

MAY 05 2023

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

Real Estate Appraiser Board  
State of Oklahoma

In the Matter of BLAKE THOMAS,

Respondent.

Complaint No. 21-009

## CONSENT ORDER

COMES NOW the Oklahoma Real Estate Appraiser Board (“OREAB”), by and through the Prosecuting Attorney, Stephen McCaleb, and Blake Thomas (“Respondent”), by and through his attorney of record, D. Todd Riddles, 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 400 Maple Street, Yukon, Canadian County, OK 73099 (the “subject”). The Lender/Client was Cornerstone Home Lending, Inc. Respondent completed the appraisal with an effective date of October 8, 2019. The assignment type was for a re-finance transaction. The appraisal was performed in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice.

2. Respondent committed a series of errors in the report that did not fully comply with USPAP.

## Cost Approach

3. The Site Value was not supported. None of the site sales cited in the Appraisal are similar to the Subject in being adjacent to a commercial property, however, no such analysis was found in the Appraisal regarding market reaction to such influences (possible external depreciation). Sales 1 and 3 had prior sales for their lots at \$85,000 and \$74,000 respectively. However, the Subject property is reported in the Appraisal to have a lot value of \$60,000. Lack of site adjustment was not adequately supported.

4. Cost Estimates were not analyzed. The Cost Approach lacked the “As Is” value for the Site Improvements (driveway, landscaping, fencing, flat work, etc.).

## Sales Comparison Approach

5. Respondent did not analyze comparable sales data and use appropriate appraisal methods and techniques that support the conclusions.

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

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

8. Inadequate Sales Analysis:

a) Aerial imagery reveals that the Appraisal lacked Sales which are located in Downtown Urban areas and within or adjacent to primarily Commercial/Industrial zoned property, like that of the Subject's locale.

b) Per Appraisal, in order to show the existence of similar construction in the immediate area, photos of two homes within the Subject's neighborhood boundaries were provided. A brief description was provided for these homes, however, their addresses were not provided.

9. Inadequate collection and verification of comparable sales:

The Appraisal lacked analysis and disclosure of the Gross Living Area discrepancies of the Sales as follows:

Sale 1 - County Record shows 2,530sf while the Appraisal shows 2,400sf.

Sale 2 - County Record shows 3,220sf while the Appraisal shows 3,339sf.

Sale 3 - County Record shows 2,161sf while the Appraisal shows 2,400sf.

Sale 4 - County Record shows 2,616sf while the Appraisal shows 2,631sf.

Sale 5 - County Record shows 1,866sf while the Appraisal shows 2,284sf.

10. Location adjustments were not supported:

a) The Sales utilized in the Appraisal range in proximity to Subject from 1.92 to 18.39 miles, with 3 of 6 Sales being from 12.15 to 18.39 miles from the Subject, 5 of 6 being located in different City than the Subject property. Sales 1, 3, 4, 5 and 6 were applied Zip Code adjustments at \$29,000, \$81,000, \$24,8000, \$133,000 and \$116,400 respectively, however, the adjustments appear unsupported considering the apparent broad zip code-based data analysis (otherwise an analysis which lacks filtering of pertinent search criteria in order to be specific to the Subject property and location) found in the Appraisal work file.

b) All of the utilized Sales have different zoning than the Subject. Sale 1 is zoned PUD 485; sale 2 is zoned R-1 PUD; Sale 3 is zoned PUD 1611, Sale 4 is zoned "A" Single Family, Sales 5 and 6 are zoned Historic Preservation District. Due to the lack of comparison analysis between zoning types, the

Appraisal lacks support for the lack of analysis and/or adjustments as it relates to possible Market Reaction to the various zoning classifications.

- c) Aerial imagery of Sale 1, and the plat map provided in MLS Realist revealed that it is a lake lot. However, no such disclosure or analysis was made in the Appraisal.

11. Comparable Sales available though not analyzed:

- a) The following MLS sale is located 2 blocks away and within the Subject's subdivision, zoned R-1 Single Family Residential, is a 1 story brick New Dallas design though could have been utilized with property adjustment, mainly due to its proximity from Subject:

MLS 872492: 424 S 4th St, GLA: 2275sf, Built: 1998, Sold 09/13/2019 \$250,000, shelter, 30x15 shop

- b) The following MLS sale was presented to the Appraiser, apparently by his Client, for re-consideration. The Appraiser responded, "this is a spec home built by Subject's Builder and located within a typical conforming addition", and implied that since the Subject is unique design and location, this sale was not utilized. It is this Investigators opinion that a Peer Appraiser would have included this Sale for value reconciliation if for nothing else than the fact that it is built by Subject's Builder. MLS 885502: 613 Clementine Rd, GLA 2377sf, Built 2019, Sold 10/02/2019 \$340,000.

12. View adjustments, or lack of adjustments were not supported: Aerial imagery revealed that the Appraisal lacked Sales, which are located in Downtown Urban areas and within or adjacent to primarily Commercial/Industrial zoned property like that of the Subject's locale, however, no location or view adjustments were applied nor was the lack of adjustments adequately explained. The Appraisal reported Sale 3 is located in a similar downtown area, however, a check of aerial image and zoning map revealed this property is not surrounded by Commercial zoning like that of the Subject's lot.

13. Lack of Sale Verification on Sale 2: Sale 2 was reported to be a non-public sale, however, the Appraisal failed to explain how it was determined to be a non-arms-length conventional Loan transaction with "0" Seller Concessions (otherwise - The Terms of Sale). Further, the appraisal failed to explain if the non-arms-length condition affected the marketability and value.

14. Site adjustments, or lack of adjustments were not supported:

- a) All of the utilized Sales have smaller site area than the Subject, however, no adjustments were applied nor was adequate explanation provided for the lack of adjustments.
- b) Sale 1, a new home, sold on 02/28/2019 for \$85,000, and Sale 3, a 1-year-old home, sold on 08/15/2018 for \$74,000. The Appraisal correctly reported these prior sales (lot sales), however, failed to explain the lack of site adjustments when the Appraisal reported the Subject's lot value to be \$60,000.

15. Age adjustments, or lack of adjustments were not supported: Sales 2, 5 and 6 are existing homes, compared to the Subject being new construction, however, the Appraisal failed to provide adequate support for the lack of Age adjustments.

#### **Income Approach**

16. Exclusion of the Income Approach was not supported.

#### **Final Reconciliation**

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

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

#### **General - Revisited**

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

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

#### **AGREED CONCLUSIONS OF LAW**

1. Respondent has violated 59 O.S. §858-723(C)(6) through 59 O.S. §858-726, in that Respondent violated:

- a) The Conduct Section of the Uniform Standards of Professional Appraisal Practice Ethics Rule;
- b) 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, 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 factfinding 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 both his right to contest these findings in any subsequent proceedings before the Board and his right to appeal this matter to the District Court.

4. The Respondents 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 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 as effective 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.

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<sup>1</sup> Currently, the next Board meeting is scheduled for May 5, 2023, at 9:30 a.m.

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. 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, it shall be regarded as null and void. Admissions by Respondent in the rejected Consent Order will not be regarded as evidence against her at the subsequent disciplinary hearing. Respondent will be free to defend herself and no inferences will be made from her willingness to have entered into 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 that:

1. Respondent shall take the following education:

- |    |     |                                      |   |
|----|-----|--------------------------------------|---|
| A. | 902 | Online The Cost Approach             | 7 |
|    |     | Hours                                |   |
| B. | 928 | Online Land & Site Valuation         | 7 |
|    |     | Hours                                |   |
| C. | 969 | Online The Sales Comparison Approach | 7 |
|    |     | 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 ninety (90) 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. These hours will count to his Continuing education.

3. Respondent shall pay an administrative fine in the amount of one thousand five-hundred dollars (\$1,500), to be paid within thirty (30) days of notification of Respondent of the Board's Order imposing the administrative fine, pursuant to 59 O.S. §858-723.

4. Failure to comply with the preceding paragraphs in a timely manner will result in an instant suspension of Respondent's license. 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.

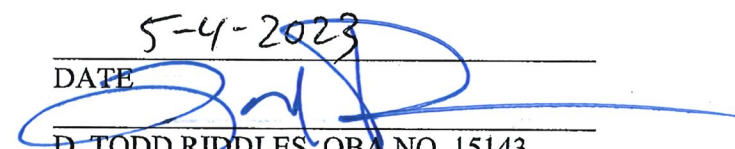
#### **DISCLOSURE**

Pursuant to the Oklahoma Open records Act, 51 O.S. §24-A.1 through §24-A.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:

  
\_\_\_\_\_  
BLAKE THOMAS

5-4-2023  
\_\_\_\_\_  
DATE

  
\_\_\_\_\_  
D. TODD RIDDLES, OBA NO. 15143  
Counsel for Respondent



5-5-23

DATE

**CERTIFICATE OF BOARD'S 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.

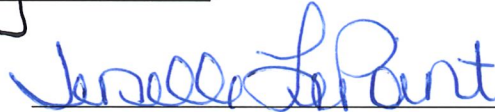


STEPHEN L. MCCALED, OBA NO. 15649  
Board Prosecutor  
400 NE 50<sup>th</sup> St.  
Oklahoma City, OK 73105

5-5-23

DATE


IT IS SO ORDERED on this 5<sup>th</sup> day of May, 2023.



JENELLE LEPOINT, Board Secretary  
Oklahoma Real Estate Appraiser Board



**OKLAHOMA REAL ESTATE  
APPRAISER BOARD:**

By:   
BRYAN NEAL, OBA NO. 6590  
Assistant Attorney General  
Attorney for the Board  
313 NE 21<sup>st</sup> St  
Oklahoma City, OK 73105

**CERTIFICATE OF MAILING**

I, Kelly Ann Reynolds, hereby certify that on the 10th day of May 2023, 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 to:

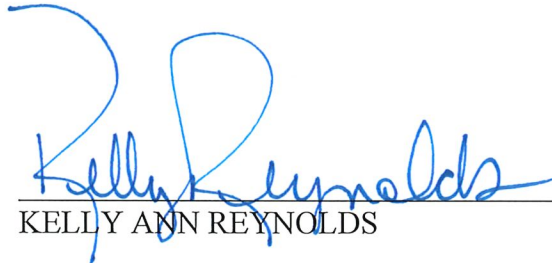
**D. Todd Riddles, Esq.**  
Cheek Law Firm, PLLC  
311 N Harvey Ave  
Oklahoma City, OK 73102

**9214 8902 0982 7500 0539 98**

by First Class Mail to:

**Bryan Neal, Assistant Attorney General**  
OFFICE OF THE ATTORNEY GENERAL  
313 NE 21<sup>st</sup> St  
Oklahoma City, OK 73105

**Stephen L. McCaleb**  
DERRYBERRY & NAIFEH, LLP  
4800 North Lincoln Blvd  
Oklahoma City, OK 73105

  
\_\_\_\_\_  
KELLY ANN REYNOLDS