



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 2007, Sequoyah Mortgage (the “client”) hired Frank Hendrickson (“Hendrickson”) to appraise a parcel of property located at 204 South 5<sup>th</sup> Street, Eufaula, Oklahoma (the “subject property”).

2. On or about May 21, 2007, Hendrickson completed an appraisal on the subject property (the “appraisal”). The appraisal’s date of appraised value was reported as May 16, 2007. Respondent reported a final estimate of value as Eighty-Five Thousand Dollars and 00/100 (\$85,000.00). The report was submitted to the client and was for the purpose of refinancing the subject property.

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 5-13.

5. Respondent failed to provide an adequate neighborhood description in the appraisal and failed to explain the omission of a neighborhood description narrative statement.

6. Respondent’s predominate value of properties in the neighborhood was inflated and the highest valued property in the neighborhood was inflated in the appraisal as well.

7. Respondent failed to list the site dimensions in the appraisal.

8. Respondent failed to analyze the prior sale of the subject property less than two years prior to respondent's appraisal and explain the very substantial difference between the prior sale price and his estimate of value.

9. Sales comparable to the subject property were available but not chosen by Respondent.

10. The subject property's appraised value was \$80.19 per square foot while the comparables selected all superior to the subject property, ranged from \$60.06 per square foot to \$65.50 per square foot.

11. There was no support for Respondent's \$10 per square foot adjustment for gross living area when Respondent derived \$82.00 per square foot of the subject property.

12. Respondent's site value adjustment on comparable number one is unsupported.

13. Respondent's age adjustments are not consistent and Respondent failed to offer explanation or support for the adjustments made.

14. Respondent failed to correctly apply his credential number to the report.

15. Respondent received a copy of the Notice of Disciplinary Proceedings and Appointment of Hearing Panel on February 26, 2009, constituting proper service of notice.

16. The hearing panel found by clear and convincing evidence that the conduct in the preceding paragraphs constitutes gross negligence.

### **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(C)(6) through 59 O.S. §858- 726, in that Respondent violated:

A) The Conduct Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice;

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

C) The Scope of Work Rule of the Uniform Standards of Professional Appraisal Practice;

D) Standard 1 and Standards Rules 1-1, 1-2(e)(i), 1-2(h), 1-3(a), 1-4(a), 1-4(b), 1-4(c), 1-5, and 1-6,

E) Standard 2, 2-1(a), 2-1(b), 2-2(b)(iii), 2-2(b)(viii), 2-2(b)(ix), and 2-2(b)(xi), of the Uniform Standards of Professional Appraisal Practice.

2. That Respondent has violated 59 O.S. § 858-723(C)(6): "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."

3. That Respondent has violated 59 O.S. § 858-723(C)(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(C)(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(C)(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(C)(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."

7. That Respondent has violated 59 O.S. § 858-723(C)(6) by violating 59 O.S. §858-719(B).

### **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 in part and modifying in part the recommendation of the Hearing Panel as follows:

1. Respondent's appraisal credential be **SUSPENDED** for a period of not less than **SIX (6) MONTHS** to begin on the day following termination of the period of suspension ordered by Order #09-015 in Complaint #08-031. Terms and conditions of this suspension shall be as set forth by Board Rule, OAC 600:15-1-15.

2. That Respondent may not reinstate his credential until:

Respondent successfully completes corrective education as follows:

- the **FIFTEEN (15) HOUR** National USPAP Course, course #600;
- the **FIFTEEN (15) HOUR** Residential Report Writing and Case Studies course, Course #614; and
- the **THIRTY (30) HOUR** Basic Appraisal Procedures course, Course #602.

All courses must be successfully completed with copies of the certificates of course completion transmitted to the administrative office of the Board. The courses must be tested, must be provided by a course provider other than the provider who provided Respondent's original courses, and must be live courses, attended in-person by Respondent (not distance and/or correspondence courses). Corrective education as required above may not be used as continuing education for the purpose of credential renewal.

3. Respondent shall pay an administrative fine in the amount of one thousand dollars (\$1,000.00).

**SAID SUSPENSION IS TO RUN CONSECUTIVE TO THE SUSPENSION RENDERED IN COMPLAINT 08-031 ORDERED THIS SAME DATE.**

**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", written over a horizontal line.

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

A handwritten signature in black ink, appearing to read "Bryan Neal", written over 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:

**Brett M. Brown, Hearing Panel Officer**  
1601 W. English Way  
Mustang, Oklahoma 73064

**H.E. Ted Smith, Hearing Panel Officer**  
P.O. Box 362  
Stillwater, Oklahoma 74076

**William F. Stephens, Jr., Hearing Panel Officer**  
P.O. Box 871  
Paul's Valley, Oklahoma 73075

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**Christine McEntire, Legal Secretary**