

Real Estate Appraiser Board  
State of Oklahoma

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Complaint No. 22-029

## CONSENT ORDER

COMES NOW the Oklahoma Real Estate Appraiser Board (“OREAB”), by and through the Prosecuting Attorney, Stephen McCaleb, and Sandra D. Collins (“Respondent”), by and through her attorney of record, R. Ben Houston, 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 July of 2023, Respondent was hired to complete an appraisal (the “Appraisal”) for a property located at 10316 Angela Drive, Newalla, Oklahoma 74857 (the “Subject”). Respondent completed the Appraisal with an effective date of July 7, 2022. The assignment type was for a purchase transaction. The Appraisal was purportedly performed in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice.

2. Respondent committed a series of errors in the report, which led to a misleading and non-credible report. She does not contest the following if it should go to hearing.

## General

3. The Scope of Work was not sufficiently summarized to disclose to the clients the level of work used to develop the Appraisal.

4. The analysis of agreements of sale, options, or listing of Subject property current as of the effective date of appraisal and sales that occurred within three years were not adequately summarized.

5. The certification page indicates that the Appraiser inspected each of the comparable sales from at least the street. However, Board investigation found that all Comparable Sale photos are from MLS, which was not explained in the Appraisal.

6. The exclusion of the Income Approach was not adequately supported.

7. Respondent appeared to verify zoning.

8. The Appraisal was for a purchase transaction; however, the Agreement of Sale was not found in the Appraiser's work file during the Board's investigation, nor does the Appraisal include proper or adequate analysis of the Contract.

### **Neighborhood**

9. Neighborhood boundaries were not adequately and reasonably defined. Neighborhood boundaries reported in the Appraisal for the Subject property reported the west boundary as being South Harrah Road; however, the Subject is located 2.5 miles west of South Harrah Road.

### **Site, Highest and Best Use**

10. The site was not adequately identified/defined. The Legal Description is incorrect – the report indicates “3/2” (4-10-1E 5 AC 3/2 NW/4 SW/4 SE/4), when the correct labeling is “E/2” for East Half (4-10-1E 5 AC E/2 NW/4 SW/4 SE/4). The Appraisal cited “No Dimensions Available”; however, a plat map (found on the Oklahoma City Zoning Map website) reported the lot dimensions are 329' x 661.61' x 329' x 661.43'.

11. The zoning was not adequately and accurately reported. The Appraisal cited “No Zoning”, however, a zoning map (found on the OKC Zoning Map website) reported the Subject's zoning is AA Agricultural.

12. Easements were not adequately reported. Since the plat map was not utilized by the Appraiser, easements were not reported or analyzed.

13. An opinion to the highest and best use was not provided and stated. Although the Appraisal report provided an opinion of Highest and Best Use (HABU), and the current use was stated, 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). Since the Appraiser apparently failed to verify Zoning, the Appraisal contains inadequate rationale of Highest and Best Use. For example, perhaps the Subject's AA Zoning allows for income producing uses that were not analyzed in the Appraisal.

### **Improvements**

14. Relevant characteristics of improvements and any effect they have on value were not adequately described. The Complainant reported the Subject property has a metal roof; however, the Appraisal indicates it has a composition shingle roof. Although the Appraiser was asked to correct the report in an ROV (reconsideration of value), no correction was made. The

Complainant reported the Subject property is total electric and does not have propane, nor is the home setup for propane; however, the Appraisal indicates the Subject's fuel source is propane/electric.

15. Personal property, trade fixtures or intangible items that are not real property, but were included in the appraisal, were not adequately described and considered in the valuation process. The Subject has a free-standing range/oven (personal property). Although conveyance of free-standing range/ovens as real property is common in Oklahoma, the Appraisal should still include appropriate explanation; however, no such explanation was found.

16. Relevant conditions or depreciation was not consistent with the reported C3 rating. C3 is normally assigned to properties in "Good" condition. However, as noted within the Improvements Section of the Appraisal, all of the materials and components are reported in only AVG (average) condition.

#### **Cost Approach**

17. The site value was not developed by appropriate appraisal methods or technique. Site value not supported, page 4 of 7. The Cost Approach reported the \$30,000 site value was based on County Assessor records and sales of similar acreages. However, no acreage Sales were provided or found in the work file, nor is the \$30,000 site value consistent with County records, which indicates a site value of \$41,481.

18. Respondent incorrectly employed recognized methods and techniques. The Site value reported in the Appraisal was not supported, nor was the method by which it was reported to have been derived found in the Appraisal, the work file, or the County Records.

#### **Sales Comparison Approach**

19. Respondent did not adequately collect comparable sales. All of the Comparable Sales photos are from MLS (not live photos). Although USPAP does not require live Comparable Sales photos, the Scope of Work certification, page 5 of 7, stipulates that the Appraiser inspected each of the comparable sales from at least the street. The reader may question why live photos were not obtained, when the Appraiser certified she inspected the sales from the street. All of the Comparable Sales are shown in the Appraisal to be located in Newalla, Oklahoma; however, they are actually located in Oklahoma City, OK. According to MLS, Sale 2 and Listing 4 are located in a Flood Zone, which was not disclosed or analyzed in the Appraisal report.

20. Adequate reasoning was not provided for adjustments, opinion, and conclusions. The Seller Concession adjustments applied across the grid were not explained. See the 1004MC Form, included in the Appraisal, which also lacks commentary and explanation for Seller Concessions. The 1004MC also cited the stats are from MHs in McClain and Grady Counties (Subject is in Cleveland County). The GLA (Gross Living Area) adjustment of \$20 per foot, applied to the utilized Sales, is not supported, nor is it consistent with the Sales prices per foot at \$75.71, \$86.50, and \$72.12 respectively. The condition adjustment applied to Sale 3 was not adequately supported or explained. The final value was not adequately reconciled. The Appraisal Addendum includes a value and weighted percentage chart. However, considering the relatively wide Sales adjusted value spread, neither the explanation or the final estimate of value are well supported.

21. Respondent provided inadequate support and/or explanation for adjustments.

#### **Income Approach**

22. Exclusion of the Income Approach was not supported. Simply stating that an approach was not developed does not meet the USPAP requirement to state the reasons why it was not developed. Stating that an approach was not necessary, without providing some basis for that opinion, also fails to meet the requirement. The report must give some explanation as to why an excluded approach is not necessary for credible results.

#### **Final Reconciliation**

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

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

#### **General - Revisited**

25. The Appraisal results were misleading.

26. It does not appear Respondent understands the Appraisal process.

27. 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.

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

#### **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) The Scope of Work Rule of the Uniform Standards of Professional Appraisal Practice;
- c) The Record Keeping Rule of the Uniform Standards of Professional Appraisal Practice; and
- 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 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."

6. The OREAB reserves the right to amend or addend these allegations should evidence presented or discovered during the proceeding constitute clear and convincing proof that such amendments or addenda are warranted.

### **CONSENT AGREEMENT**

The Respondent, by affixing her 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 her; 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 her right to contest these findings in any subsequent proceedings before the Board and her right to appeal this matter to the District Court.

4. The Respondents consents to the entry of this Order affecting her 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 her 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.

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<sup>1</sup> Currently, the next Board meeting is scheduled for August 4, 2023, at 9:30 a.m.

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, 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 corrective education courses offered by the Appraisal Foundation:

- |    |   |         |
|----|---|---------|
| a) | Sales Comparison Approach Reconciliation  | 4 hours |
| b) | Ethics, Competency, and Negligence        | 4 hours |
| c) | Residential Report Writing vs Form Filing | 4 hours |

2. Respondent agrees that she will successfully complete, pass the test, and provide proof of completion and passing of the comprehensive exam 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. Respondent will not receive credit for the completed courses.

3. Respondent shall pay an administrative fine in the amount of two-hundred fifty dollars (\$250), 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 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:

  
SANDRA D. COLLINS

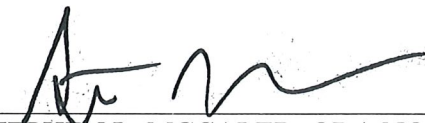
8-2-2023  
DATE

  
R. BEN HOUSTON, OBA NO. 14751  
Counsel for Respondent

8-2-2023  
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

8/4/23  
DATE

IT IS SO ORDERED on this 4<sup>th</sup> day of August, 2023.

Jenelle LePoint

JENELLE LEPOINT, Board Secretary  
Oklahoma Real Estate Appraiser Board

**OKLAHOMA REAL ESTATE  
APPRAISER BOARD:**



By:

Bryan Neal

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 15<sup>th</sup> day of August 2023, a true and correct copy of the above and foregoing Consent Order was sent via first-class U.S. Mail, certified and return-receipt requested, with proper postage prepaid thereon, to the following:

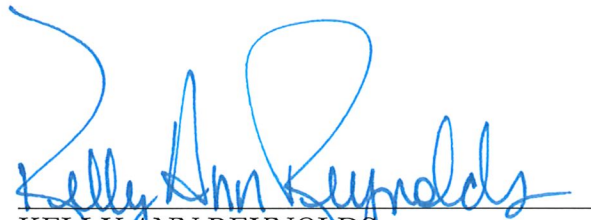
**Sandra D. Collins**  
**c/o R. Ben Houston, Esq.**  
101 Park Ave, Suite 1300  
Oklahoma City, OK 73102

**9214 8902 0982 7500 0563 40**

and by first-class U.S. 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, Esq.**  
Derryberry & Naifeh, LLP  
4800 N. Lincoln Blvd  
Oklahoma City, OK 73105

  
KELLY ANN REYNOLDS