Respondent, with an effective date of April 3, 2002, appraised the same subject property. At that time, he estimated the value of the property to be Five Hundred Fifty Seven Thousand and 00/100 dollars (\$557,000.00). Based upon the May 20, 2003 report, the value of the subject property increased by Ninety Four Thousand and 00/100 (\$94,000.00). Respondent failed to explain any reason(s) for the substantial increase in value. Respondent argued that he had different and "better" comparables for the latter report, but as pointed out above, Respondent's comparable selection was flawed, the report was replete with so many other errors, and in light of Respondent's untruthful testimony regarding his property sketch, the Panel finds that Respondent's justification is not credible.

### **CONCLUSIONS OF LAW**

That the Board adopts in full the Panel's conclusion that it was proven by clear and convincing evidence that Respondent's conduct was in violation of the following:

1. That Respondent has violated 59 O.S. § 858-723(A)(6) through 59 O.S. §858-726, in that Respondent violated:

A) The Conduct and Management Sections of the Uniform Standards of Professional Appraisal Practice Ethics Rule;

B) The Competency Rule of the Uniform Standards of Professional Appraisal Practice;

C) Standards Rule 1 of the Uniform Standards of Professional Appraisal Practice;

D) Standards Rule 1-1 of the Uniform Standards of Professional Appraisal Practice;

E) Standards Rule 1-2 of the Uniform Standards of Professional Appraisal Practice;

F) Standards Rule 1-3 of the Uniform Standards of Professional Appraisal Practice;

G) Standards Rule 1-4 of the Uniform Standards of Professional Appraisal Practice;

H) Standards Rule 1-5 of the Uniform Standards of Professional Appraisal Practice;

I) Standards Rule 1-6 of the Uniform Standards of Professional Appraisal Practice;

J) Standards Rule 2 of the Uniform Standards of Professional Appraisal Practice;

K) Standards Rule 2-1 of the Uniform Standards of Professional Appraisal Practice; and

L) Standards Rule 2-2 of the Uniform Standards of Professional Appraisal Practice.

2. That Respondent has 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."

3. 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."

4. 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."

5. That Respondent has violated 59 O.S. § 858-723(A)(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."

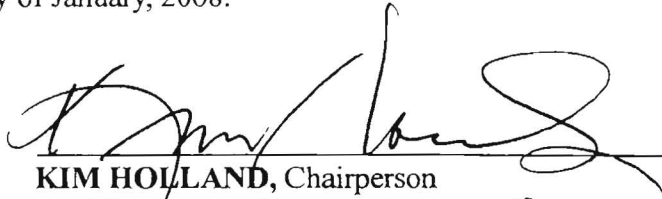
### **FINAL ORDER**

The Board, having adopted the Findings of Fact and Conclusions of Law, as set forth above, sets forth the following final order:

**That Respondent's appraisal credential be reduced to the status of State Licensed Appraiser, and that Respondent's appraisal practice be supervised in accordance with the guidelines in Board Rule OAC 600:10-1-16 by a supervisor approved by the Board until such time as Respondent applies for and is granted an upgrade, under the January 1, 2008, Appraiser Qualifications Board criteria as a State Certified Residential or State Certified General Appraiser with qualifying education obtained from one of the sponsoring organizations of the Appraisal Foundation.**

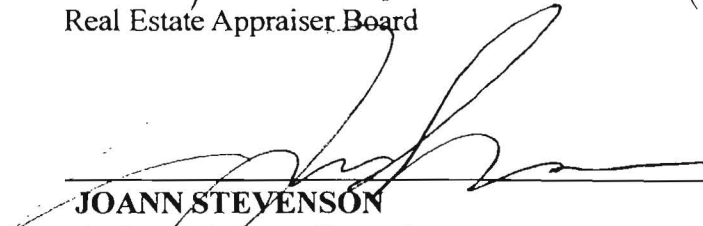
**THE BOARD WISHES TO ADVISE THE RESPONDENT THAT HE HAS THIRTY (30) DAYS TO APPEAL THIS ORDER WITH THE APPROPRIATE DISTRICT COURT.**

IT IS SO ORDERED this 10 day of January, 2008.



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**KIM HOLLAND**, Chairperson  
Real Estate Appraiser Board



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**JOANN STEVENSON**  
Assistant Attorney General  
Counsel to the Board

**CERTIFICATE OF MAILING**

I, Christine McEntire, hereby certify that a true and correct copy of the above and foregoing Board's Decision on Disciplinary Hearing Panel Recommendations was mailed postage prepaid by certified mail with return receipt requested on this 10 day of January, 2008 to:

**Tracy A. Streich**  
4111 S. Darlington, #120  
Tulsa, Oklahoma 74135

**CERTIFIED NUMBER**  
7002 2410 0001 7593 4289

and that copies were mailed to:

**James R. Artman**  
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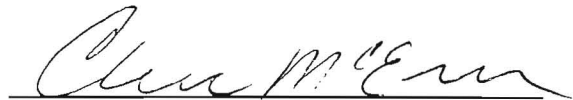
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