

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

In the Matter of <b>FRANK J. HENDRICKSON</b> ,	)	
	)	Complaint #08-031
Respondent.	)	
Disciplinary Hearing	)	

**BOARD’S DECISION ON DISCIPLINARY  
HEARING PANEL RECOMMENDATION**

**ON THE** 10th day of July, 2009, the above-numbered and entitled cause came on for hearing before the Oklahoma Real Estate Appraiser Board (the “Board”). The Disciplinary Hearing Panel (the “panel”) making the recommendation consisted of three members, Scott C. Goforth, Norman J. Jack Houston., and Dana L. Norton. Dana L. Norton was elected and served as Hearing Panel Chairman. 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. The Respondent, Frank J. Hendrickson, appeared pro-se, after having been mailed a copy of the Notice of Disciplinary Proceedings and Appointment of Hearing Panel by certified mail with return receipt requested pursuant to the Oklahoma Certified Real Estate Appraisers Act, 59 O.S. § 858-724, and the Oklahoma Administrative Procedures Act, 75 O.S. §§250-323.

The Board, being fully advised in the matter, makes the following Order adopting the Panel’s Recommendation:

**JURISDICTION**

1. That the Oklahoma Real Estate Appraiser Board has jurisdiction of this cause, pursuant to the provisions of the Oklahoma Certified Real Estate Appraisers Act, 59 O.S. § 858-700 *et seq.*
2. That the proceedings were conducted in accordance with the Oklahoma Certified Real Estate Appraisers Act, 59 O.S. § 858-700 *et seq.*, and the Oklahoma Administrative Procedures Act, 75 O.S., § 250-323.

3. That Respondent Frank J. Hendrickson is a State Licensed Real Estate Appraiser in the State of Oklahoma, holding certificate number 11234SLA and was first credentialed by the Oklahoma Real Estate Appraiser Board on March 29, 1994.

### **FINDINGS OF FACT**

The Board adopts in full the findings of fact which were stipulated to by the parties and were proven by clear and convincing evidence:

1. In January of 2003, True Trust Mortgage (the "client") hired Frank Hendrickson ("Hendrickson") to appraise a parcel of property located at 18040 E. 613 Road, Inola, Oklahoma (the "subject property").

2. On or about January 13, 2003, Hendrickson completed an appraisal on the subject property (the "appraisal"). The appraisal's date of appraised value was reported as January 13, 2003. Respondent reported a final estimate of value as One Hundred Thousand Dollars and 00/100 (\$100,000.00). The report was submitted to the client.

3. Said appraisal states in the appraiser's signed certification that the appraiser's analyses, opinions and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice ("USPAP").

4. The report contained numerous errors which in the aggregate led to an inflated market value of the subject property. Some of the errors include, but are not limited to, the following paragraphs 5-10.

5. Respondents' comparables were superior to the subject property and Respondent ignored and failed to analyze adequate sales within the subject market area.

6. Respondent reports he uses Marshall & Swift to determine his cost per square foot under the cost approach. However, the amount used per square foot is not consistent with Marshall & Swift, is inflated and is misleading.

7. Respondent reported that the driveway is concrete when in fact it is gravel.

8. Information contained in the neighborhood section was not complete and accurate in that:

- a. The neighborhood was rural, not suburban.
- b. The values were not stable, but were increasing.
- c. The neighborhood property ages should have been reported as new to 50 years of age, rather than new to 100 years as reported by the Respondent.

9. Respondent failed to make appropriate adjustments to the comparables as follows:

- a. On comp # 2, Respondent failed to make a required adjustment for site size.
- b. On comp #3, Respondent made an insufficient adjustment for site size.
- c. On Comps #2 and 3, Respondent made an inadequate adjustment for car storage.

10. Respondent failed to correctly identify the scope of work necessary in that he failed to use the resources that would represent what his peers' actions would be in performing this assignment, thus failing to exercise reasonable diligence in developing the appraisal.

11. Testimony was received from a review appraiser related to a retrospective review appraisal report of the subject report. During his testimony Respondent offered nothing specific to refute the findings of the review appraisal or the testimony of the review appraiser. Accordingly, the panel finds both the review appraiser and her review appraisal report credible.

### **CONCLUSIONS OF LAW**

The Board adopts in full the conclusion of the Hearing Panel that said conduct by the Respondent is in violation of:

1. 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."

2. That Respondent has violated 59 O.S. § 858-723(A)(6) through 59 O.S. §858- 726: "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.”, in that Respondent certified that the report was USPAP compliant, but violated:

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

B) The Competency Rule of the Uniform Standards of Professional Appraisal Practice in that he failed to attempt to find or use all resources required for collection and verification of data;

C) Standards Rules 1, 1-1, 1-2, 1-3, 1-4, 1-5, 1-6, 2, and 2-1 of the Uniform Standards of Professional Appraisal Practice.

3. 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."

4. 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."

5. 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."

6. 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 accepting the recommendation of the Hearing Panel as follows:

1. Respondent's appraisal credential be **SUSPENDED** for a period of **THIRTY (30) DAYS** from the date of any order of the Board adopting this recommendation. Such suspension shall be in accordance with Board Rule OAC 600:15-1-15.

2. Respondent shall successfully complete corrective education as follows:

- **THIRTY (30) HOURS** identified as Course #613, Residential Sales Comparison and Income Approaches; and

This course must be completed with a copy of the certificate of course completion transmitted to the administrative office of the Board within **SIX (6) MONTHS** from the date of any Board order accepting this recommendation. The course taken to satisfy this requirement may not be used to satisfy any requirement for continuing education for certificate renewal.

3. Respondent's credential shall be subject to a period of probation of **SIX (6) MONTHS** beginning at the date of termination of the aforementioned period of suspension under the following terms and conditions:

- Respondent shall submit a log on REA Form 3 of all appraisal activity in which he engages to arrive in the administrative office of the Board by not later than the fifth day of each month regardless of whether appraisal activity has occurred.
- The Board staff may select any work product from any log submitted and require that Respondent forward a true copy to the Board's administrative office for review within five days of the request.

4. Should Respondent fail to satisfy any of the above requirements on a timely basis, Respondent's appraisal credential shall be suspended without further Board action until successful completion of said requirements.

**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<sup>th</sup> day of July, 2009



A handwritten signature in black ink, appearing to read "Kim Holland". The signature is written in a cursive style and is positioned above a horizontal line.

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

A handwritten signature in black ink, appearing to read "Bryan Neal". The signature is written in a cursive style and is positioned above a horizontal line.

**BRYAN NEAL**  
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 Recommendation was mailed postage prepaid by certified mail with return receipt requested on this 21 day of July, 2009 to:

**Frank Hendrickson**  
1403 Maxey Drive  
Muskogee, OK 74403-1102

**CERTIFIED NUMBER**  
7008 3230 0000 8455 2427

and that copies were mailed to:

**Dana L. Norton, Hearing Panel Officer**  
2605 Forest Glen Drive  
Choctaw, Oklahoma 73020

**Scott C. Goforth, Hearing Panel Officer**  
3705 West Memorial Road, Suite 306  
Oklahoma City, Oklahoma 74802

**Norman J. Houston, Hearing Panel Officer**  
2727 Silvertree Drive  
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**Christine McEntire, Legal Secretary**