

BEFORE THE ARKANSAS
APPRAISER LICENSING AND CERTIFICATION BOARD

IN THE MATTER OF:
Thomas A. Douglas, Respondent

CASE NO. 17-0913

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

A hearing on the above-referenced matter was held before the Arkansas Appraiser Licensing and Certification Board ("Board") on April 25, 2019 in the Tobacco Control Hearing Room, 101 East Capitol Avenue, Suite 119, Little Rock, Arkansas, 72201. Respondent appeared personally and was not represented by counsel. Assistant Attorney General Juliane Chavis appeared on behalf of the Board.

Finding proper notice had been given Respondent, the Board, from all the evidence presented, makes the following Findings of Fact, Conclusions of Law and Order:

FINDINGS OF FACT

F-1. The Respondent prepared **multiple reports of residential properties in Arkansas between the dates of April 2016 through August of 2016.** A list of the reports is below:

- 1. 126 Running Deer Ln, Pleasant Plains, AR – 08/12/2016**
- 2. 94 Lackeys Way, Tumbling Shoals, AR – 07/01/2016**
- 3. 342 Velvet Ridge Rd, Bradford, AR – 06/06/2016**
- 4. 163 Keith Rd, Searcy, AR – 06/03/2016**
- 5. 112 Rambler Ln, Rose Bud, AR – 04/30/2016**
- 6. 444 CW Rd, Judsonia, AR – 04/28/2016**

F-2. The Respondent did not correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal. This is evidenced by the fact there is no support or documentation in the reports or workfiles to establish a site value by a recognized method or technique of site valuation. The Subject Site Value is unsupported in all the above listed Reports.

F-3. The Respondent did not provide data in the report or workfile to support the Site Values of the Comparable Sales used in the above referenced reports. Site adjustments made or not made (NO adjustment) must be supported by recognized appraisal methods and techniques or reasoning that supports the analysis, opinions, and conclusions.

F-4. The Respondent, with respect to **Report 2**, did not accurately report the zoning of the subject site; he indicates in the report GLA is adjusted at \$30 / sqft for differences of more than 100 sqft. However, Comp 1 is 106 sqft smaller without an adjustment, Comp 2 is 124 sqft smaller without an adjustment, and Comp 6 is 164 sqft larger with an adjustment of \$4,100, which is \$25 / sqft. Page 3 of 37 indicates the interior of the subject was inspected. Page 18 of

37 indicates “The appraiser has not physically inspected the interior of the property.” With respect to **Report 6**, Respondent does not provide in the report or workfile an explanation for his lack of adjustment for design. Respondent also does not provide in the report or workfile support for the adjustments for bedroom amenities or lack of an adjustment for the difference in bathroom count. Respondent made an across the board adjustment for quality of construction which was not explained or supported.

F-5. The Respondent rendered services in a manner that did not produce credible results. This is evidenced by the series of errors found in Allegations A-2 through A-4.

F-6. The Respondent did not adequately prepare a workfile at the time of issuance of the above referenced reports that were prepared in Arkansas. This is evidenced by the lack of documentation or support for the above referenced adjustments.

F-7. It appears the Respondent prepared reports in both Arkansas and Washington State on the same day. These states are not contiguous and are separated by 1,750 miles. A list of the reports completed on the same dates:

1. **126 Running Deer Ln, Pleasant Plains, AR – 08-12-2016**
2. **8659 Delridge Way SW, Seattle, WA – 08-12-2016**
3. **94 Lackeys Way, Tumbling Shoals, AR – 07-01-2016**
4. **603 E. 63rd St, Tacoma, WA – 07-01-2016.**

CONCLUSIONS OF LAW

C-1. The foregoing described in paragraph F-2 are violations of The Uniform Standards of Professional Appraisal Practice, Standards Rule 1-1(a), Standards Rule 1-4(b)(i), and 2-2(a)(viii) which state:

Std Rule 1-1 In developing a real property appraisal, an appraiser must: (a) be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.

Std Rule 1-4 In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results: (b) When a cost approach is necessary for credible assignment results an appraiser must: (i) develop an opinion of site value by an appropriate appraisal method or technique.

Std Rule 2-2(a) The content of an Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum: (viii) summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analysis, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained.

C-2. The foregoing described in paragraph F-3 are violations of The Uniform Standards of Professional Appraisal Practice, Standards Rule 1-1(a), Standards Rule 1-4(a), and 2-2(a)(viii) which state:

Std Rule 1-1 In developing a real property appraisal, an appraiser must: (a) be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.

Std Rule 1-4 In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results: (a) when a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

Std Rule 2-2(a) The content of an Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum: (viii) summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analysis, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained.

C-3. The foregoing described in paragraph F-4 are violations of The Uniform Standards of Professional Appraisal Practice, Standards Rule 1-1(a), Standards Rule 1-4(a), Standards Rule 2-1(a), and 2-2(a)(viii) which state:

Std Rule 1-1 In developing a real property appraisal, an appraiser must: (a) be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.

Std Rule 1-4 In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results: (a) when a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

Std Rule 2-1 Each written or oral real property appraisal report must: (a) clearly and accurately set forth the appraisal in a manner that will not be misleading.

Std Rule 2-2(a) The content of an Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum: (viii) summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analysis, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained.

C-4. The foregoing described in paragraphs F-2 through F-5 are violations of The Uniform Standards of Professional Appraisal Practice, Standards Rule 1-1(c), Standards Rule 2-1(a), and 2-2(a)(viii) which state:

Std Rule 1-1 In developing a real property appraisal, an appraiser must: (c) not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results.

Std Rule 1-4 In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results: (a) when a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

Std Rule 2-2(a) The content of an Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum: (viii) summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analysis, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained.

C-5. The forgoing described in paragraph F-6 are a violation of The Uniform Standards of Professional Appraisal Practice. Record Keeping Rule:

Record Keeping Rule – The workfile must include: all other data, information, and documentation necessary to support the appraiser’s opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other data, information, and documentation.

C-6. The forgoing described in paragraph F-7 are a violation of The Uniform Standards of Professional Appraisal Practice. Standards Rule 2-3, and Ethics Rule – Conduct:

Std Rule 2-3 I certify that, to the best of my knowledge and belief:

1. the statements of fact contained in this report are true and correct.

Ethics Rule – Conduct: An appraiser:

2. must not communicate assignment results with the intent to mislead or to defraud;
3. must not use or communicate a report that is known by the appraiser to be misleading or fraudulent.

ORDER

1. The Respondent is hereby placed on a 12-month period of probation. During the period of probation, Respondent shall:
 - a. Submit to Board staff a monthly log of all appraisal reports for review;
 - b. Take a 15-hour classroom USPAP course with an exam and pass the exam;
 - c. Take a 30-hour classroom course on Appraisal Procedures with an exam and pass the exam;
 - d. Pay a civil penalty in the sum of \$3,000.00, \$500.00 per each of the six (6) Conclusions of Law reciting violations as set out above.

Pursuant to the Arkansas Administrative Procedure Act, Ark. Code Ann. § 25-15-212, Respondent may petition for judicial review of this decision by filing a petition in the Circuit Court in the county in which he resides or does business or in the Circuit Court of Pulaski County within thirty (30) days after service of this order.

IT IS SO ORDERED this 2nd day of May, 2019.

ARKANSAS APPRAISER LICENSING
AND CERTIFICATION BOARD



DIANA PIECHOCKI
EXECUTIVE DIRECTOR

CERTIFICATE OF SERVICE

I, Diana Piechocki, Executive Director of the Arkansas Licensing and Certification Board, do hereby certify that I have served a copy of these Findings of Fact, Conclusions of Law and Order by mailing a copy of same, U.S. Mail, postage prepaid on this ____ day of May, 2019 to the following: Mr. Thomas A. Douglas.



DIANA PIECHOCKI
EXECUTIVE DIRECTOR