

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

In the Matter of EQUITY SOLUTIONS USA, INC.)	
)	Complaint #A20-
)	026
Respondent.)	

CONSENT ORDER

COMES NOW the Oklahoma Real Estate Appraiser Board (“OREAB”), by and through the Prosecuting Attorney, Stephen McCaleb, and the Respondent, EQUITY SOLUTIONS USA, INC., by and through its attorney of record, Elizabeth Scott, and enter into this Consent Order pursuant to Oklahoma Statutes Title 59 §858-801, et seq. and Oklahoma Administrative Code 600:30-1-1, et seq. All sections of this order are incorporated together.

AGREED FINDINGS OF FACT

1. Equity Solutions USA, INC. (“Equity”) is an appraisal management company registered in the State of Oklahoma under Registration #60008AMC. Lenders was first licensed in Oklahoma on March 15, 2011. The designated controlling officer signed a certification stating that they had checked their records and all controlling persons were previously identified, when that was not the case.

2. On October 14, 2019, the Oklahoma Real Estate Appraiser Board (“Board”) sent out a notice to AMCs registered in the State of Oklahoma regarding the new statutory language that removed the minimum 10% ownership/controlling

person bar (Controlling Verification Notice”). This notice advised that all owners and controlling persons who owned less than 10% of the AMC, and had not been previously identified to the Board, would need to complete the REA-AMC-02 and AMC-03 forms and submit to a background check. Alternatively, if no additional owners or controlling persons needed to be identified, the AMC was required to submit written correspondence to that effect.

3. On March 11, 2020, the Board received an AMC renewal application from Equity Solutions USA, Inc. (“Equity”), Oklahoma Restriction #60008AMC. As part of the renewal application, Equity certified at #5 on page 2 that it had “reviewed the records of Equity and...affirm(s) that there are no additional owners or controlling persons that have not been previously identified and subjected to a background check; or that there are additional owners and controlling persons and that information has been previously or concurrently submitted with this Renewal Application.”

4. On March 26, 2020, Board staff contacted Equity to advise a formal response to the Controlling Verification Notice was required to continue processing the 2020 renewal application.

5. In response to the Board’s request, on April 1, 2020, the Board received a letter from Equity stating they had reviewed their records and “*all owners and controlling persons had been previously identified and subjected to a background*

check.” Based on this information, Equity’s renewal registration was processed and approved on April 3, 2020.

6. After a review of the Equity website, on April 20, 2020, Board staff sent correspondence to Equity’s Designated Controlling Officer requesting an explanation as to those individuals identified on the Equity website as “officer,” yet not previously disclosed to the Board as controlling persons. A response deadline of April 27, 2020 was provided.

7. After not timely receiving a response from Equity to the above request, an email was sent to Equity on April 29, 2020 advising that their failure to respond is actionable and again requested a response to the Board’s communication of April 20. On that same date, Equity responded and advised that the controlling persons identified to the Board were owners and most of the other “employees” not previously identified to the Board were not “controlling person(s)” pursuant to 59 O.S. § 858-803(15). Ultimately, Equity conceded that two additional individuals may be considered controlling persons and advised a background check would be provided for them.

8. A follow-up email was sent to Equity advising that the AMC’s registration in Oklahoma was renewed based on Equity’s inaccurate representation that all owners and controlling persons had been previously identified. Equity was

asked to correct the deficiency and provide the appropriate forms and background checks by June 5, 2020.

9. On May 5, 2020, the Board received correspondence from Equity advising that two persons do not meet the state's definition of controlling person. However, Equity admitted to an "oversight" in failing to identify and provide the required documentation for another individual, who was stated to have a 4% share in ownership of Equity. In response, the Board advised that, contrary to Equity's interpretation, Equity's Chief Financial Officer should be identified as a controlling person. Equity then advised it would provide the required documentation for the required additional persons by the requested date.

10. Prior to the deadline, the Board received the required documentation for these additional individuals, wherein one was identified as owning 5.26% of Equity.

AGREED VIOLATIONS OF LAW

1. 858-827 Grounds for Censure, Suspension or Revocation of Registration, or Fine of Appraisal

"The Oklahoma Real Estate Appraiser Board may censure an AMC, conditionally or unconditionally suspend or revoke any registration issued under the Oklahoma Appraisal Management Company Regulation Act, or impose administrative fines not to exceed Five Thousand Dollars (\$5,000) per violation of the Oklahoma Appraisal Management Company Regulation Act, if in the opinion of the Board, an AMC is attempting to perform, has performed, or has attempted to perform any of the following acts:

1. Committing any act in violation of the Oklahoma Appraisal

Management Company Regulation Act;

2. Violating any rule or regulation adopted by the Board in the interest of the public and consistent with the provisions of the Oklahoma Appraisal Management Company Regulation Act; or

3. Procuring a registration or a renewal of a registration for the AMC or committing any other act by fraud, misrepresentation, or deceit.

CONSENT AGREEMENT

The Respondent, by affixing its 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. Solely for purposes of resolving this matter, Respondent stipulates to the facts as set forth above and specifically waives its 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 its professional practice in the State of Oklahoma.

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

6. 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

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

8. 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.

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

10. 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

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

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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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. 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 it at the subsequent disciplinary hearing. Respondent will be free to defend itself 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 agrees to pay an administrative fine of \$2,000, to be paid pursuant to 59 O.S. §858-828(B).

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:



RICHARD DAVIS, President
EQUITY SOLUTIONS USA, INC.,

07/08/2021

DATE



ELIZABETH SCOTT,
Counsel for Respondent

07/08/2021

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
3625 NW 56th Street, Suite 100
Oklahoma City, Oklahoma 73112



DATE

IT IS SO ORDERED on this 9th day of July, 2021.



JENELLE LEPOINT, 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, Kelly Reynolds, hereby certify that on the 12th day of July, 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:

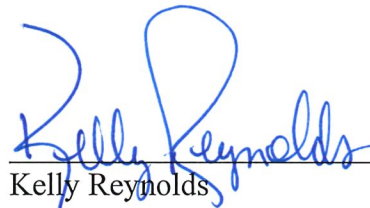
Equity Solutions USA, Inc.
Attention: Richard Davis
6304 Orchard Lake Rd
West Bloomfield, MI 48322

9214 8902 0982 7500 0386 50

and that copies were forwarded by first class mail to the following:

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

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



Kelly Reynolds