



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

### **GENERALLY**

3. According to county clerk records, the subject site sold in March of 2015 for a reported price of \$350,000. Even though this is more than three years removed from the effective date of the report, this would have been good to report in the appraisal, since it is an indication of the site value in light of Respondent's opinion of market value came to \$2,500,000.

### **NEIGHBORHOOD**

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

5. The market area trends were not adequately and reasonably discussed and analyzed.

6. The scope of the neighborhood boundaries as described by Respondent is too broad for a property located in Claremore. The boundaries, as reported by Respondent, are "Hwy 28 to the north, Hwy 66 to the west, Hwy 20 to the south and Hwy 69 to the east" which include the towns of Foyil, Adair, Pryor and Claremore. A MLS report performed from this neighborhood description resulted in 227 residential single family sales. These sales ranged from \$18,000 to \$775,000. These sales do not include commercial sales, vacant land sales and/or multi-family sales.

7. Respondent did not explain why such wide boundaries were used in the appraisal.

8. The Neighborhood Name is stated to be Highlands Addition. This appears to be an error. It would appear the subject report was "cloned" and the neighborhood name was not deleted.

9. The subject is not located in a platted area.

**SITE/HIGHEST AND BEST USE**

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

11. Respondent did not elaborate on the highest and best use for the subject property. He states "the current residential use", but there are no sales used in the report that support 75.07 acres as the highest and best use.

12. A review by the Board of all the sales in Rogers County one year prior to the effective date for 30 or more acres with houses found 11 sales. These sales ranged from 30 acres to 100 acres, but no homes over 5,195 SF. The acreage and GLA of these sales were:

**Sales w/acreage of 30 acres or more**

<b><u>Acreage</u></b>	<b><u>Gross Living Area</u></b>
30.00	2,340
32.64	5,195
33.00	2,400
38.00	1,600
40.00	3,217

45.06	2,762
60.00	1,865
89.90	6,000
91.34	1,490
100.00	1,906
100.00	1,492

13. Then a review of sales in Rogers county with homes over 5,000 square feet was completed in an investigation of this complaint, which resulted with 9 sales found. These 9 sales were located on sites from 0.92 acres to 32.64 acres with home sizes ranging from 5,188 SF to 14,089 SF. The acreage and GLA of these sales were:

**Sales w/Gross living area over 5,000 SF**

<u>Acreage</u>	<u>Gross Living Area</u>
0.98	5,188
32.64	5,195
0.81	5,200
0.94	5,552
1.45	5,823
1.24	6,033
0.92	6,290
1.47	6,469
2.74	14,089

14. Based on the above, the highest and best use would be to value the house with approximately 30 to 40 acres and value the remaining acreage on a land appraisal.



## SALES COMPARISON APPROACH

15. 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.

16. Respondent used sales from outside the Rogers County area. When using sales from another area, an appraiser should provide support for the land value and location adjustment (none, positive or negative). Respondent did not make any location adjustments and does not have any support in the appraisal for why there were no location adjustments.

17. Respondent did not show what the land values were for the sales (based on land sales in those areas) and compare that value with the subject's land value.

18. Respondent reported no comparable sales in Rogers County. A review during the investigation found possible sales in Rogers County that could have been utilized in the report.

19. The sales in the report, and one listing, are adjusted at \$55/SF for the gross living area adjustment, but Sale #5 is adjusted at a lower amount (approximately \$25.65 per SF), with no explanation.

20. **Sales that could have been used in the appraisal:**

16520 S. 4100 Road, Claremore, sold 12/14/2018 for \$525,000. This is the sale in paragraph 13 on 32.64 acres with 5,195 square feet. Extra features included a guest house, inground pool and a shop.

13767 S. 321st E. Ave., Coweta sold 10/24/2018 for \$705,000. The dwelling has 7,216 SF and is situated on 20 acres. Extra features include a basement and a barn.

3511 E. 181st Street, Bixby sold 6/25/2018 for \$1,425,000. This sale had 20 acres and the house has 5,862 SF. Extra features include gated entry, marble floors, custom cabinets, inground pool, two stocked ponds, 50 x 60 4 stall insulated horse barn and a 25 x 60 shop.

19660 E. Clear Brook Road, Owasso (Rogers County). This sale sold 4/2/2019 for \$1,085,000. The dwelling has 6,469 SF. Extra features include a sprinkler system, 2nd garage, fire pit and inground pool. The assessor has the lot assessed similar to that of the subject's total acreage. This sale is listed in the above list 19393 E. Clear Brook Road, Owasso (Rogers County). This sale sold 10/26/2018 for \$2,700,000. The dwelling has 14,089 SF per a past appraisal. This was a lender owned sale, but an adjustment could be made for condition. Extra features include an elevator, chair-lift, security system, two gourmet kitchens, theatre room, gym, granite and marble counter tops. The land is assessed similar to the subject's total land value.

## **21. Comments on Sales used in the appraisal:**

Sales No. 2 and No. 3 in the appraisal were not appropriate choices for this report. These sales are located near the Creek Turnpike with easy access to most of the Tulsa area. This location is a superior location compared to the subject's location in rural Rogers County. Sale No. 1 should not have a positive site adjustment.

Sale No. 1 - 13127 S. Yorktown, Bixby, Oklahoma, has an outdoor fireplace, outdoor kitchen, bar area around pool, two ponds, and a large shop. The \$7,500 adjustment on out-buildings is not supported. Based on the interior photos in MLS, the \$100,000 adjustment for condition is not understood as it was not explained; based on interior and exterior photos in MLS, this sale does not look like "C3". This

sale is located in Bixby School District. An acreage sales comparison between Bixby and Sequoyah School Districts is as follows:

**Bixby Land Sales w/acreage of 5 acres or more**      **Sequoyah School District**  
**Land Sales**      **w/acreage of 5**  
**acres or more**

<b>Acreage</b>	<b>SP</b>	<b>Price/Ac</b>	<b>Acreage</b>	<b>SP</b>	<b>Price/Ac</b>
9.20	\$425,000	\$46,196	5.00	\$30,000	\$6,000
20.00	\$578,000	\$28,900	5.00	\$57,500	\$11,500
20.00	\$1,000,000	\$50,000	5.00	\$58,000	\$11,600
30.00	\$380,000	\$12,667	5.00	\$78,500	\$15,700
60.02	\$890,000	\$14,828	10.00	\$90,000	\$9,000
75.39	\$700,000	\$9,285	10.00	\$175,000	\$17,500
			12.00	\$160,000	\$13,333
			98.0	\$200,000	\$3,941
			98.00	\$380,000	\$3,878

Sale No. 2 - 6619 E 109th Street, Tulsa, Oklahoma, has an outdoor fireplace, outdoor kitchen with granite counters, fountain, dining area. Based on the interior photos, the basis for the \$100,000 condition adjustment does not appear supported; this sale does not look like “C3”. Extra features not mentioned in the appraisal report include: wine cellar, dumbwaiter, built-in washer and dryer, pet bath area in utility room; cooled media closet in theatre room, and theatre seating.

Sale No. 3 - 10921 S. 69th E. Ave., Tulsa, Oklahoma, has Extra features: outdoor shower, basketball court, kitchenette on second floor, outdoor kitchen, inground pool with hot tub area, which were not disclosed by Respondent. No adjustment is made for out-buildings – reported by Respondent as “Ext.Landscape”, but this sale does not appear to have any more landscaping than Sale No. 2.

Sale No. 4 - 19983 S. Sheridan Road, Mounds, Oklahoma. This is not a good sale to compare to the subject. This listing was listed as an equestrian facility: 4 barns, 5 ponds, 3 arenas, 12 loafing sheds, quarters for foreman, 12 pastures and 19 turn-out paddocks. There are no interior photos in MLS; therefore it is unclear how a “C3” rating” was derived.



Sale No. 5 - 139967 S. Yale, Bixby, Oklahoma. This sale is not comparable as it is in the Mounds School District.

### **INCOME APPROACH**

22. The exclusion of the income approach was not explained nor supported.

### **FINAL RECONCILIATION**

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

24. Applicability and suitability of the approaches used to arrive at the value conclusions have not been adequately reconciled.

25. On a Supplemental Addendum page, Respondent reports under URAR comments that the opinion of Value is "as is". This contradicts the box marked on Page 2 of the appraisal indicating the appraisal was made subject to completion per plans and specifications.

### **GENERAL**

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

27. 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.

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

29. Standards Rule 1-1 (c): Appraiser must not render 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.

30. Respondent went outside the subject's market area for comparable sales.

31. When corresponding with the client, the appraiser should make all comments in a professional manner.

### **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; and
- D) Standard 1, Standards Rules 1-1, 1-2, 1-3, 1-4, and 1-6; and Standard 2, Standards Rules 2-1, and 2-2 of the Uniform Standards of Professional Appraisal Practice. These include the sub-sections 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)(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.<sup>1</sup>

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

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<sup>1</sup> Currently the next Board meeting is scheduled for 9:30 a.m. on October 9, 2020.

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.

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. Respondent shall take the following corrective education courses: a) 60D – Residential Site Valuation and Cost Approach; and b) 60E – Residential Market Analysis and Highest and Best Use; both to be completed within 60 days of the Board's approval of the Consent Order.
2. 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 and pass the courses in a timely matter will result in suspension until the courses are passed and completed



with proof of completion and passing of the tests to the Board's office.

3. Respondent shall pay an administrative fine of \$2,500, to be paid within thirty (30) days of notification of the certificate holder by the Board of the order of the Board imposing the administrative fine, pursuant to 59 O.S. §858-723.


**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:

  
\_\_\_\_\_  
JOHN JONES

9-23-2020  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
W. MICHAEL HILL, Counsel for  
Respondent  
Secretst, Hill Butler and Secretst


9/29/20  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
JEFFREY FIELDS, Counsel for  
Respondent  
Secret, Hill Butler and Secret

9/29/20  
\_\_\_\_\_  
DATE

**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 50<sup>th</sup> Street  
Oklahoma City, Oklahoma 73105

10-9-20  
\_\_\_\_\_  
DATE


IT IS SO ORDERED on this 9<sup>th</sup> day of October, 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 21<sup>st</sup> Street  
Oklahoma City, Oklahoma 73105

**CERTIFICATE OF MAILING**

I, Jenelle LePoint, hereby certify that on the 16<sup>th</sup> day of October, 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:

**W. Michael Hill**

**9214 8902 0982 7500 0315 38**

**Diane M. Black**

**Jeffrey Fields**

Secrest, Hill, Butler & Secrest  
7134 South Yale, Suite 900  
Tulsa, Oklahoma 74136

**John H. Jones**

**9214 8902 0982 7500 0315 45**

4369 E. 70<sup>th</sup> Street

Tulsa, Oklahoma 74136-2103

And by First Class Mail to:

**Bryan Neal, Assistant Attorney General**

OFFICE OF THE ATTORNEY GENERAL

313 N.E. 21<sup>st</sup> Street

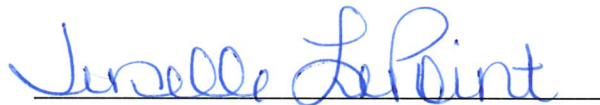
Oklahoma City, OK 73105

**Stephen L. McCaleb**

DERRYBERRY & NAIFEH, LLP

4800 N. Lincoln Blvd.

Oklahoma City, OK 73105

  
JENELLE LEPOINT