

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

In the Matter of ROBERT LOCKWOOD,) Complaints #19-010, 19-011, 19-016,
) 19-020, 19-023, and 19-026
Respondent.)

CONSENT ORDER

COMES NOW the Oklahoma Real Estate Appraiser Board (“OREAB”), by and through the Prosecuting Attorney, Stephen McCaleb, and the Respondent ROBERT LOCKWOOD, represented by Justin King, and enter into this Consent Order pursuant to Oklahoma Statutes Title 59 §858-700, et seq. and Oklahoma Administrative Code 600:10-1-1, et seq. All sections of this order are incorporated together.

This Consent Order is a global settlement of all the referenced complaints.

BACKGROUND

On June 6, 2018, the Board issued **Consent Order #18-015** in resolution of **Complaint #17-027, #17-038 and #17-041** as to Robert Lockwood (“Lockwood”). Under the terms of this Consent Order, Lockwood completed the following corrective education:

Course #600 – 15 Hour National USPAP Course;
Course #602 – Basic Appraisal Procedures;
Course #612 – Residential Site Valuation and Cost Approach; and
Course #613 – Residential Sales Comparison & Income Approach

Following completion of these corrective education courses, Lockwood was placed on a six-month period of probation. During probation, Lockwood was/is required to submit work logs identifying all appraisal assignments completed during the month prior. From

each work log, appraisal assignments were randomly selected for review.

Complaint #17-027, #17-038 and #17-041 were staff grievances which resulted from an earlier board order, #16-017. Under **Board Order #16-017**, which was entered in resolution of **Complaint #15-040**, Lockwood was on a six-month period of probation following completion of corrective education. Under **Board Order #16-017**, Lockwood completed:

*Course #705 – 14-Hour Residential Report Writing & Case Studies; and
Course #706 – 14-Hour Advanced Residential Applications & Case Studies*

The following reports were requested by Board staff and Respondent provided them to the Board. All of these reports were listed on his work log for appraisal assignments completed during the month relevant months and were submitted to the Board's Appraiser Examiner for a USPAP-compliant review.

After the reviews, the current concerns with the appraisal reports subject to this complaint appear to be some of the same deficiencies and errors that have been seen in previous appraisal reports.

**AGREED FINDINGS OF FACT FOR ALLEGATIONS OF FACT
IN COMPLAINT 19-010**

1. Upon information and belief, in January of 2019, Respondent was hired to complete an appraisal (the "appraisal" or "report") for a property located at 1885 E Sherwood Terrace, Mustang, OK 73064 (the "subject"). Respondent completed the appraisal with an effective date of January 8, 2019. The report was signed on January 9, 2019.

2. Respondent committed a series of errors in the report which led to a misleading and non-credible report.

NEIGHBORHOOD

3. The neighborhood boundaries were not adequately and reasonably defined.

4. Market area trends were not adequately and reasonably discussed and analyzed.

5. The neighborhood boundaries described in the report for the Subject property included the Subject's mile section. However, 2 of the 3 sales utilized in the report are outside this boundary.

6. Neighborhood Characteristics reported in the report indicate the neighborhood was over 75% built up, however an aerial image of the neighborhood boundaries indicates less than 75% built up. Present land use indicates 98% one unit, 2% commercial, however the Mustang zoning map indicates appx 50% of the neighborhood boundary is zoned A-1 General Agricultural and Oil and Gas District, and appx 20% R-1 Single Family District, 22% R-E Rural Estate District, appx 3% Commercial, therefore the one unit land use is closer to 60%.

7. A comparative market analysis (CMA) for Subject's neighborhood boundaries covering the prior 12 months revealed a high value of \$455,000, low of \$75,000 and predominant of \$212,995, however the report indicated a high of \$280,000, low of \$165,000 and predominant of \$228,000.

8. Market trending was not adequately discussed. For example, the 1004MC

form included in the report indicates the Subject's market is increasing, however the Neighborhood section of the report reports a stable market. The neighborhood boundaries indicated an increasing market, however it must be noted that the upward trending appears to have been attributed to a new subdivision in the NE corner of the mile section which contains homes in the high \$190,000's to low \$300,000's.

SITE/HIGHEST AND BEST USE

9. The site has not been adequately identified/defined.
10. The zoning was not adequately and accurately reported.
11. The report stated to "rely on Survey" for site dimensions, however, a plat map is readily available in Realist County Record which indicates the dimensions are 83 x 27 x 76 x 174 x 141. The Realist plat map may not be accurate; however, it is a means of documented support which should have been cited in the report.
12. The report reported Subject's zoning to be R-1 Single Family Residential, however Mustang Zoning map indicates R-1 Single Family District.

DESCRIPTION OF IMPROVEMENTS

13. As described further, relevant characteristics of improvements and any effect they have on value were not adequately described; relevant conditions or depreciation (physical, functional or external) factors that affect the improvements were not reported and analyzed; personal property, trade fixtures or intangible items that are not real property, but included in the appraisal were not adequately described and considered in the valuation process;

14. Functional factors that may affect the improvements were not analyzed. The report Addendum reported the subject is well within the area's value range and is not considered an over-improvement, however a 5 year search for sales in the subdivision over 2,521 square feet (sf) in size, and none were revealed. Aerial Imagery clearly shows that the subject property is among very few larger homes, if not the largest home, in the subdivision. The same search was ran for the subdivision where Sales 2 and 3 are located, which revealed five sales from 2,622sf to 3,008sf in gross living area (GLA), an indication that their sizes (2,849sf and 2,900sf respectively) are more homogeneous with their development.

COST APPROACH

15. The cost estimates were not analyzed and supported.

16. Respondent did not identify and correctly analyze depreciation items (physical, functional, external).

17. The site value was not supported. The report reported "All site value estimates were derived from research in the market area. This appraiser evaluated other similar site/lots, improved and unimproved with detail to size, use ad proximity. County records estimated values were also reviewed, but not wholly relied on for final valuation purposes. Each value assigned to the properties use in this report were estimated and the property adjustments for the differences in values made." However, there were not land sales in the Appraisal or work file which supported the Subject's \$45,000 lot value, and the \$1,000 per acre lot adjustment applied to the comparables.

18. The Cost Approach failed to report cost for As Is Value of Site Improvements.

19. When considering the adjusted value of Sale 1 at \$207,100 (from subject subdivision), and the alternate sale with 2,083sf GLA, located at 614 N Oakwood within the Subject's subdivision, which sold for \$174,900, the indicated value by cost approach of \$227,000 appears too perfect, embellished or otherwise inconsistent.

SALES COMPARISON APPROACH

20. As described further, Respondent did not analyze comparable sales data and use appropriate appraisal methods and techniques that support his conclusions; he did not adequately collect, verify, and report comparable sales; he did not provide adequate reasoning for his adjustments, analysis, opinions and conclusions; and did not correctly employ recognized methods and techniques.

21. Inadequate reasoning provided for conclusions. The report lacked adequate support for the across grid site adjustments. None of the Sales have size bracketing lots. A CMA comparison between the Subject's subdivision and the subdivision of Sales 2 and 3 which indicated Sales 2 and 3 are located in a development of higher predominant value, GLA and price per foot; however no such disclosure or analysis was provided in the report in support of the lack of Location adjustments. Additionally, the Subject property appears to be among a very small number of larger homes, perhaps the largest home, within the Subdivision (based on aerial imagery and 5 year multi listing service (MLS) search for larger size sales), however although the report Addendum indicated the subject is not an over-improvement, no further analysis was provided, nor were Sales utilized in the report

which were similarly large or over-improved for the subdivisions.

22. Inadequate Sale verification. The report reported the Sales were verified by Tax Records, however that alone is not acceptable. Good practice would include additional information such as book/page, HUD I statement, buyer, seller, agent, etc.

23. Unrecognized methods and techniques. The report Addendum appeared to contain mostly canned comments which basically stated the adjustments rather than provide documented support as to how they were derived, the main issue being the site adjustments.

24. GLA discrepancies were not explained in the report. County Assessor reports the GLA on Sales 2 and 3 are 2,699sf and 2,647sf respectively, while the report reported 2,849sf and 2,900sf. Discrepancies were not explained nor clarified.

25. The neighborhood boundaries described in the report for the Subject property included the Subject's mile section, however 2 of 3 sales utilized in the report are outside this boundary. The report commentary discussed the two sales being beyond one mile though within five miles, however the report failed to provide the reader of the report a CMA comparison between the Subject's development, and the development where Sales 2 and 3 are located, or otherwise document support that the "Locations" are similar. A 0-12 month Statistical Analysis for the Subject's subdivision was run by the OREAB which indicated a predominant value, GLA and price per foot of \$156,000, 1,700sf and \$94.54 respectively. The Statistical Analysis for the subdivision where Sales 2 and 3 are located revealed a predominant value, GLA and price per foot of \$240,000, 2,181sf and \$101.33

respectively.

26. Sale 1: Located in Subject's subdivision. Age reported in the report for Sale 1 was 43, however public records indicate it was 44 years old. Assessor reported the sale price was \$186,000 rather than \$185,900 reported in the report. This may be a rounding issue in County Records, however it should have been clarified in the report.

27. Sale 2: Located outside Subject's subdivision. Age reported in the report for Sale 2 was 42, however public records indicate it was 43 years old. Assessor reports GLA of 2,699sf while the report showed 2,849sf. Assessor reported sale price of \$260,000 rather than \$259,900 reported in the report. This may be a rounding issue in County Records, however it should have been clarified in the report.

28. Sale 3: Located outside Subject's subdivision. Age reported in the report for Sale 3 was 42, however public records indicate it was 43 years old. Assessor reports GLA of 2,647sf while the report showed 2,900sf. Assessor reported sale price of \$280,000 rather than \$279,900 reported in the report. This may be a rounding issue in County Records, however it should have been clarified in the report.

29. The report lacked site bracketing Sales therefore the site adjustments are in question or otherwise not adequately supported.

30. The Supplemental Addendum included in the report was mostly "Canned" or "Boiler Plate" commentary rather than comments pertaining specifically to the Subject property and the utilized comparables. The report addendum reported that Sale 1 is the only

sale within the subject neighborhood at this time, however the following sale was within the subdivision which should have been included or properly eliminated from use: ML 808809, subject subdivision, 614 N Oakwood, \$174,900, 05/25/2018, the site has 11,411sf, was built in 1984, and its GLA is 2,083sf.

31. The following alternate Sale is located in the same development as Sales 2 and 3, however, Respondent failed to properly eliminate it from use: ML 797352, 1725 W David Dr, \$221,000, 02/27/2018, site is 26,294sf, built in 1976, and GLA is 2,181sf.

INCOME APPROACH

32. The exclusion of the Income Approach was not supported.

33. The statement, "The Income Approach is not used due to a lack of rental properties" is not sufficient. If the approach is not used, then Respondent should have explained further.

FINAL RECONCILIATION

34. Quality and quantity of data was not adequately reconciled.

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

36. The quality and quantity of data available and analyzed within the approaches used has been inadequately reconciled. For example, there was an MLS Sale located within the Subject's subdivision (larger GLA than S1), however the report reported there were none available. Therefore, Respondent failed to properly eliminate the alternate sale from use or otherwise discredit it.

GENERAL

37. It does not appear the Respondent understands the appraisal process.

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

39. The salient and factual data reported and analyzed were not done in a consistent manner throughout the assignment.

AGREED FINDINGS OF FACT AS TO COMPLAINT 19-011

40. Upon information and belief, in February of 2019, Respondent was hired to complete an appraisal (the “appraisal” or “report”) for a property located at 19020 Barnstable Court, Edmond, OK 73012 (the “subject”). Respondent completed the appraisal with an effective date of February 18, 2019. The report was signed on February 19, 2019.

41. Respondent committed a series of errors in the report which led to a misleading and non-credible report.

GENERALLY

42. The Scope of Work lacked Income Approach commentary such as “the Income Approach was not developed as it was not required in order to render credible report results.”

43. Respondent reported the Subject property was on the market for 58 days at \$339,000 with a list date of 12/07/2018. However, Respondent failed to provide complete details regarding the Subject’s Cumulative days on market and prior listings. On MLS, the

Subject was listed on 05/13/2018 for \$378,850 ML 818697, reduced to \$369,500 on 05/21/2018, released on 06/09/2018 while priced at \$369,500. It was listed again on 06/11/2018 for \$363,000, reduced to \$349,000, \$344,000 and \$339,000 on 06/26/2018, 09/13/2018 and 10/29/2018 respectively, then released on 12/01/2018 while priced at \$339,000.

NEIGHBORHOOD

44. Market area trends were note adequately and reasonably discussed and analyzed.

45. Respondent reported the one-unit housing prices range from \$250,000 to \$384,000 with predominant of \$334,000, however an MLS unfiltered 12 months statistical analysis for the neighborhood boundaries revealed a low of \$162,900, high of \$384,442 and median of \$241,000.

SITE/HIGHEST AND BEST USE

46. The site has not been adequately identified/defined.

47. The zoning was not adequately and accurately reported.

48. Easements, restrictions or other items of a similar nature have not been adequately reported and considered.

49. An opinion to the highest and best use not been provided.

50. Respondent reported the Subject property is located in Edmond, OK, however, Oklahoma City boundary map indicates the property is located in Oklahoma City Limits, this was not explained by Respondent.

51. Respondent reported the Subject's parcel is zoned R-1 Single Family Residential, however Oklahoma City Zoning Map revealed the lot is zoned PUD-1111.

52. Respondent reported: "Rely on Survey" regarding site dimensions, while on-site County Assessor website provided the Subject's plat map with dimensions showing 23.25 + 96.33 + 16.6 x 173.63 x 61.30 x 154.47. Additionally, Respondent reported the Subject's site area is 14,504 square feet (sf) while County Assessor reported .33 acres or 14,375 sf, the discrepancy was not explained.

53. According to aerial image of the Subject, the site backs to an Elementary School, separated by green belt, neither of which were disclosed or analyzed by Respondent.

54. Although the Respondent included an opinion of Highest and Best Use, he failed to summarize the support and rationale for that opinion.

DESCRIPTION OF IMPROVEMENTS

55. As described further, relevant characteristics of improvements and any effect they have on value were not adequately described.

56. The sketch and dimensions provided by Respondent for the Subject property are identical to the County Assessor sketch and dimensions, therefore a Reader of the report might question the accuracy of the reported GLA, if Respondent did not actually measure the Subject's Improvements. Note that the Oklahoma County Assessor field Appraisers are known to utilize measuring wheels, and they round to nearest foot, which is not a highly accurate method. In the event the County sketch was utilized in lieu of Appraiser's own

measurements, then the Respondent failed to disclose and explain why measurement of the Subject property was not performed.

COST APPROACH

57. The cost estimates were not analyzed and supported.

58. Respondent did not identify and correctly analyze depreciation items (physical, functional, external).

59. The site value was not developed by an appropriate appraisal method or technique.

60. Respondent failed to provide of the sales. If another method is used, it needs to be explained in the report. The depreciation reported by Respondent does not make sense. Either the physical depreciation is wrong, or the condition of the property reported is not accurate.

61. Respondent reported “Recent sales of vacant sites are nonexistent using MLS data to use for comparables, therefore, the subject site value has been estimated using the Extraction Method. Improvement costs, less depreciation, deducted from total opinion of value, rounded.” However, although the Extraction Method is acceptable, County Assessor records revealed the follow lot sale examples from the Subject subdivision that might have been analyzed as an order of good practice:

19008 Barnstable Ct, \$56,500, 08/31/2016, site: 11325sf.

3415 NW 189th St, \$53,000, 03/09/2016, site: 7841sf.

3344 NW 188th St, \$52,000, 02/09/2017, site: 8276sf. This is Sale 3 utilized in the OAR.

3400 NW 188th St, \$52,000, 02/16/2017, 8712sf, this is Listing 4 utilized in the OAR.

Nearby MLS lot sales from a development with similar HOA dues:

3mi NE, 19805 Rambling Crk, \$62,500, 12/21/2018, ML841854, size not reported.

3mi NE, 613 NW 197th St, \$62,500, 12/21/2018, ML812242, size not reported.

62. The Cost Approach in the report failed to list "Site Improvements" (driveway, landscaping, flat-work, etc.)

63. The Cost Approach in the report failed to disclose and analyze the Subject's abutting site influence (Elementary School), therefore lacks an adjustment for "External".

SALES COMPARISON APPROACH

64. As described further, Respondent did not analyze comparable sales data and use appropriate appraisal methods and techniques that support his conclusions; he did not adequately collect, verify, and report comparable sales; he did not provide adequate reasoning for his adjustments, analysis, opinions and conclusions; and did not correctly employ recognized methods and techniques.

65. The Sales utilized in the report are 9 to 10 months old, while more recent sales were available in MLS, within 10-percent subject's gross living area (GLA), though not disclosed or properly eliminated from use. See the following examples:

- a) ML842612 3405 NW 188th St, \$315,000, 12/17/2018, GLA: 2411sf, blt: 2017 existing, site: 9148sf;
- b) ML838990 18801 Rolling Hill Way, \$369,500, 12/27/2018, GLA: 2622sf, blt: 2015 existing, site: 13,939sf, pond view; and
- c) ML823113 3321 NW 169th St, \$325,000, 07/27/2018, GLA: 2350, blt: 2015 existing, site: 15,246sf backs to same school.

66. The verification source reported for the utilized Sales was "Tax Records"

and did not include adequate verification.

67. The GLA reported in County record for sale 1 was 2,318 sf, however, Respondent reported 2,342 sf. County record reported the Sales price of sale 1 was \$310,000, while Respondent reported \$309,980. County record reported the lot size of sale 1 was 10,890 sf, while Respondent reported 10,881 sf. An aerial image revealed sale 1 backs up to a green belt, which was not disclosed or analyzed in the report.

68. The GLA reported in County record for sale 2 was 2,393 sf, while Respondent reported 2,450 sf. County record revealed sale 2 had a prior sale, not disclosed in the report; furthermore, MLS revealed a prior lease on sale 2, not disclosed in the report. County record reported the Sales price was \$300,000, Respondent reported \$299,900. County reported site area of 10,890 sf, Respondent reported 10,956 sf.

69. The GLA reported in County record for sale 3 was 2,721 sf, but Respondent reported 2,708 sf. County reported the lot area was 8,712 sf, Respondent reported 8,733 sf. County records and MLS reported sale 3 as a multi-level home, however Respondent reported it as a 1 story.

70. The Subject's lot is larger than the utilized Sales, therefore the lack of site adjustments was not supported or accurately explained.

INCOME APPROACH

71. The exclusion of the Income Approach was not supported. The Scope of Work lacked Income Approach commentary such as "The Income Approach was not developed as it was not required in order to render credible report results."

72. The statement, “The Income Approach is not used due to a lack of rental properties” is not sufficient. If the approach is not used, then Respondent should have a statement in the scope of the work to explain.

FINAL RECONCILIATION

73. Quality and quantity of data was not adequately reconciled.

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

75. Respondent failed to reconcile or otherwise provide support for the appraised value of \$334,700. For example, which of the Respondent’s utilized Sales best supported the appraised value, and why? MLS sales, more recent in date of Sale than those utilized in the report, were available though not utilized and not properly eliminated from use. Two of the three sales utilized in the report adjusted below \$334,700, while the only Sale adjusting over this figure is new construction, unlike Subject’s existing construction.

GENERAL

76. It does not appear the Respondent understands the appraisal process.

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

78. The salient and factual data reported and analyzed were not done in a consistent manner throughout the assignment.

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

80. Sale 2 prior sale on 10/17/2017 was not disclosed and analyzed.

81. GLA and site area discrepancies not explained.
82. The Respondent reported the incorrect zoning classification for the Subject.
83. Lot dimensions were available on on-line County records, though not provided in the report.
84. Subject's full listing history and cumulative days on market were not disclosed nor analyzed.
85. Subject's abutting site influence (elementary school) was not disclosed nor analyzed.
86. The Cost Approach lacked site improvement costs.
87. The Cost Approach lacked support for the Site value. Although Respondent utilized the Extraction Method for determining site value (an acceptable method), there were dated lot sales.
88. It appears the County Assessor sketch was utilized rather than the Respondent's own measurements.
89. The appraised value was not adequately reconciled.

AGREED FINDINGS OF FACT AS TO COMPLAINT 19-016

90. Upon information and belief, in March of 2019, Respondent was hired to complete an appraisal (the "appraisal" or "report") for a property located at 8309 Cardinal Ridge Dr., Edmond, OK 73034 (the "subject"). Respondent completed the appraisal with an effective date of March 19, 2019. The report was signed on March 27, 2019.

91. Respondent committed a series of errors in the report which led to a misleading and non-credible report.

GENERALLY

92. Analysis of agreements of sale, options, or listings of subject property were not current as of the effective date of appraisal, and sales that occurred within three years prior have not been adequately summarized.

93. The Respondent failed to fully report the Subject's listing history. The report only reported that the Subject was listed for 34 days from 02/05/2019 for \$479,000. However, MLS listing history revealed the Subject property was listed on 02/05/2019 for \$479,900; reduced to \$479,500 on 02/14/2019; reduced to \$479,000 on 02/25/2019; contracted on 03/11/2019 while priced at \$479,000.

94. Respondent reported the Subject's 03/08/2017 sale for \$433,000, however, he failed to thoroughly analyze the sale, including the cause for the subsequent and significant value increase in just over two years.

NEIGHBORHOOD

95. Market area trends were not adequately and reasonably discussed and analyzed.

96. The neighborhood property values reported in the report for the Subject's neighborhood was stable. However, the report indicates an increasing market, which was not explained.

SITE/HIGHEST AND BEST USE

97. The site has not been adequately identified/defined.

98. The Legal Description reported in the report for the Subject property was

Cardinal Ridge 000 006, while County Assessor reported Cardinal Ridge Block 000, Lot 003; and the City zoning map indicated Block 1, Lot 3.

DESCRIPTION OF IMPROVEMENTS

99. As described further, relevant characteristics of improvements and any effect they have on value were not adequately described.

100. When conducting a side by side comparison of the Subject sketch, included in the report, and the County Assessor sketch, they appear virtually identical or too perfect. For instance, the main wall dimensions are all whole numbers (typically only seen on County diagrams), and only one or two dimensions on upper level are slightly different. It appears Respondent utilized the County Assessor sketch with a slight variation.

COST APPROACH

101. The cost estimates were not analyzed and supported.

102. Respondent did not identify and correctly analyze depreciation items (physical, functional, external).

103. The site value was not developed by an appropriate appraisal method or technique.

104. Respondent reported "The subject site value has been estimated using the Extraction Method, Improvement costs, less depreciation, deducted from total opinion of value." A lot sale within the Subject subdivision was neither disclosed in the report or properly eliminated from use: MLS 804164 2110 Nichols Ct, sold for \$89,000 on 08/24/2018 size: 1,494 acres.

105. The cost estimates were not supported. For example, although the Indicated Value by Cost Approach typically represents the upper end, and is greater than the report's appraised value, it is much higher than the adjusted value of Sale 1 which is located in the Subject's subdivision. There is also argument to be made in reference to the \$433,000 prior sale of the Subject property with inadequate support provided for the subsequent value increase to \$479,200 in just over two years since.

SALES COMPARISON APPROACH

106. As described further, Respondent did not analyze comparable sales data and use appropriate appraisal methods and techniques that support his conclusions; he did not adequately collect, verify, and report comparable sales; he did not provide adequate reasoning for his adjustments, analysis, opinions and conclusions; and did not correctly employ recognized methods and techniques.

107. The Respondent failed to disclose that Sale 2 and Listing 4 are located outside the Subject's subdivision, nor was there a comparative market analysis (CMA) comparison analysis included. For instance, Sale 2 and Listing 4 are located in Redbud Canyon, a PUD "gated" community with HOA dues of \$800, while the Subject is located in Canyon Ridge, a PUD "non-gated" community with HOA dues of \$600. Market reaction to the gate and higher dues were not provided in the report.

108. There was an MLS listing on the Subject's street (Principle of Substitution) that was available though not utilized or properly eliminated from use in the report, MLS 843023, 8411 Cardinal Ridge, GLA: 2707sf, Built: 2006, Site: 1.41ac, one story, 3 car

garage, listed on 11/15/2018 for \$349,500, MLS interior photos reveal overall C3 conditions, similar to the subject.

109. There was an alternate sale, more recent than Sales 1 and 2, available in MLS though not utilized or discredited. MLS 81741, 2021 Marla Cir, \$459,900, 10/12/2018, GLA: 3951, Built: 2006, site 1.390ac, Redbud Canyon (same as S2 and L4). It appears if utilized this sale would not support the report's value.

110. The pool adjustment of -\$7000 on Sale 2 appears understated when considering the quality displayed in an MLS photo. Note that this Sale adjusted out higher than any of the other sales that have no pool, with no explanation provided in the final reconciliation.

111. GLA discrepancies were not disclosed or explained in the report: Subject – County record reports 3,543 sf while the report shows 3,577 sf; Sale 1 – County reported 3,120 sf while Respondent reported 3,274 sf; Sale 3 – County reported 3,622 sf while Respondent reported 3,634 sf.

112. The photo provided in the report for Sale 1 is from MLS. Respondent reported this was due to people present at the property at the time.

FINAL RECONCILIATION

113. Quality and quantity of data was not adequately reconciled.

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

115. The quality and quantity of data available not was not adequately reconciled.

For example, there was a current lot sale within the subject's subdivision that was neither reported nor analyzed. Additionally, Respondent indicated the comparables chosen are among the most relevant comparable sales available at this time, and that Sale 1 has a neighborhood pond view (pond is across the street), no adjustment was made as there was no data to suggest any substantial negative or positive impact on value. There was no explanation why Sale 3 adjusted out so much higher than Sale 1, the only other sale from the subdivision.

116. Respondent failed to explain which sale was given most weight and why, nor did the Respondent explain why an alternate listing on the subject street (Principle of Substitution) was neither disclosed nor properly eliminated from use, or why an alternate sale, more recent than S1 and S2, was neither disclosed nor properly eliminated from use.

GENERAL

117. It does not appear the Respondent understands the appraisal process.

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

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

120. Salient and factual data reported and analyzed were not reported in a consistent manner throughout the assignment.

AGREED FINDINGS OF FACT AS TO COMPLAINT 19-020

121. Upon information and belief, in April of 2019, Respondent was hired to complete an appraisal (the "appraisal" or "report") for a property located at 1013 Westbury

Ct., Yukon, OK 73099 (the "subject"). Respondent completed the appraisal with an effective date of April 22, 2019. The report was signed on April 29, 2019.

122. Respondent committed a series of errors in the report which led to a misleading and non-credible report.

GENERALLY

123. Analysis of agreements of sale, options, or listings of subject property were not current as of the effective date of appraisal, and sales that occurred within three years prior have not been adequately summarized.

124. Respondent reported the Subject's 10/02/2018 prior sale for \$163,500, however failed to "Analyze" it, in particular the reason for the subsequent value decrease. Respondent reported the 03/28/2018 sale for \$50,000, however he failed to analyze it.

NEIGHBORHOOD

125. Market area trends were not adequately and reasonably discussed and analyzed.

126. Respondent reported the present land use build up for the neighborhood was 98% One Unit, and 2% Other; however, an observation of the Oklahoma City Zoning map is more consistent with approximately 75% One Unit, 20% C-3 Commercial, and 5% R-2.

DESCRIPTION OF IMPROVEMENTS

127. Personal property, trade fixtures or intangible items that are not real property, but included in the appraisal were not adequately described and considered in the valuation process.

128. Respondent failed to disclose that the Subject's range/oven is personal property (not built in).

SALES COMPARISON APPROACH

129. As described further, Respondent did not analyze comparable sales data and use appropriate appraisal methods and techniques that support his conclusions; he did not adequately collect, verify, and report comparable sales; he did not provide adequate reasoning for his adjustments, analysis, opinions and conclusions; and did not correctly employ recognized methods and techniques.

130. The photos in Respondent's report for Sale 3 and Listing 6 are from MLS, not live photos, and were not explained.

131. There should have been no need to utilize Sale 4, a 2-story home, while the Subject property is a 1-story home. There was no shortage of 1-story MLS sales available.

132. Respondent's commentary indicated that Seller Concessions under 3 percent were typical, however Sales 1 and 3 had Seller Concessions of 4.3% and 4.5% respectively, and were not adjusted.

133. Respondent failed to explain why it was necessary to utilize sales in excess of 180 days (Sales 3, 4 and 5) when there was no shortage of MLS sales within 180 days.

FINAL RECONCILIATION

134. Quality and quantity of data was not adequately reconciled.

135. Respondent's Final Reconciliation reiterated that 3% Seller Concessions were typical, however failed to explain why no adjustments were made to the utilized sales

with Seller Concessions over 3%.

GENERAL

136. It does not appear the Respondent understands the appraisal process.

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

138. The appraisal results were not conveyed in an appropriate manner and contained numerous canned comments.

139. Prior Subject sales were reported though not analyzed.

140. Photos of Sale 4 and Listing 6 were from MLS, however, Respondent failed to explain why live photos were not obtained. This report deficiency could be construed as misleading without proper explanation.

141. Seller Concessions above the reported typical 3% were not adjusted for in the report.

142. Respondent failed to explain why it was necessary to utilize a 2-story sale (S4) when the Subject is a 1-story property.

143. Respondent failed to adequately explain why it was necessary to utilize a majority of sales that were dated over 180 days, when MLS sales under 180 days were available.

AGREED FINDINGS OF FACT AS TO COMPLAINT 19-023

144. Upon information and belief, in February of 2019, Respondent was hired to complete an appraisal (the "appraisal" or "report") for a property located at 11313 NW 94th

St, Yukon, OK (the “subject”). Respondent completed the appraisal with an effective date of February 11, 2019. The report was signed on February 15, 2019.

145. Respondent committed a series of errors in the report which led to a misleading and non-credible report.

GENERALLY

146. Analysis of agreements of sale, options, or listings of subject property were not current as of the effective date of appraisal, and sales that occurred within three years prior have not been adequately summarized.

147. The description of the sales agreement is not descriptive, such as how many pages of the contract were provided to the Respondent, is contract price per contract or counteroffer, closing date stated on contract, is contract signed by buyer & seller, etc. The only thing appraiser offered in this section was how much earnest money was taken.

NEIGHBORHOOD

148. The neighborhood boundaries were not are adequately and reasonably defined.

149. Based on Respondent’s stated boundaries per MLS in previous year, the housing range shows \$140,000 to \$310,000 with median of \$180,000; age shows 2002 to 2018 with median of 2017. Respondent states neighborhood goes all the way to Piedmont Road to the West, however, the main road that runs on the West side of the subject area is North Mustang Rd.

COST APPROACH

150. The site value was not developed by an appropriate appraisal method or technique.

151. Respondent did not show support or how he arrived at site value of \$20,000, he just reports he used the extraction method.

SALES COMPARISON APPROACH

152. As described further, Respondent did not analyze comparable sales data and use appropriate appraisal methods and techniques that support his conclusions; he did not adequately collect, verify, and report comparable sales; he did not provide adequate reasoning for his adjustments, analysis, opinions and conclusions; and did not correctly employ recognized methods and techniques.

153. The sales comparison comments on the addendum are canned comments. His addendum talks about Castle Brook Crossing, a gated addition, the subject addition of the report is Summerhill. There are no comments explaining why new construction was used when subject is 4 years old. There is nothing in the report to explain how Respondent came up with a \$5,000 adjustment for new construction of the comparables versus the subject.

154. Comparables 2 & 3 each had expired or released listings & appraiser did not calculate total DOM.

155. There are several comparables that were not used that appear similar & two pending sales that were pending at the time of effective age. Respondent did not provide reasons for not using these resales versus new construction.

156. There were available comparables per MLS. Comps not used & found on MLS: MLS #809102 – 11305 NS 94th St.; MLS #815727 – 9716 Allie Hope Ln; MLS #809814 – 11213 NW 96th St.; MLS #812569 – 11221 NW 96th St.; one that would have been pending & appears similar is: MLS #840599 – 10017 Allie Hope Lane.

GENERAL

157. It does not appear the Respondent understands the appraisal process.

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

159. The appraisal results were not conveyed in an appropriate manner and contained numerous canned comments.

AGREED FINDINGS OF FACT AS TO COMPLAINT 19-026

160. Upon information and belief, in May of 2019, Respondent was hired to complete an appraisal (the “appraisal” or “report”) for a property located at 3621 Rita Rd, Moore, OK 73160 (the “subject”). Respondent completed the appraisal with an effective date of May 17, 2019. The report was signed on May 21, 2019.

161. Respondent committed a series of errors in the report which led to a misleading and non-credible report.

GENERALLY

162. Analysis of agreements of sale, options, or listings of subject property were not current as of the effective date of appraisal, and sales that occurred within three years prior have not been adequately summarized.

163. The scope of work was not sufficiently summarized to disclose to the clients the level of work used to develop the appraisal.

164. Scope of Work: Respondent reported the Income approach was not necessary in order to arrive at a credible market value. However, Respondent failed to indicate why the Income Approach was not necessary.

165. Respondent reported that the Subject was on the market for 9 days; however, he failed to disclose or analyze the Cumulative Days on Market, which was 190 days.

HIGHEST AND BEST USE

166. The zoning was not adequately and accurately reported.

167. An opinion to the highest and best use was not provided.

168. The zoning reported in the report for the Subject property was “RE” / “Residential Estates”; however, the City of Moore zoning map indicates the correct zoning is “R-1”, “Single Family Dwelling District”.

169. Although the appraisal report included an opinion of Highest and Best Use, it failed to summarize the support and rationale for that opinion. An appraiser must analyze the relevant legal, physical, and economic factors to the extent necessary to support the appraiser’s highest and best use conclusion(s).

IMPROVEMENTS

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

171. Personal property, trade fixtures or intangible items that are not real property,

but included in the appraisal were not adequately described and considered in the valuation process.

172. Subject is new construction; however, the improvement section in the report indicated most components are only in average condition, which was not explained.

173. According to kitchen photo, the cabinetry will accommodate a free-standing range/oven (personal property); however no such mention of this found in the report.

COST APPROACH

174. The site value was not developed by an appropriate appraisal method or technique.

175. Respondent did not correctly employ recognized methods and techniques.

176. Respondent reported in the Cost Approach that “an MLS search of site sales for the past 360 days produced no results. The subject site value has been estimated using the Extraction Method. Improvement costs, less depreciation, if any, deducted from total opinion of value, rounded”. However, the County Assessor records clearly displayed the subject’s lot sale price as well as the lot sale prices of the utilized comparables, therefore the need to use the Extraction Method was not necessary.

SALES COMPARISON APPROACH

177. As described further, Respondent did not analyze comparable sales data and use appropriate appraisal methods and techniques that support his conclusions; he did not adequately collect, verify, and report comparable sales; he did not provide adequate

reasoning for his adjustments, analysis, opinions and conclusions; and he did not correctly employ recognized methods and techniques.

178. GLA discrepancies were not explained. Sale 1: courthouse records showed 1,851 sf; Respondent's report showed 1,847 sf.

179. All of the sales utilized in the report exceed six months; however, MLS revealed sales were available within 6 months. Respondent failed to explain the need to use dated sales and did not mention the alternate sales which sold within 6 months.

180. Respondent indicates all utilized sales have lawn sprinklers; however, MLS reported no such amenity.

181. The upward \$2,500 garage adjustment applied to Sale 2 was neither supported nor explained. The Respondent reported Listing 4 has a pasture view like the subject; however, aerial imagery revealed it backs to an AG residential property, not a pasture.

182. Respondent failed to analyze site size bracketing comparables, therefore, the lack of site adjustments was unsupported or otherwise not explained. Note that the subject site sold in 9/2018 for \$40,500; S2 lot sold in 08/2017 for \$40,500; S3 sold in 11/2017 for \$32,400; L4 sold in 06/2016 for \$37,500.

183. Respondent failed to disclose and analyze the comparables' sales prior sales.

INCOME APPROACH

184. Exclusion of the income approach was not supported.

185. Respondent reported the Income approach was not necessary in order to

arrive at a credible market value. However, Respondent failed to indicate why the Income Approach was not necessary.

FINAL RECONCILIATION

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

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

188. Respondent utilized sales adjusted at \$256,630 and \$271,080 respectively; however, the method by which the appraised value of \$260,800 was determined was not disclosed in the report. For example, Sale 1 is the only utilized sale built by the Subject's builder, therefore the Reader may question why it was apparently not given most weight.

GENERAL

189. It does not appear the Respondent understands the appraisal process.

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

191. The appraisal results were not conveyed in an appropriate manner and contained numerous canned comments.

192. The salient and factual data reported and analyzed were not reported in a consistent manner throughout the assignment.

193. Respondent rendered appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly

affect the results of an appraisal, in the aggregate affects the credibility of those results.

194. The zoning reported in the report for the Subject property was "RE" / "Residential Estates"; however, the City of Moore zoning map indicates the correct zoning is "R-1", "Single Family Dwelling District".

195. Prior lot sales were available for the Subject and utilized comparables, therefore the use of the Extraction Method for lot value should not have been required.

196. The subject's components were reported in only average condition, while it is a new home.

197. Respondent reported the comps had lawn sprinklers; however, MLS reported no such amenity.

198. Upward \$2,500 garage adjustments on Comps 2-4 were not supported nor explained.

199. Upward \$6,000 site adjustment applied to Sale 2 was not supported nor explained.

200. Respondent failed to report and analyze the prior sales of Sales 1, 3 and Listing 4.

201. All of the sales utilized in the report exceed six months; however, MLS revealed sales were available within 6 months. Respondent failed to explain the need to use dated sales and did not mention the alternate sales which sold within 6 months.

AGREED CONCLUSIONS OF LAW

1. That Respondent has violated 59 O.S. § 858-723(C)(6) through 59 O.S. §858-

726, in that Respondent violated:

- A) The Ethics Rule and the Conduct Section 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; and Standard 2, Standards Rules 2-1, 2-2, and 2-3 of the Uniform Standards of Professional Appraisal Practice. These include the subsections of the referenced rules.

2. 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."

3. 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."

4. 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."

5. 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."

6. That 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."

7. 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."

CONSENT AGREEMENT

The Respondent, by affixing his signature hereto, acknowledges:

1. That Respondent has been advised to seek the advice of counsel prior to signing this document.
2. That Respondent possesses the following rights among others:
 - a. the right to a formal fact-finding hearing before a disciplinary panel of the Board;
 - b. the right to a reasonable notice of said hearing;
 - c. the right to be represented by counsel;
 - d. the right to compel the testimony of witnesses;

- e. the right to cross-examine witnesses against him; and
- f. the right to obtain judicial review of the final decision of the Board.

3. The Respondent stipulates to the facts as set forth above and specifically waives his right to contest these findings in any subsequent proceedings before the Board and to appeal this matter to the District Court.

4. The Respondent consents to the entry of this Order affecting his professional practice of real estate appraising in the State of Oklahoma.

5. The Respondent agrees and consents that this Consent Order shall not be used by him for purposes of defending any other action initiated by the Board regardless of the date of the appraisal.

6. All other original allegations in this matter are dismissed.

7. Respondent acknowledges this will be placed on the Board's agenda for its next monthly meeting after receipt of the executed Order from Respondent, and notice for the Order's placement on that agenda is accepted.¹

8. All parties to this Consent Order have been represented by counsel.

9. This Consent Order may be executed in one or more counterparts, but all of such counterparts, taken together, shall constitute only one Consent Order. When delivered to the other party, facsimile and visual digital reproductions of original signatures shall be effective the same as if they were the originals.

¹ Currently the next Board meeting is scheduled for 9:30 a.m. on July 10, 2020.

10. This Consent Order shall be governed by the internal laws of the State of Oklahoma without regard to the conflict of law principles.

11. This Consent Order contains the entire agreement between the parties hereto and all provisions of this Consent Order are contractual and not a mere recital. The Parties acknowledge that no presentation or promise not expressly set forth in this Consent Order has been made by any of the Parties hereto or any of their agents, employees, representatives, or attorneys. No modification of, or amendment to, this Consent Order shall be valid unless it is in writing and signed by the Parties. In the event any portion of this Consent Order shall be declared illegal or unenforceable as a matter of law, the remainder of the Consent Order shall remain in full force and effect.

12. This Consent Order is intended by the parties to be an integrated writing representing the complete, final, and exclusive embodiment of their agreement. It supersedes any and all prior or contemporaneous agreements, understanding, discussions, negotiations, and commitments (written or oral). This Consent Order may not be altered, amended, modified, supplemented or otherwise changed except by a writing executed by an authorized representative of each of the parties.

13. The undersigned Respondent agrees that presentation of this Consent Order to the OREAB without the undersigned Respondent being present shall not constitute an improper *ex parte* communication between the OREAB and its counsel.

14. The Parties represent and warrant to one another that each party has authority to enter into this binding Consent Order. The OREAB represents and warrants that the

undersigned have full authority to execute this Consent Order on behalf of the OREAB and bind the OREAB to the terms set forth herein.

15. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Consent Order, including PDF and facsimile signatures thereto, shall have the same force and effect as the originals.

16. The parties acknowledge that they understand the provisions of this Consent Order.

CONSENT ORDER TO BE ACCEPTED OR REJECTED BY THE BOARD

The Oklahoma Real Estate Appraiser Board will not submit this Consent Order for the Board's consideration until its agreement and execution by the Respondent(s). It is hereby agreed between the parties that this Consent Order shall be presented to the Board with recommendation for approval of the Board at the next scheduled meeting of the Board. The Respondent understands that the Board is free to accept or reject this Consent Order and, if rejected by the Board, a formal hearing on the complaint may be held. If the Board does not accept the Consent Order, it shall be regarded as null and void. Admissions by Respondent in the rejected Consent Order will not be regarded as evidence against him at the subsequent disciplinary hearing. Respondent will be free to defend himself and no inferences will be made from his willingness to have entered this agreement. It is agreed that neither the presentation of the Consent Order nor the Board's consideration of the Consent Order will be deemed to have unfairly or illegally prejudiced the Board or its individual members and therefore will not be grounds for precluding the Board or any

individual Board member from further participation in proceedings related to the matters set forth in the Consent Order.

ORDER

WHEREFORE, on the basis of the foregoing Agreed Findings of Fact and Agreed Conclusions of Law, it is ordered and that:

1. The appraiser credential of the Respondent shall be SUSPENDED for a period of one hundred eighty (180) days from the date that any final order is entered in this matter;

2. Respondent shall complete all qualifying education otherwise known as the “core curriculum” which totals 200 hours of education, as currently required of an appraiser applicant for the Certified Residential appraiser credential under the Appraiser Qualification Criteria, within a twelve (12) month period. Respondent will need to keep the Board’s staff apprised, via written communication, of his progress no later than the fifth day of each month starting the first month after any final order is entered in this matter, and must complete half of the hours within the first six months after the Board approves the final order in this matter (and while on suspension);

3. Respondent shall be placed on PROBATION for a period of twenty-four (24) months beginning immediately upon the date that the period of the one hundred eighty (180) days suspension as ordered hereinabove to be completed shall end. During the period of probation, Respondent shall provide an appraisal log on REA Form 3 to the administrative office of the Board no later than the fifth day of each month detailing all his

appraisal activity during the preceding month. The Board may select and require samples of work product from these appraisal logs to be sent for review, to include for review the appropriate work file of the Respondent; and

4. Respondent agrees that he will successfully complete, pass the test, and provide proof of completion and passing of the tests to the Board's office for the courses completed. Failure to complete the courses in a timely matter will result in further suspension until the courses are completed with proof of completion and passing of the tests to the Board's office.

DISCLOSURE

Pursuant to the Oklahoma Open Records Act, 51 O.S. §§24-A.1 – 24A.21, the signed original of this Consent Order shall remain in the custody of the Board as a public record and shall be made available for public inspection and copying upon request.

RESPONDENT:



ROBERT LOCKWOOD

07/27/2020
DATE


JUSTIN KING OBA #18745
Counsel for Respondent

CERTIFICATE OF BOARD PROSECUTING ATTORNEY

I believe this Consent Order to be in the best interests of the Oklahoma Real Estate Appraiser Board, the State of Oklahoma and the Respondent with regard to the violations alleged in the formal Complaint.



STEPHEN MCCALED, OBA #15649
Board Prosecutor
400 NE 50th Street
Oklahoma City, Oklahoma 73105

8-7-20

DATE

IT IS SO ORDERED on this 7th day of August, 2020.



ERIC SCHOEN, Board Secretary
Oklahoma Real Estate Appraiser Board



**OKLAHOMA REAL ESTATE
APPRAISER BOARD**

By:



BRYAN NEAL, OBA #6590
Assistant Attorney General
Attorney for the Board
313 NE 21st Street
Oklahoma City, Oklahoma 73105

CERTIFICATE OF MAILING

I, Jenelle LePoint, hereby certify that on the 19th day of August 2020 a true and correct copy of the above and foregoing Consent Order was placed in the U.S. Mail, with postage pre-paid, by certified mail, return receipt requested to:

Justin T. King
King Law Firm
24 NE 53rd Street
Oklahoma City, OK 73105
Attorney for Robert Lockwood

9214 8902 0982 7500 0305 00

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


JENELLE LEPOINT