

**FILED**

NOV 03 2023

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

Real Estate Appraiser Board  
State of Oklahoma

In the Matter of BOBBY LEACH,                     )  
  )  
Respondent.    )     Complaint No. 22-031

**CONSENT ORDER**

COME NOW the Oklahoma Real Estate Appraiser Board ("OREAB"), by and through the Prosecuting Attorney, Stephen McCaleb, and Bobby Leach ("Respondent"), by and through his attorney of record, K. Ellis Ritchie, 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 2020, Respondent was hired to complete an appraisal (the "Appraisal") for a property located at 15385 East Taylor Lane, Claremore, Oklahoma 74017 (the "Subject"). Respondent completed the Appraisal, with an effective date of July 14, 2020. 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.

**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 the sale of the property as a vacant lot which occurred within three years was not adequately analyzed and summarized.

5. The certificate number and tile were not correctly reported.

6. Sales No. 1 and No. 2 are given the most consideration by the Respondent. Sale No. 1 is located in the Subject's immediate area and adjusted value is \$354,140. Violation of Standard 1-4. There is no support in the work file for the site adjustments on Sales No. 2 and No. 3. There is no support in the report or in the work file for the adjustments for Subject's pool, outdoor kitchen and safe room.

7. USPAP Standard 2-2 violation: Sale No. 1's past sale history was not analyzed in the report. Per USPAP, Respondent must analyze any past sales on the Subject, not just list the price, date, etcetera. Per the instructions on the form, Respondent must analyze any past sales within one (1) year on the comparable sales. Respondent mentions the sales, but does not analyze them.

#### **Neighborhood**

8. Factors that affect marketability were not adequately and reasonably described.
9. Neighborhood boundaries were not adequately and reasonably defined.
10. The market area trends were not adequately and reasonably discussed and analyzed.
11. Respondent does not have any comments that are "unique" to the Subject's neighborhood.
12. The neighborhood should include all properties in the area, not only those that are similar in age to the Subject.
13. The neighborhood boundaries are quite large and include properties not located in the same school system as the Subject.
14. The price ranges and ages do not give an adequate description of the properties located in the Subject's neighborhood, which could result in a misleading report.

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

15. An opinion to the highest and best use was not provided and stated. Respondent should do more than just check the box for highest and best use. There needs to be a one or two sentence explanation as to how the appraiser arrived at that conclusion. USPAP Violation Standard 2-2.

#### **Improvements**

16. Relevant characteristics of improvements and any effect they have on value were not adequately described. Respondent does not go into detail on the Subject's extra features. There is no mention of the kind of pool or details on the outdoor kitchen. The only mention is on the grid and on the specifications attached to the report. USPAP Violation 2-2.

#### **Cost Approach**

17. The site value was not market oriented.
18. The cost estimates were not analyzed and supported.

19. Respondent incorrectly employed recognized methods and techniques.

20. Respondent is required to provide support for the land value in the report - per the instructions on the form: "Support for the opinion of site value (summary of comparable sales or other methods for estimating site value)." Respondent reports "site value derived from recent land sales in the area". Respondent must provide a short summary in the report such as sales price, address, closing date, and site size.

21. Respondent reports "cost approach figures are from local builders." However, there is no information in the appraiser's work file to support the conclusions in the cost approach. This information has to be in the report, per the instructions on the form. USPAP Violation 2-2 (x).

### **Sales Comparison Approach**

22. Respondent did not select and identify sales similar to and from the same or similar market area to the Subject's market area.

23. Respondent did not adequately collect, verify, and report comparable sales.

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

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

26. Sale No. 1 is the only sale in the report from the Subject's immediate area. Two sales located on larger acreage areas were used. Sale No. 3 is used because it does have a pool and outdoor kitchen. There are two other sales that could have been used instead of Sale No. 2. One is from the Subject's immediate area, and one is from a nearby competing area with a somewhat similar site size and a pool. Sale No. 2 is located on acreage, and has a shop. These features are not similar to that of the Subject. Sale No. 3 is also on acreage, but does have a pool and outdoor kitchen. Two sales (Sale No. 1 and No. 3) adjusted values are both below the market value for the Subject.

27. There are no explanations in the work file or in the report for the adjustments for the sites or pool, even though it is stated in the report that the acreage adjustments are determined by examining vacant land sales in the area.

28. The comments about adjustments are not unique to the Subject report. Each adjustment on each sale should be explained or the reasoning for no adjustment. USPAP Violation 2-2 (x)

### **General - Revisited**

29. The Appraisal results were misleading.
30. It does not appear Respondent understands the Appraisal process.
31. 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.
32. 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 Ethics 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 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 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 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.

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<sup>1</sup> Currently, the next Board meeting is scheduled for September 29, 2023, at 9:30 a.m.

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, 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 himself and no inferences will be made from his 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:
  - a) 612 Residential Site Valuation & Cost Approach -15 Hours
  - b) The Appraisal Foundation's Scope of Work: Appraisals and Inspections course – 4 hours
  - c) The Appraisal Foundation's Residential Report Writing v. Form Filing course – 4 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. Respondent shall not receive credit for the completed courses, as identified in ¶1, sub-paragraphs a-c, hereinabove.
3. Respondent shall pay an administrative fine in the amount of two-hundred and 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 (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:

  
BOBBY N. LEACH

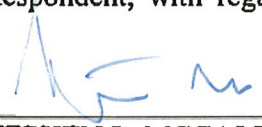
10/26/2023  
DATE

  
K. ELLIS RITCHIE, OBA NO. 14443  
Counsel for Respondent

10/26/2023  
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

11-3-23  
DATE



IT IS SO ORDERED on this 3<sup>rd</sup> day of November, 2023.



JENELLE LEPOINT, Board Secretary  
Oklahoma Real Estate Appraiser Board

**OKLAHOMA REAL ESTATE  
APPRAISER BOARD:**



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 3rd day of November 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:

**K. Ellis Ritchie, Esq.**

**9214 8902 0982 7500 0579 34**

Kyle E. Long, Esq.

Ritchie, Rock McBride & Atwood

PO Box 246

Pryor, OK 74362-0246

and by First Class Mail to:

**Bobby Leach**

11500 S 129<sup>th</sup> E Ave

Broken Arrow, OK 74011

**Bryan Neal, Assistant Attorney General**

OFFICE OF THE ATTORNEY GENERAL

313 NE 21<sup>st</sup> St

Oklahoma City, OK 73105

**Stephen L. McCaleb**

ODOM & SPARKS, PLLC

2500 McGee Dr, Ste 140

Norman, OK 73072



KELLY ANN REYNOLDS