

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

In the Matter of ANGELIA MICHELLE LANDERS)	
)	Complaint #19-006
Respondent.)	

**BOARD'S DECISION AS TO
DISCIPLINARY HEARING PANEL RECOMMENDATION**

NOW ON THIS 10th day of January 2020 the above-numbered and entitled cause came on for hearing before the Oklahoma Real Estate Appraiser Board (“Board” or “OREAB”) following a disciplinary hearing held on November 18, 2019. The Board was represented by a Disciplinary Hearing Panel composed of three (3) appraiser members, Michael C. Prochaska of Chickasha, Oklahoma, Jon Wright of Bethany, Oklahoma, and Michael G. Stacy of Edmond, Oklahoma, each of whom is a current Member of the Board’s Standards and Disciplinary Procedures Committee. Michael G. Stacy was elected and served as Hearing Panel Chairman at the hearing. The Hearing Panel was represented by the Board’s attorney, Assistant Attorney General Bryan Neal. The case was prosecuted by the Board’s Prosecutor, Stephen McCaleb. On behalf of the Board, Mr. McCaleb elected to have this matter recorded by electronic device and to rely on the electronic recording.

The Respondent, Angelia Michelle Landers, whose mailing and business address is P. O. Box 1716, Sallisaw, Oklahoma 74955 (the “Respondent” or “Landers”), having been mailed a copy of the Notice of Disciplinary Proceedings and Appointment of Hearing Panel in Complaint No. 19-006 (the “Notice”), by first class U.S. certified mail with return receipt requested to her then-last known mailing and business address, on October 11, 2019, pursuant to the Oklahoma Certified Real Estate Appraisers Act, 59 O.S. § 858-724, and the Administrative Procedures Act, 75 O.S. §§250-323, that was available for pickup by Respondent in the post office in Sallisaw, Oklahoma, on October 15,

2019, and was returned to sender as unable to be forwarded as verified by the USPS Tracking History Sheet provided by representatives of the U.S. Postal Service for the Notice to the Board and a copy of an email from the Board to the Respondent dated October 23, 2019, with a cover letter of explanation and a courtesy copy of the Notice attached, addressed to an email address used by the Respondent in connection with two prior Consent Orders issued by the Board to the Respondent, to which Notice which Respondent failed to appear at the hearing in person and was not represented in the hearing by an Attorney.

In response to a question from the Board's Hearing Panel Counsel, the Board's Prosecutor indicated that he had had no contact with the Respondent about the hearing. Also in response to a question from the Board's Hearing Panel Counsel, the Board's Director, Christine McEntire, stated that she too had received no communications from the Respondent, Angelia Michelle Landers, about the hearing.

PRELIMINARY MATTERS

In light of the absence of Respondent or any Attorney appearing on her behalf, the Board's Prosecutor informed the Hearing Panel that, under the Board's Rules OAC 600: 15-1-12 for a Failure to Appear, the Hearing Panel could proceed with this matter as a Default due to the absence of Respondent and the Board's Prosecutor moved for a Default. The Board's Prosecutor noted that under Board Rule OAC 600:15-1-12, that the allegations against the non-appearing Respondent may be deemed admitted and an appropriate sanction recommended.

The Respondent (who was absent) did not submit any documents for admission as evidence in this matter. Further, no party in these proceedings requested that a court reporter record this matter and no party to these proceedings submitted any proposed findings of fact or proposed conclusions of law to the Disciplinary Hearing Panel for its consideration.

WITNESS AND EVIDENCE PRESENTED

The Board's Prosecutor presented one (1) witness in support of the case against the Respondent: Christine McEntire, the Board's Director.

The Respondent, who was absent, presented no defense.

The Board's Prosecutor called the Board's Director, Christine McEntire, to testify as the Board's witness.

The evidence presented by the Board's Prosecutor as to the Respondent's service of Notice consists of:

Exhibit A, a copy of the Board's records as to the Respondent with personal data including her mailing and business address;

Exhibit B, a copy of the USPS Tracking History Sheet provided by representatives of the U.S. Postal Service for the notification to the Board showing that a copy of the Notice of Disciplinary Proceedings and Appointment of Hearing Panel in Complaint No. 19-006 (the "Notice"), was mailed by first class U.S. certified mail with return receipt requested to the Respondent's then-last known mailing and business address, on October 11, 2019, that was subsequently available for pickup by Respondent in the post office in Sallisaw, Oklahoma, on October 15, 2019, and was returned to sender as unable to be forwarded as verified by the aforesaid USPS Tracking History Sheet; and,

Exhibit C, a copy of an email from the Board to the Respondent dated October 23, 2019, with a cover letter of explanation and a courtesy copy of the Notice attached, addressed to the Respondent at an email address used by the Respondent in connection with two prior Consent Orders issued by the Board to the Respondent.

Christine McEntire Testimony (Summary)

Upon being duly sworn, Ms. McEntire testified that she is the Director of the Board, she has

been the Board's Director since 2011, that she had worked for the Board since 2007, and that in her capacity as the Director she is involved with, assists and oversees the appraiser disciplinary process on behalf of the Board. According to Ms. McEntire, applicants for licensure by the Board provide their address of record and are to provide updates of such address.

The Board's Prosecutor provided a copy of Exhibit A to Ms. McEntire, who identified Exhibit A as a copy of the Board's 14 screen for the Respondent which are records as to the Respondent with personal data including her mailing address of P. O. Box 1716, Sallisaw, Oklahoma 74955. Ms. McEntire stated that the Board mailed the Notice to the Respondent on October 11, 2019, by first-class U.S. Mail, certified with return receipt requested.

Exhibit A was admitted into evidence without objection.

The Board's Prosecutor provided a copy of Exhibit B to Ms. McEntire, who identified Exhibit B as the USPS Tracking History Sheet provided by representatives of the U.S. Postal Service for the notification to the Board that the Notice sent to the Respondent by certified mail was available for pickup by the Respondent in the post office in Sallisaw, Oklahoma, on October 15, 2019, and was later returned to sender (Board) as unable to be forwarded as verified by the aforesaid USPS Tracking History Sheet.

Exhibit B was admitted into evidence without objection.

The Board's Prosecutor provided a copy of Exhibit C to Ms. McEntire, who identified Exhibit C as a copy of an email from the Board to the Respondent dated October 23, 2019, with a cover letter of explanation that the Notice had not been signed for since it was first given by certified mail on October 15, 2019, that a courtesy copy of the Notice was attached and that the email to the Respondent was addressed to the Respondent at an email address used by the Respondent in connection with two prior Consent Orders issued by the Board to the Respondent and the same email address provided to

the Board by the Respondent on her licensure renewal forms for the past several years. Ms. McEntire stated that the service of Notice to the Respondent was proper.

Exhibit C was admitted into evidence without objection.

Subsequent to the testimony of Ms. McEntire, the Board's Hearing Counsel noted that service of notice through the Notice to the Respondent was proper.

The Board's Prosecutor, Mr. McCaleb, announced that he had an Exhibit Book with five (5) exhibits that he identified and marked as Exhibits 1, 2, 3, 4, and 5, respectively.

Exhibit 1 consisted of a document Mr. McCaleb identified to be the Grievance from the Board staff together with the subject appraisal report of the Respondent.

Exhibit 2 consisted of a document Mr. McCaleb identified to be the Respondent's appraisal report as provided through subpoena by the client Armstrong Bank.

Exhibit 3 consists of a document summarizing discrepancies between the appraisal submission of the Respondent on January 19, 2019, and the documents submitted by the client Armstrong Bank under subpoena on December 28, 2018.

Exhibit 4 consisted of two prior Consent Orders of the Respondent; Consent Order #18-019 dated October 3, 2018; and, Consent Order #17-004, dated March 1, 2017.

Exhibit 5 consists of documents prepared by the Board's contract Appraiser Examiner.

The Board's Prosecutor subsequently moved for the admission of the Exhibit Book's five (5) exhibits for the Board marked as Exhibits 1, 2, 3, 4, and 5, respectively, to which there was no objection by the Respondent who was absent. Accordingly, the five (5) exhibits were admitted into evidence.

The Board's Prosecutor, Mr. McCaleb, moved for a Default in this matter under the Board's Rules OAC 600:15-1-12 entitled "Failure to appear" for a failure to appear. The Board's Prosecutor

presented his recommendation that, based upon the Respondent's default through a failure to appear after proper service and that the allegations of the Notice be deemed admitted, the Respondent's credential as a Certified Residential Appraiser should be revoked.

The Respondent did not file a Request for Oral Argument and did not appear at the Board Meeting to address the Disciplinary Hearing Panel Recommendation.

JURISDICTION

1. The OREAB has the duty to carry out the provisions of the Oklahoma Certified Real Estate Appraisers Act as set forth at Title 59 of the Oklahoma Statutes, §§858-701, *et seq.* and to establish administrative procedures for disciplinary proceedings conducted pursuant to the provisions of the Oklahoma Certified Real Estate Appraisers Act.

2. The OREAB has promulgated rules and regulations to implement the provisions of the Oklahoma Certified Real Estate Appraisers Act in regard to disciplinary proceedings as set forth at the Oklahoma Administrative Code, §§600:15-1-1 thru 600:15-1-22, including administrative hearings.

3. The Respondent, ANGELIA MICHELLE LANDERS, is a Certified Residential Appraiser ("CRA") in the State of Oklahoma, holding certificate number 12562CRA and was first licensed with the Oklahoma Real Estate Appraiser Board on November 10, 2003.

FINDINGS OF FACT

The Board hereby adopts in full the Findings of Fact of the Disciplinary Hearing Panel as follows:

1. The Respondent, ANGELIA MICHELLE LANDERS, is a Certified Residential Appraiser in the State of Oklahoma, holding certificate number 12562CRA and was first licensed with the Oklahoma Real Estate Appraiser Board on November 10, 2003.

2. In January of 2019, the Respondent was hired by Armstrong Bank, Muskogee, Oklahoma (the “client”) to complete an appraisal (the “appraisal”) for a property located at 415 N. Shiloh Road, Sallisaw, Oklahoma 74955 (the subject”). The Respondent completed the appraisal and transmitted the appraisal report (the “appraisal report”) with an effective date of January 19, 2019.

3. The Respondent committed a series of errors in the appraisal report which led to a misleading, confusing, and non-credible appraisal report. These errors include, but are not limited to, the following in paragraphs 4-37.

GENERALLY

4. The site dimensions reported in the appraisal report for the subject were “130’ x 300’ ” square feet, however the metes and bounds legal description indicates there is a shorter measurement. Additionally, Multi-List Service (MLS) Realist County Record indicates the lot area to be 60,113 square feet or 1.38 acres rather than 37,500 square feet or .86 acres as reported. The Respondent failed to explain the apparent discrepancy in the County Record.

5. Although the appraisal report included an opinion of Highest and Best Use, it failed to summarize the support and rationale for that opinion.

DESCRIPTION OF IMPROVEMENTS

6. Relevant characteristics of improvements and any effect they have on value were not adequately described.

7. Relevant conditions or depreciation (physical, functional or external) factors that affect the improvements were not reported and analyzed.

8. According to the sketch in the appraisal report, the subject’s utility room and

storage area are accessed from the garage only; however the Respondent included these areas in the Gross Living Area (GLA) without explanation. The GLA without the utility room and storage area is 1,372 square feet, 1,540 square feet when the utility room and storage area are included. The County Assessor reports 1,519 square feet of GLA. The Respondent made *subject to the repairs or alterations* on the basis of a hypothetical condition that the repairs or alterations have been completed, therefore, if the storage area and utility room include HVAC, then the Respondent could have included in the list of repairs the installation of a doorway from the dining room to the utility room, and from the utility room to the storage room, or apply functional utility adjustment to the utilized comparables in order to represent market reaction to the cost to install these interior doorways.

9. Considering that the Respondent has provided an accurate effective age and remaining life for the subject within the Cost Approach, the Respondent failed to discuss the possible REO “Sigma” (Functional or External Depreciation depending on how it is viewed) which is apparently suffered by the property, as evidenced by the disparity between the indicated value by Cost Approach of \$145,654 versus the appraised value of \$115,000.

COST APPROACH

10. The site value was not developed by an appropriate appraisal method or technique.
11. Cost estimates were not analyzed and supported.
12. The Respondent failed to identify and correctly analyze depreciation items (physical, functional, external).
13. The Respondent failed to correctly employ recognized methods and techniques.
14. The Respondent failed to provide examples of the lot sales, even though lot sales

were reported to have been utilized to develop the site value, and were included in the Respondent's work file. The following was included in the appraisal report: "The price per acre in this area ranges from a low of \$2,750 per acre to a high of \$4,500 per acre. The complete list of land sales is maintained in the appraiser's work file. This makes for a price per acre \$3,625. The subject site is .89 acre \$3,625 per acre = \$3,226.25 or \$3,227 (Rounded)."

15. The Respondent failed to discuss the possible REO "Sigma" (Functional or External Depreciation depending on how it is viewed) which is apparently suffered by this property, as clearly evidenced by the disparity between the indicated value by Cost Approach of \$145,654 versus the appraised value of \$115,000.

16. The Respondent failed to discuss Functional Obsolescence in the event the storage and utility rooms, currently accessed from the garage only (per Respondent's sketch), are heated and ventilated such that installation of doors or doorways from interior ingress/egress would accurately classify those areas as gross living area. In its current configuration, the subject property appears to have 1,372 square feet of Gross Living Area (GLA) with a 609 square foot garage which includes a storage room and utility room (unknown if ventilated), rather than 1,540 square feet of GLA with a 441 square foot garage, as reported.

SALES COMPARISION APPROACH

17. The Respondent failed to analyze comparable sales data and use appropriate appraisal methods and techniques that support the conclusions.

18. The Respondent did not adequately collect, verify, and report comparable sales.

19. Adequate reasoning was not provided for adjustments, analysis, opinions, and conclusions.

20. The Respondent did not correctly employ recognized methods and techniques.

21. The GLA discrepancies were not explained.

22. The Respondent reported that the GLA adjustment figure was determined as “Paired Market Analysis indicates an appropriate square foot adjustment to by \$24.00 per SF”. However, this figure seems understated or otherwise inconsistent with the method of “Paired Sales Analysis”, when a knowledgeable reader of the appraisal report can see that a higher GLA adjustment applied to Sale 3 would have resulted in a much higher GLA adjustment applied to Sale 3 would have resulted in a much lighter adjusted value spread across the grid (a simplified explanation of Paired Sales Analysis), not to mention the disparity between the GLA adjustment figure of \$24 and the base cost of \$82.72 in the Cost Approach.

INCOME APPROACH

23. Exclusion of the Income Approach was not supported.

24. The Respondent reported “This approach is considered to be not applicable due to the lack of rental units and data in the subject neighborhood. Also, the home is not income producing.” However, the appraisal should have included a best practices statement in the Scope of Work such as “The development of the Income Approach was not necessary in order to arrive at a credible market value.”

FINAL RECONCILIATION

25. The quality and quantity of data available and analyzed within the approaches used were not adequately reconciled.

26. The applicability and suitability of the approaches used to arrive at the value conclusions were not adequately reconciled.

27. The value was not appropriately identified (date, extraordinary assumptions, hypothetical conditions).

28. The Respondent failed to disclose GLA discrepancies on Sales 1 and 2, and failed to disclose and analyze the prior sale of Sale 1.

29. The value was not appropriately identified. The Respondent failed to include a list of lot sales so that the reader or reviewer of the appraisal report could verify and analyze them for accuracy of the site adjustments or lack of adjustment.

CONCLUSION (AS TO FINDINGS OF FACT FROM THE NOTICE)

30. The appraisal results were not conveyed in an appropriate manner.

31. The Respondent does not appear to understand the appraisal process.

32. The appraisal report does not contain sufficient information to enable the client and intended user who receive or rely on the appraisal report to understand it properly.

33. The Respondent's determination of subject GLA was not conveyed in an appropriate manner. According to the sketch in the appraisal report, the subject's utility and storage rooms are accessed from the garage only, however the Respondent included these areas in GLA without explanation, and failed to include photographs of these rooms.

34. Additional matters which may affect marketability, were not explained in the Cost

35. Approach or Sales Comparison Analysis. The Respondent failed to discuss possible REO "Sigma" (Functional or External Depreciation depending on how it is viewed) which may be suffered by the subject property, as clearly evidenced by the disparity between the indicated value by Cost Approach of \$145,654 versus the appraised value of \$115,000. Additionally, the Respondent failed to indicate if any of the utilized sales include any areas within their GLA's that can only be accessed through non-GLA areas, like the subject.

36. The Respondent failed to disclose GLA discrepancies on subject, Sales 1 and 2.

37. The Respondent failed to disclose and analyze the prior sale of Sale 1.

CONCLUSIONS OF LAW

The Board hereby adopts in full the Conclusions of Law of the Disciplinary Hearing Panel as follows:

1. It is the finding of the Disciplinary Hearing Panel through the Respondent's default based upon the evidence that such conduct by the Respondent is in violation of 59 O.S. §858-723(C)(6) through 59 O.S. §858- 726, in that the Respondent violated:
 - A. The Ethics and Conduct Sections of the Uniform Standards of Professional Appraisal Practice Ethics Rule;
 - 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, Standards Rules 1-1, 1-2, 1-3, 1-4, 1-5, and 1-6; Standard 2, Standards Rules 2-1, 2-2, and 2-3 of the Uniform Standards of Professional Appraisal Practice. These include the sub sections of the referenced rules.
2. The Respondent has violated 59 O.S. §858-723(C)(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."
3. 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".
4. 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."

5. 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."

6. 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".

7. 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."

FINAL ORDER

WHEREFORE, having adopted in full the Findings of Fact and Conclusions of Law entered by the Disciplinary Hearing Panel, the Board hereby adopts the Recommendation of the Hearing Panel and issues its Final Order as follows:

1. The appraiser credential of the Respondent Angelia Michelle Landers, shall be **REVOKED** from the date that any final order is entered in this matter plus a period of thirty (30) days after Respondent Angelia Michelle Landers is notified of the final agency order either personally or by certified mail, return receipt requested.

2. Failure by Respondent Angelia Michelle Landers, to comply with any requirement of this order shall result in her appraisal credential being suspended instanter, with notification forwarded immediately to Respondent Angelia Michelle Landers, either personally or by Certified U. S. mail, return receipt requested.

THE BOARD WISHES TO ADVISE THE RESPONDENT THAT HE HAS 30 DAYS FROM THE DATE HE IS FIRST NOTIFIED OF THIS ORDER, EITHER PERSONALLY OR BY CERTIFIED U.S. MAIL, RETURN RECEIPT REQUESTED, TO APPEAL THIS ORDER WITH THE APPROPRIATE DISTRICT COURT.

IT IS SO ORDERED on this 10th day of January 2020

Eric M. Schoen

ERIC SCHOEN, Administrative Officer
Real Estate Appraiser Board

1-10-2020

Date

Bryan Neal

BRYAN NEAL
Assistant Attorney General and
Attorney for the Board

1/10/2020

Date





OFFICE OF ATTORNEY GENERAL
STATE OF OKLAHOMA

FILED

JAN 27 2020

Real Estate Appraiser Board
State of Oklahoma

ATTORNEY GENERAL OPINION
2020-5A

Christine McEntire, Director
Oklahoma Real Estate Appraiser Board
3625 N.W. 56th St., Ste. 100
Oklahoma City, OK 73112

January 27, 2020

Dear Director McEntire:

This office has received your request for a written Attorney General Opinion regarding action that the Oklahoma Real Estate Appraiser Board intends to take with respect to licensee 12562CRA. The licensee was previously disciplined and was on probation. *See* A.G. Opin. 2018-408A. While on probation, the licensee performed an appraisal that failed to meet the required standards. The licensee did not appear at the scheduled hearing. The Board proposes to revoke the license.

The Oklahoma Certified Real Estate Appraisers Act authorizes the Board to revoke certificates if it finds by clear and convincing evidence that the certificate holder has violated any provision of the Act or Board rules. *See* 59 O.S.Supp.2019, § 858-723(A)(1). The Act requires adherence to the USPAP, which contains professional requirements pertaining to ethics, competency, and scope of work. 59 O.S.2011, § 858-726. The Board may reasonably believe that the proposed action is necessary to prevent future violations.

It is, therefore, the official opinion of the Attorney General that the Oklahoma Real Estate Appraiser Board has adequate support for the conclusion that this action advances the State's policy to uphold standards of competency and professionalism among real estate appraisers.

MIKE HUNTER
ATTORNEY GENERAL OF OKLAHOMA

ETHAN SHANER
DEPUTY GENERAL COUNSEL

CERTIFICATE OF MAILING

I, Christine McEntire hereby certify that on the 28th day of January 2020 a true and correct copy of the above and foregoing Board's Decision as to Disciplinary Hearing Panel Recommendation was placed in the U.S. Mail, with postage pre-paid, by certified mail, return receipt requested to:

Angelia Michelle Landers
PO Box 1716
Sallisaw, OK 74955

9214 8902 0982 7500 0270 29

and by First Class Mail to:

Bryan Neal, Assistant Attorney General
OFFICE OF THE ATTORNEY GENERAL
313 N.E. 21st Street
Oklahoma City, OK 73105

Stephen L. McCaleb
DERRYBERRY & NAIFEH
4800 N. Lincoln Boulevard
Oklahoma City, OK 73105


Christine McEntire