BEFORE THE REAL ESTATE APPRAISER BOARD STATE OF OKLAHOMA

In the Matter of PHILIP R. BURRIS,) Complaint #20-009 Respondent.

CONSENT ORDER

COMES NOW the Oklahoma Real Estate Appraiser Board ("OREAB"), by and through the Prosecuting Attorney, Stephen McCaleb, and the Respondent PHILIP R. BURRIS (Respondent), by and through his attorney of record Rachel Lawrence Mor, 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.

AGREED FINDINGS OF FACT

1. In October of 2019, Respondent was hired to complete an appraisal (the "appraisal") for a property located at 1345 State Highway 1, Hartshorne, Oklahoma 74547 (the "subject"). The Lender/Client was Bank of Oklahoma. Respondent completed the appraisal with an effective date of November 4, 2019, and signed the report on November 12, 2019. The assignment type was for a refinance transaction. The appraisal was performed in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice. The subject is a residential property.

- 2. Respondent committed errors in the report which led to a misleading report.
- 3. The property consists of a log home having 2 bedrooms and 2 baths and 966 square feet of gross living area and is located on a site of 4.9 aces.
- 4. Due to a lack of sales in the subject's area, Respondent expanded the search for similar log homes and found what he deemed comparable sales located in Broken Bow, Oklahoma, more than 60 miles away. Comparable sales were adjusted for location based on "location value differential" with no supporting documentation, explanation, or analysis.
- 5. Respondent did not make site adjustments on the comparables, despite site differences between the subject and the three comparables chosen. The subject property is on 4.9 acres. Comparable #1 has a site size of 42, 994 square feet; comparable #2 has a site size of 30,492 square feet and comparable #3 has a site size of 34,282 square feet. No adjustments were made for site size.
- 6. Respondent incorrectly combined site size and location into one adjustment. There were no adjustments given for varying designs such as Ranch style homes, which were closer to the subject's location. There is more than a \$100,000 variance between the log homes from Broken Bow and the home used as comparable #6, which is located in the subject's area. There is no analysis provided to explain this very large spread among the comparable sales.

- 7. The original appraisal report opinion found the value of the subject property to be \$180,000.
- 8. After submission of the original report, the Respondent received what he believes to be repeated pressure from the Lender's appraisal manager to change the report and valuation. The Respondent was asked to analyze like sales (ranch vs. ranch, similar size characteristic homes) in Broken Bow compared to the subject's area to determine locational differences and to provide a revised appraisal. Respondent provided a revised appraisal and with a new opinion of value of \$115,000. The revised appraisal utilized mostly Ranch-type home sales which were 16 miles or less from the subject property. There was no analysis of log home vs. ranch home. The explanation stated that by removing the log homes from the Broken Bow area, the value dropped \$65,000, or 36% to \$115,000.
- 9. The change in the opinion of market value between Respondent's two reports was not adequately explained.

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 Competency Rule of the Uniform Standards of Professional Appraisal Practice;
 - B) 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)(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.

¹ Currently the next Board meeting is scheduled for 9:30 a.m. on April 9, 2021.

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.

<u>ORDER</u>

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:
- 1) 613 Residential Sales Comparison & Income Approach (30 Hours), and;
- 2) 622 Advanced Residential Applications & Case Studies Part 1(15 Hours).
- 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, within sixty (60) days from the date the Board approves this

Order. 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 five hundred dollars (\$500) to be paid within thirty (30) days of notification to Respondent of the order of the Board imposing the administrative fine pursuant to 59 O.S §858-723.

4. For good cause, an extension may be granted by the Board. An application for an Extension of Time should be filed at least five (5) business days in advance of the Board meeting to be placed on a Board meeting agenda in advance of the deadline to comply with this Consent Order.

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:

PHILIP R. BURRIS

Respondent

4-8-2021

DATE

RACHEL LÀWRENCE MOR, OBA #11400 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 MCCALEB, OBA #15649

Board Prosecutor 400 NE 50th Street

Oklahoma City, Oklahoma 73105

IT IS SO ORDERED on this ______ day of ______

JENELLE LEPOINT, Board Secretary Oklahoma Real Estate Appraiser Board

OKLAHOMA REAL ESTATE APPRAISER BOARD



73105

By:

BRYAN NEAL, OBA #6590

Assistant Attorney General Attorney for the Board 313 NE 21st Street

Oklahoma

City,

Oklahoma

CERTIFICATE OF MAILING

I, Kelly Reynolds hereby certify that on the 12th day of April, 2021 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:

Rachel Lawrence Mor

9214 8902 0982 7500 0360 90

Landmark Towers West 3555 NW 58th St. Suite 1000 Oklahoma City, OK 73116

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

KELLY REYNOLDS