BEFORE THE REAL ESTATE APPRAISER BOARD
STATE OF OKLAHOMA

In the Matter of JASON W. WILLIAMS,	)	
	)	Complaint #14-008
Respondent.	)	

BOARD'S DECISION AS TO DISCIPLINARY HEARING PANEL RECOMMENDATION

ON THE 1st day of July, 2015, the above numbered and entitled cause came on before the Oklahoma Real Estate Appraiser Board (the "Board") following a disciplinary hearing held on the 20th day of April, 2015. At approximately 9:35 a.m., the above numbered and entitled cause came on for hearing before a duly appointed Disciplinary Hearing Panel of the Oklahoma Real Estate Appraiser Board (the "Board" or "OREAB"). The Board was represented by a Disciplinary Hearing Panel composed of three (3) appraiser members, H. E. "Ted" Smith of Stillwater, Oklahoma, John M. Travers of Tulsa, Oklahoma, and Frank E. Priegel of Okmulgee, Oklahoma. H. E. "Ted" Smith was elected and served as Hearing Panel Chairman at the hearing. Said panel was represented by the Board's attorney, Assistant Attorney General Bryan Neal. The case was prosecuted by the Board's Prosecutor, Stephen L. McCaleb. On behalf of the Board, Mr. McCaleb elected to have this matter recorded by electronic device and to rely on the electronic recording.

The Respondent, Jason W. Williams, of Oklahoma City, Oklahoma (the "Respondent"), having been mailed a copy of the Notice of Disciplinary Proceedings and Appointment of Hearing Panel (the "Notice") by first class U.S. certified mail with return receipt requested to his last known address, on February 18, 2015, pursuant to the Oklahoma Certified Real Estate Appraisers Act, 59 O.S. § 858-724, and the Oklahoma Administrative Procedures Act, 75 O.S. §§250-323, appeared in person and was represented by an Attorney at the hearing named Daniel J. Gamino, Daniel J. Gamino & Associates, Oklahoma City, Oklahoma. The Respondent elected to have this matter

recorded by electronic device and to rely on the electronic recording.

As the Board's Prosecutor, Mr. McCaleb presented his opening statement on behalf of the Board and the Respondent likewise presented his opening statement in his defense at the beginning of the Hearing through his Attorney.

PRELIMINARY MATTERS

The Board's Prosecutor initially moved for the admission of nine (9) exhibits for the Board (Exhibits 1, 2, 3, 4, 5, 6, 7, 8, and 9 respectively) to which there was no objection and all nine such Board exhibits were admitted into evidence.

Exhibit 1 was the Respondent's appraisal report on 1404 North Park Place, Moore, Oklahoma, 73160 (Property 1) as of June 19, 2012, Exhibit 2 was the Respondent's submitted work file for 1404 North Park Place, Moore, Oklahoma, 73160, Exhibit 3 was the Respondent's appraisal report on 1608 Ginger Avenue, Moore, Oklahoma 73160 (Property 2) as of June 27, 2012, Exhibit 4 was the Respondent's submitted work file for 1608 Ginger Avenue, Moore, Oklahoma 73160, Exhibit 5 was the Respondent's appraisal report on 601 N.W. 18th Street, Moore, Oklahoma 73160 (Property 3) as of July 25, 2012, Exhibit 6 was the Respondent's submitted work file on 601 N.W. 18th Street, Moore, Oklahoma 73160, Exhibit 7 was the State's Additional MLS Sheets not included in Respondent's work files, Exhibit 8 was the April 28, 2014, Letter from the U.S. Department of Housing and Urban Development to the Oklahoma Real Estate Appraiser Board, and, Exhibit 9 was the Letter from Counsel for the Respondent to the Oklahoma Real Estate Appraiser Board dated June 11, 2014, responding to the Grievance and the limited HUD disciplinary actions. There being no objection, all nine (9) of the Board's Exhibits were admitted into evidence.

The Respondent did not submit any documents for admission as evidence in this matter. Neither party to these proceedings requested that a court reporter record this matter and neither

party to these proceedings submitted any proposed findings of fact or proposed conclusions of law to the Disciplinary Hearing Panel for their consideration.

WITNESSES AND EVIDENCE PRESENTED

The Board's Prosecutor presented one (1) witness in support of the case against the Respondent: Kelly A. Davis, a certified residential appraiser licensed as 12051CRA, of El Reno, Oklahoma, and a current Member of the Board's Standards and Disciplinary Procedures Committee.

Kelly A. Davis Testimony (Summary)

Upon being duly sworn, Ms. Davis testified that she resided in El Reno, Oklahoma, that she had been a state licensed real estate appraiser since 1999, that she is licensed as a Certified Residential Appraiser, that she concentrates on residential appraisals and that she was not paid to testify in this proceeding. According to Ms. Davis, the approach she followed in this instance was to read the appraisal reports, look at the work files and to look at the grievance response.

1404 North Park Place, Moore, Oklahoma (Property 1)

Ms. Davis proceeded to explain that she pulled information on the Respondent's appraisal report 1 for the subject property at 1404 North Park Place, Moore, Oklahoma, which she identified as the Board's Exhibit 1, which report had an effective date of June 19, 2012, and she went line by line through the Respondent's appraisal report 1. Ms. Davis noted that the Respondent's appraisal report 1 (the "Appraisal Report 1") at Exhibit 1, page 3, in the "Contract Section" claims that the Respondent analyzed the sales contract but he provided no explanation and accordingly tells the reader nothing about his analysis. As a general matter, Ms. Davis said that sales contracts between buyers and sellers list numerous things and the appraiser, in this case, the Respondent, should explain the results of his analysis. At the request of the Board's Prosecutor, Ms. Davis read USPAP Standards Rule 1-5 into the record. Continuing, Kelly Davis stated that the Respondent's appraisal

report 1 provides that the date of the sales contract on Property 1 was June 7, 2012, that a copy of the sales contract was in the Respondent's work file (Exhibit 2, pages 43-52), and that the sales contract is not dated June 7, 2012 (*See* Exhibit 2, page 52, dated June12, 2012) as reported by the Respondent.

As to the Respondent's "Neighborhood Section" of Appraisal Report 1 (Exhibit 1, page 3), Ms. Davis noted that the Respondent reports that the market price trends for one-unit housing are between $100,000 and $200,000 with the price of $125,000 as predominate while the Respondent's Property 1 and all of his comparables (Exhibit 1, page 4) are all in excess of his stated predominate price. Ms. Davis said that she found similar errors in all three of the Respondent's appraisal reports.

As to the Respondent's "Site Section" of his Appraisal Report 1 (Exhibit 1, page 3), Ms. Davis said that the Respondent listed the subject property 1's site dimensions as being "Unavailable" which means the Respondent did not look them up and instead he wrote that such site dimensions were "Unavailable".

As to the Respondent's "Improvements Section" in his Appraisal Report 1 (Exhibit 1, page 3), Ms. Davis noted that the Respondent reported the Design Style of Property 1 as being "Trad.", that such description is not appropriate, that "Trad." is not a design style, and that the description needs to be more specific such as using words such as Ranch or Bungalow. Continuing, Ms. Davis also noted that the Respondent reported the actual age of Property 1 as being 28 years while the Respondent reported the effective age of Property 1 to be 10 years with no updates in the last 15 years with no explanation, and that the Respondent also provided no explanation as to his conclusion that the condition of the appliances was "good".

As to the Respondent's comparable sales or "comparables" in his Appraisal Report 1 (Exhibit 1, page 4), Ms. Davis said that the Respondent's report of 20 comparable sales in the same

neighborhood last 12 months at the top of the page ranging from $90,500 to $150,000 is quite a range, that it looks like the Respondent used every comparable sale rather than actual comparable sales, that the seller's payment of the buyer's costs of $4,500.00 should be explained by the Respondent (Exhibit 1, page 3), that no dollar adjustment was made in Property 1, that as to the Respondent's comparables he should try and isolate the similar homes and provide detail.

Ms. Davis next mentioned appraisers' use of the technique of "bracketing" in connection with the selection of comparables which she described as grouping properties with the most similar price and the most similar age, etc. and which technique the Respondent did not use. This was evidenced by the Respondent's choice of his three comparables in his Appraisal Report 1 all being much larger in size than the subject property 1 with Comparable 2 and Comparable 3 being over 300 square feet larger. By use of the "bracketing" in connection with selecting three comparable sales, according to Ms. Davis, an appraiser can select one comparable to be smaller than the subject, one comparable to be larger than the subject and one to be equal to the subject property. Respondent's use of two comparables that were 300 feet larger than the subject property 1 and not "bracketing", resulted in the Respondent's comparable selections not being the best comparables.

Ms. Davis also noted that the Respondent's room count of a total of 7 rooms (Exhibit 1, page 4) did not match his sketch room count of 6 rooms with no kitchen (Exhibit 1, page 17).

According to Ms. Davis, the Respondent reported his Comparable 2 to be a conventional loan transaction (Exhibit 1, page 4) while the multi-list sheet (MLS) for that property in the Respondent's work file (Exhibit 2, page 35) indicates this property was a Real Estate Owned (REO) property in foreclosure.

Continuing in Appraisal Report 1 to the "Cost Approach to Value' Section (Exhibit 1, page 5), Ms. Davis noted that the Respondent's reference to the way he determined his site value offered

no explanation.

As to the Appraisal Report 1's "Neighborhood Description" section in the Addendum (Exhibit 1, page 9) to which the reader was directed earlier in Exhibit 1 at page 3 , Ms. Davis said that the Respondent used canned comments with no specifics and that such canned comments were too generic.

As to the Respondent's USPAP Addendum (Exhibit 1, page 10), Kelly Davis said that the Respondent claims that this appraisal report is a "Self-Contained Report" when it's not, that it's really a "Summary Report", that a self-contained report includes all of the details rather than a summary of the details which this Appraisal Report 1 actually does, and that the Respondent's Appraisal Report 1 should be identified as a "Summary Report".

As to the Respondent's sketch of the subject property 1 (Exhibit 1, page 17), the sketch does not include a patio/deck as reported by the Respondent on page 4 of Exhibit 1 so the reader has no idea how big the reported $2,500.00 patio/deck actually is. Further, the Respondent's sketch does not include any kitchen.

As to the Respondent's work file for subject property 1 as to the days on market (DOM)(Exhibit 2, page 34), Ms. Davis stated that the Respondent reports the DOM to be 10 for his Comparable 1 (Exhibit 1, page 4) while the Respondent's work file shows more days on market. By referring to her own notes (to which the Respondent made no objection), Ms. Davis said that prior to the reported 10 days on market by the Respondent, that Comparable 1 had been on market for 189 days and that it was released.

As to the Sales Contract in the Respondent's work file (Exhibit 2, page 43), Ms. Davis indicated that the Respondent should use the date the seller accepted the contract by signing the contract and not the date of the buyer's offer to purchase and that his use of the wrong date for the

contract is evidence that the Respondent did not even look at the sales contract.

1608 Ginger Avenue, Moore, Oklahoma (Property 2)

Ms. Davis proceeded to discuss the Respondent's appraisal report 2 for the property at 1608 Ginger Avenue, Moore, Oklahoma, which she identified as the Board's Exhibit 3 (the "Appraisal Report 2") and which report she said had an effective date one week later than the Appraisal Report 1.

According to Ms. Davis, the Respondent's Appraisal Report 2 contains the same language in the "Contract Section" (Exhibit 3, page 56) as to this being an "arms length sale; The contract was analyzed" as was in the Respondent's Appraisal Report 1 (Exhibit 1, page 3), and that here the Respondent reports the sales contract date to be May 23, 2012, while he reports the contract date elsewhere to be May 24, 2012.

In referring to her notes (to which the Respondent made no objection), Ms. Davis said that she thought that this Property 2 backed up to water which she confirmed through her notes and that you can see depicted on his map (Exhibit 3, Flood Map, page 72), that such water characteristic was not disclosed by the Respondent and that such water characteristic could matter to a buyer.

As to the Respondent's Appraisal Report 2's "Site Section" (Exhibit 3, page 56), Ms. Davis points out that the Respondent reports the site dimensions to be "Unavailable" while she found them to actually be available on-line.

As to the Respondent's "Improvements Section" in his Appraisal Report 2 (Exhibit 3, page 56), Ms. Davis noted that the Respondent reported the Design Style of Property 2 as being "Trad." just like he did in his "Improvements Section" in his Appraisal Report 1 (Exhibit 1, page 3). Continuing, Ms. Davis also noted that the Respondent reported the actual age of Property 2 built in 2000 as being 12 years while the Respondent reported the effective age of Property 2 to be 5 years

with no updates in the last 15 years with no explanation and that the subject property 2 was in average condition, again with no explanation (Exhibit 3, page 56).

As to the Respondent's comparables in the "Sales Comparison Approach" section (Exhibit 3, page 57), Ms. Davis noted that all three of the Respondent's comparables were reported to be in the City of Moore, Oklahoma, while the Respondent's comparable sales map (Exhibit 3, page 71) depicts all three of the Respondent's comparables to be in the City of Oklahoma City, Oklahoma. Further, Ms. Davis noted that the Respondent reports the subject property 2 and all three of his comparables as rating a Q3 as to the quality of construction which she stated is above grade and above average (Exhibit 3, page 57) while the Respondent provides conflicting information elsewhere that the quality of construction is just "fair".

As to the Respondent's sketch of the subject property 2 (Exhibit 3, page 69), Kelly Davis pointed out that the sketch depicts 2 bedrooms, not 3 as reported in the "Improvements Section" (Exhibit 3, page 56).

As to the Respondent's opinion of Site Value in the "Cost Approach to Value" section of the Appraisal Report 2 (Exhibit 3, page 58), Ms. Davis noted that the Respondent's site value of $20,000.00 is unsupported, and that the County data indicates that the site value is more like $10,000.00 than $20,000.00.

Ms. Davis testified that an appraiser is required to drive-by and to look at their comparables, that often appraisers take their own photographs of the comparables as evidence that they have actually looked at the comparables whereas the Respondent's photographs of his comparables in his Appraisal Report 2 (Exhibit 3, page 69), are MLS photographs and not those that he has personally taken (*See* MLS photos in work file in Exhibit 4, pages 82-84).

As to the USPAP Addendum (Exhibit 3, page 73), Ms. Davis said that the Respondent claims once again that this Appraisal Report 2 is a "Self-Contained Report", that that's not so, that it's really a "Summary Report".

As to the Respondent's work file on the Appraisal 2 and the sales contract date (Exhibit 4, page 104), the Respondent reports the date of the sales contract to be May 23, 2012, when it's really the date the seller accepted the buyer's offer on May 24, 2012, that while this is not a major error, it is one of numerous errors.

601 N.W. 18th Street, Moore, Oklahoma (Property 3)

Ms. Davis proceeded to discuss the Respondent's appraisal report 3 for the property at 601N.W. 18th Street, Moore, Oklahoma, which she identified as the Board's Exhibit 5 (the "Appraisal Report 3"), that she found problems in this appraisal report that are similar to those in the Respondent's other two appraisal reports, that once again found no sales contract analysis reported (Exhibit 5, page 108), and that despite the seller paying $3,396.00 of the buyer's closing costs, there is no sales contract analysis.

As to the "Site Section" in Appraisal Report 3 (Exhibit 5, page 108), Ms. Davis said that she looked up the recorded plats on all three appraisal reports, that the site dimensions are not "Unavailable" as reported by the Respondent here either, that none of the site dimensions on the three subject properties is "rectangular" in shape as reported by the Respondent in each appraisal report but that all three are "irregular" in shape.

As to the "Improvements Section" of the Appraisal Report 3 (Exhibit 5, page 108), Ms. Davis noted that the Respondent reports the subject property 3 to be 39 years old with an effective age of 15 years with no updates in the last 15 years with no explanation.

As to the Respondent's comparable sales or "comparables" in his Appraisal Report 3

(Exhibit 5, page 109), Ms. Davis said that the Respondent reports the subject property 3 and all three of the Respondent's comparables to be in the City of Moore, Oklahoma, while the Respondent's comparable sales map (Exhibit 5, page 123) depicts the subject property 3 and all three of the Respondent's comparables to be in the City of Oklahoma City, Oklahoma.

As to the Respondent's opinion of Site Value in the "Cost Approach to Value" section of the Appraisal Report 3 (Exhibit 5, page 110), Ms. Davis noted that the Respondent's site value of $20,000.00 is unsupported.

As to the Respondent's "Neighborhood Section" of Appraisal Report 3 in his Addendum (Exhibit 5, page 114), this language is identical to that of the Respondent's other two appraisal reports on the neighborhood description, that in this Appraisal Report 3 the Respondent should have discussed the subject property 3's location near Interstate 35 across the street from an automobile collision center near an interstate access road and he should have talked about the foreclosures in the neighborhood.

According to Ms. Davis, once again, the Respondent's photographs of his comparables in his Appraisal Report 3 (Exhibit 5, page 120), are MLS photographs and not those that he has personally taken. (*See* MLS photos in Respondent's work file in Exhibit 6, pages 133-135).

As to the Respondent's sketch of the subject property 3 (Exhibit 5, page 121), once again according to Ms. Davis, the sketch does not include a patio/deck as reported by the Respondent on page 108 of Exhibit 5.

As to the USPAP Addendum (Exhibit 5, page 126), Ms. Davis said that the Respondent claims once again that this Appraisal Report 3 is a "Self-Contained Report", and that it's really a "Summary Report".

As to the Respondent's work file on the Appraisal 3 and the sales contract date (Exhibit 5, page 108), the Respondent reports the date of the sales contract to be July 19, 2012, when it's really the date the seller accepted the buyer's offer on July 21, 2012 (Exhibit 6, page 150).

As to Exhibit 7, Ms. Davis said that page 166 and 167 were two comparables she pulled that she believes are more comparable than those chosen by the Respondent in his Appraisal Report 3.

As a general comment on all three (3) appraisal reports by the Respondent, Ms. Davis said that much information was not presented by the Respondent, that much information was not discussed by the Respondent, and that there were numerous errors. Continuing, it was noted that the client was the same on all three (3) appraisal reports and that HUD/FHA was identified as an additional user of all three (3) of the appraisal reports.

As to the Respondent's grievance response in Exhibit 9, the Respondent's reference to tornadoes has nothing to do with these three appraisal reports as they have nothing to do with the areas hit by tornadoes, and the errors in these three appraisal reports have nothing to do with tornadoes.

When questioned on cross-examination about her comments that the Respondent did not properly report his analysis of the sales contracts in all three (3) appraisal reports, Ms. Davis responded that the contracts could all be different with different terms, that the Respondent reported that all three (3) of the sales contracts were "typical", and that she has never seen such a thing as a "typical" contract.

When questioned about her comments that the Respondent did not properly report the dates of the three (3) sales contracts, Ms. Davis said that a contract is a contract when it is accepted, that often a buyer signs on a date different than the date the seller accepts the buyer's offer, and that she did not know how the Respondent was trained as to the date of a contract.

When questioned about her comments that the Respondent did not properly report the site dimensions in all three (3) appraisal reports as being "unavailable", Ms. Davis responded that all of the site dimensions were available at the County Court House, that she found them on-line, and that she had no idea if the Respondent checked for records or not.

When Ms. Davis was questioned about her comments that the Respondent should not use the abbreviated word "trad." to describe a design style in any of his three (3) appraisal reports, she said that a reader may not know that such wording means "traditional", that such abbreviated word usage may be misleading, that such abbreviated word usage is not an architectural standard, that the UAD Instructions direct that appraisers should use words like "bungalow", "ranch " or "split-level", and that HUD questioned the Respondent's use of the word "Trad." in its disciplinary letter (Exhibit 8, page 171) as HUD didn't even know what the Respondent meant by such choice of wording.

When questioned about the Respondent's determinations of the effective age of all three (3) subject properties, Ms. Davis said that while such determination is a judgment by an appraiser, the Respondent provided no support of the effective ages he determined on any of the three (3) subject properties and that she is not saying whether he is correct or not.

When questioned about the Respondent's Comparable Sales Map (Exhibit 1, page 19) and his purported use of ACI Software for all three (3) of his appraisal reports, Ms. Davis noted that the Respondent's map depicts all the properties to be in the City of Oklahoma City, Oklahoma, rather than in the City of Moore, Oklahoma, as the Respondent claims in Appraisal Report 1 (Exhibit 1, page 4), that the Respondent's maps could be misleading as to location of subject property 1 and his comparables to subject property 1,that she is not familiar with ACI Software, that she doesn't know what a reader thinks when reading the Respondent's maps and that it is unknown to her what addresses the Respondent's software generates. Also, Ms. Davis noted that the Respondent's

Location Map (Exhibit 1, page 18) doesn't show any city limits.

When questioned about the Respondent's Appraisal Report 1's comparables, Ms. Davis said that she thinks the Respondent's Appraisal Report 1 is misleading as other comparables are better and more comparable than those selected by the Respondent and that she had no evidence that the Respondent chose his comparables so as to be misleading.

In response to a question about all three (3) of the Respondent's floor plan sketches in his three (3) appraisal reports, Ms. Davis said that all three (3) of his sketches on all three subject properties are incomplete, that in Exhibit 1, page 3, that the Respondent reports the existence of an enclosed patio/deck but such enclosed patio/deck is not depicted in his sketch in Exhibit1, page 17.

When questioned about the Respondent's determinations of all of his three (3) site values (Exhibit 1, page 5; Exhibit 3, page 58; Exhibit 5, page 110), Ms. Davis said that she is not critical of his opinions but rather its that the Respondent does not show how he arrived at his conclusions, he provides no explanations and no support for his conclusions and that she had no evidence that the Respondent's determinations of his site values were misleading.

In response to a question about the Respondent's Addendum forms in all three (3) of his appraisal reports (Exhibit 1, page 9; Exhibit 3, page 62 ; Exhibit 5, page 114), Ms. Davis noted that she is not being personally critical, that all three (3) of the Respondent's Addendum forms in all three (3) appraisal reports have the same neighborhood descriptions, that the reader has no idea what any of the three neighborhoods are like, that the Respondent's comments were all very general, that as an example Appraisal Report 3's Addendum (Exhibit 5, page 114) does not mention that the subject property 3 is located by Interstate 35 which she believes is a factor that would be important to a reader, that the Respondent's form of Addendum (Exhibit 1, page 9) and form of USPAP Addendum (Exhibit 1, page 10) are not used by every appraiser, and that she has no

evidence that the Respondent's Addendum forms were prepared so as to be misleading.

When questioned about how Appraiser Board Member Nina Henderson instructed the Respondent to fill out his Addendum forms, the Board's Prosecutor, Stephen L. McCaleb objected to the question's premise that Nina Henderson is a member of the Appraiser Board because Mr. McCaleb said that Nina Henderson has never been a Member of the Board, at which point Ms. Davis said that she had no idea how Nina Henderson instructs anyone on how to fill out their appraisal report forms and that while some information in the Respondent's USPAP Addendum forms is required to be disclosed, that such form itself is not required to be used.

When questioned about how Lee Caesar, Sr. instructed the Respondent to fill out his USPAP Addendum forms (Exhibit 1, page 10), Ms. Davis said that she did not know how Mr. Caesar, Sr. instructs anyone to fill out such forms.

When questioned about how many pieces of information are required to fill out a Uniform Residential Appraisal Report form (URAR) such as the Respondent uses in his Appraisal Report 1 on pages 3 through 10 of Exhibit 1, Ms. Davis responded that she had no idea of the quantity required, to which the Respondent's Attorney claimed that over 400 pieces of information are required, that only 3% of the Respondent's information was incorrect, that the Respondent got 97% correct and that 97% is a high number.

On redirect, Ms. Davis was asked to read USPAP Standards Rule 2-1 into the record which provides that an appraisal report is to be prepared and presented in a manner so as to not be misleading.

When questioned about the HUD/FHA Disciplinary Letter addressed to and under which the Respondent was sanctioned (Exhibit 8, pages 168-175), Ms. Davis stated that she did know about such FHA reports that the Respondent's three (3) appraisal reports were determined to be

misleading, that the bolded portions of the HUD/FHA Disciplinary Letter were the problems noted by HUD, that she noted on page 174 that HUD/FHA stated that appraisers are required by USPAP to not submit appraisal reports that are misleading through commission of a series of errors that in the aggregate affect the credibility of the appraisal results, that she knew that the Respondent had been removed from the FHA's roster of qualified appraisers.

When questioned about the Respondent's computer software glitch allegations made by the Respondent's Attorney, Ms. Davis noted that she found nothing to support any computer software glitch allegations.

When questioned about whether the HUD/FHA Disciplinary Letter made any claim or finding of fraud, Ms. Davis said that the HUD/FHA Disciplinary Letter made no such claim of finding.

At the conclusion of Ms. Davis' testimony, the State rested.

Jason W. Williams Testimony (Summary)

The Respondent, Jason W. Williams, upon being duly sworn, testified that he has been an appraiser since 1997 or 1998, that he had been an appraiser for 18 years, that he is a full-time appraiser, that he is current and up to date on his continuing education, and that he is familiar with the criticisms of all three (3) of his appraisal reports.

When questioned about his analysis of the sales contract in Appraisal Report 1 (Exhibit 1, page 3), the Respondent stated that he read the entire sales contract, that he found nothing unusual in it, and that he put the concessions in as they are required to be included and that they want us to do so.

When questioned about his comparable properties and comparable sales in his Appraisal Report 1 at the top of the page (Exhibit 1, page 4), the Respondent said that sales make up the

neighborhood, that market conditions differ sometimes based on the comparable sales available, that the housing trends are stable and that he did an analysis.

When questioned about his statements that the site dimensions on all three (3) subject properties were "unavailable", the Respondent said that Cleveland County has no site dimensions available on-line, that Cleveland County is the worst, that Cleveland County does not get anything right and that he was not able to measure the site dimensions himself.

As to his use of the abbreviation "Trad." as a design style in all three (3) of his appraisal reports in the "Improvements Section" (*See* Exhibit 1, page 3), the Respondent testified that everybody used that abbreviation until HUD changed its requirement.

As to his use of ACI Software for his floor plan sketches (See Exhibit 1, page 17), the Respondent said that at the time he prepared these three appraisal reports, that his ACI Software allowed no patio/porches in an sketch, indicating that such situation is no longer the case.

When questioned about his determinations of the three (3) subject properties' effective ages (*See* Exhibit 1, page 3), the Respondent said that he performed interior and exterior inspections of all three (3), that he did not pick any arbitrary number as an effective age or pick a number so as to be misleading. The Respondent further said that the subject property 1 was built as the builder's personal house, that it had lots of extras, that he had to look elsewhere for comps (comparables), that he failed to bracket so that he could look elsewhere for comps, that the Board's witness performed no interior inspection so she had no idea of its condition.

When questioned about use of ACI Software for his three (3) appraisal report maps (*See* Exhibit 1, pages 18-19), the Respondent said that he had used such software for 18 years, that the property addresses were automatically generated by his ACI Software, that he could not change them manually, and that he did nothing on page 19 (Exhibit 1) to be misleading.

As to the Respondent's statement in his USPAP Addendums in all three (3) of his appraisal reports that each was a "Self-Contained Report" (Exhibit 1, page 10; Exhibit 3, page 73; Exhibit 5, page 126), the Respondent said that his teacher Nina Henderson told him and others in his class to put "Self-Contained Report" in all of their appraisal reports, that everyone did that for 8 to 10 months after that instruction, that he did nothing so as to be misleading, that he left nothing out so as to be misleading, that he intended his appraisal reports to be "Summary Reports" but he was told to always mark a report to be a "Self-Contained Report", and that he has done away with his USPAP Addendum form page as the form was so misleading.

When questioned about his sales contract analysis in his Appraisal Report 1 (Exhibit 1, page 3), the Respondent said that his explanation of it was sufficient.

When questioned about his site dimensions in the "Site Section" of his appraisal reports (*See* Exhibit 1, page 3), the Respondent said that he never goes to a County Court House to look at plats and that the plats are on-line in Cleveland County.

When questioned about his use of the abbreviation "Trad." as a design style in the "Improvements Section" of his appraisal reports (*See* Exhibit 1, page 3), the Respondent testified that he changed after he received his HUD/FHA Disciplinary Letter (Exhibit 8, pages 168-175).

As to the property mailing address discrepancies in the "Comparison Approach" in his three (3) appraisal reports (See Exhibit 1, page 4) when compared to his maps (See Exhibit 1, page 18), the Respondent again said that his computer software makes the maps and that he can't change them.

When questioned about his floor plan sketch in his Appraisal Report 1 (Exhibit 1, page 17), the Respondent admitted that he forgot to include the kitchen in his sketch.

When questioned about his disclosure of his Comparable 2 in his Appraisal Report 1 (Exhibit 1, page 4) and the Comparable 2 MLS Data Sheet in his work file (Exhibit 2, page 35) that such Comparable 2 was a Real-Estate Owned property (REO) (also known as a foreclosure property), the Respondent said that he was sure that he caught that it was a REO property but he was unsure if he listed it as such in his Appraisal Report 1.

When questioned about his use of the "Bracketing" technique in connection with choices of comparables, the Respondent said that bracketing is not required and its use is only a recommendation from HUD.

When questioned about his site value opinion in the "Cost Approach" section in his Appraisal Report 1 (Exhibit 1, page 5), the Respondent said that he thinks that he adequately listed his site value opinion without any support listed.

When questioned about how he deals with the "Cost Approach" in light of the HUD/FHA Disciplinary Letter (Exhibit 8, pages 168-175) he received on page 174, the Respondent noted that he still does them the same.

When questioned in general to comment on his three appraisal reports, the Respondent said that he did all three (3) appraisal reports and that believes that all three (3) appraisal reports are adequate. Continuing, the Respondent said that now he does do a lot of things differently now and that he does what FHA wants him to do.

When questioned in general about the HUD/FHA Disciplinary Letter (Exhibit 8, pages 168-175), the Respondent said that he did not appeal the HUD/FHA Disciplinary Letter, that he submitted no response to it either, and that he was never otherwise sanctioned previously.

The Respondent admitted that at the time of these three appraisal reports were done, that he did not provide any data so that his "cost approach" could be replicated by others. He further

admitted that did not contact his software vendor about his map discrepancies previously because he did not even notice them until this matter came up.

The Respondent said that he takes full responsibility for all his tools and software and that as to the HUD/FHA Disciplinary Letter (Exhibit 8, pages 168-175), he feels that he has corrected all the FHA requirements.

At this point in the proceedings, the Respondent rested his defense.

The Respondent presented no other witnesses in his defense and at no time introduced any exhibits into evidence on his own behalf.

The Respondent did not file a Request for Oral Argument and neither the Respondent, nor his attorney of record, Daniel Gamino, appeared before the Board on July 1, 2015.

JURISDICTION

1. The OREAB has the duty to carry out the provisions of the Oklahoma Certified Real Estate Appraisers Act as set forth at Title 59 of the Oklahoma Statutes, §§858-701, *et seq.* and to establish administrative procedures for disciplinary proceedings conducted pursuant to the provisions of the Oklahoma Certified Real Estate Appraisers Act.

2. The OREAB has promulgated rules and regulations to implement the provisions of the Oklahoma Certified Real Estate Appraisers Act in regard to disciplinary proceedings as set forth at the Oklahoma Administrative Code, §§600:15-1-1 thru 600:15-1-22, including administrative hearings.

3. The Respondent, JASON W. WILLIAMS, is a Certified Residential Appraiser in the State of Oklahoma, holding certificate number 11918CRA and was first licensed with the Oklahoma Real Estate Appraiser Board on December 3, 1998.

FINDINGS OF FACT

The Board adopts in full the Findings of the Hearing Panel and that the following Facts were proven by clear and convincing evidence:

1. The Respondent, JASON W. WILLIAMS, is a Certified Residential Appraiser in the State of Oklahoma, holding certificate number 11918CRA and was first licensed with the Oklahoma Real Estate Appraiser Board on December 3, 1998.

2. The complaint contains three (3) separate appraisal reports completed by the Respondent. The appraisal reports contain information provided by the Respondent which resulted in misleading appraisal reports.

1404 North Park Place, Moore, Oklahoma

3. In June of 2012, WR Starkey Mortgage, LLP (the "client 1"), hired the Respondent to complete an appraisal (the "appraisal 1") for a property located at 1404 North Park Place, Moore, Oklahoma (the "subject 1" or "subject property 1"). On page 9 of the Addendum in Exhibit 1, HUD/FHA is identified as an additional user of the appraisal report on subject 1.

4. The Respondent completed the appraisal 1 and submitted the appraisal report 1 to the client, with an effective date of June 19, 2012. The appraisal 1 was for a purchase transaction.

5. The Respondent committed a series of errors in the appraisal report 1 which led to a misleading appraisal report. These errors include, but not limited to, the following paragraphs 6 – 19.

Contract Section

The Respondent failed to adequately report his analysis of the sales contract (Exhibit 1, page 3). The Respondent reports that the sale was an "Arms length sale; The contract was

analyzed." Respondent did not report the results of his analysis nor did he report the possible effect was of the seller paying $4,500.00 in concessions.

Site Section

6. By reporting the site dimensions as being "Unavailable", the Respondent failed to provide the site dimensions (Exhibit 1, page 3) or give the data source of the site area reported for the subject property 1.

Improvements Section

7. The Respondent reports that the effective age of the subject property 1 is 10 years for a 28 year old house with no reported updates within the last 15 years (Exhibit 1, page 3). The Respondent does not support his effective age opinion when he describes the condition of the subject property1.

8. The Respondent reports that the subject property 1 has 7 rooms (Exhibit 1, page 3). His sketch of the subject property 1 only shows 6 rooms with no kitchen (Exhibit 1, page 17). The Respondent admitted that he left the kitchen out of his sketch.

Sales Comparison Approach

9. The Respondent reports that his comparables and the subject property 1 are in the City of Moore, Oklahoma (Exhibit 1, page 4). On his Comparables Sales Map (Exhibit 1, page 19), he reports that his comparables and the subject property 1 are in the City of Oklahoma City, Oklahoma.

10. The Respondent failed to bracket the gross living area of the subject property1 as all of his comparables exceed the subject property 1's gross living area (Exhibit 1, page 4). He failed to explain why he did not do this and such failure tends to overstate the subject property 1's value.

11. The Respondent failed to discuss and/or analyze the concessions for Comparable 1 and their possible effects on value (Exhibit 1, page 4).

Appraiser's Certification

12. The Respondent included a USPAP addendum (Exhibit 1, page 10) which incorrectly states that the report is Self-Contained when it is actually a Summary Report.

1608 Ginger Avenue, Moore, Oklahoma

13. In June of 2012, WR Starkey Mortgage, LLP (the "client 2") hired the Respondent to complete an appraisal (the "appraisal 2") for a property located at 1608 Ginger Avenue, Moore, Oklahoma (the "subject 2" or "subject property 2")(Exhibit 3, page 55). On page 62 of the Addendum in Exhibit 3, HUD/FHA is identified as an additional user of the appraisal report on subject property 2.

14. The Respondent completed the appraisal 2 and transmitted the appraisal report 2 to the client 2, with an effective date of June 27, 2012. The appraisal 2 was for a purchase transaction.

15. The Respondent committed a series of errors in the appraisal report 2 which led to a misleading appraisal report. These errors include, but are not limited to, the following in paragraphs 17-20.

Contract Section

16. The Respondent failed to properly report his analysis of the sales contract. On page 1 of the Uniform Residential Appraisal Report ("URAR 1") (Exhibit 3, page 56), the Respondent reports that the sale was an "Arms length sale; The contract was analyzed." This comment is not an acceptable analysis. The Respondent did not report the results of his analysis nor did he report the possible effect was of the seller paying $4,000.00 in concessions.

Neighborhood Section

17. On page 1 of the URAR 1 (Exhibit 3, page 55), the Respondent states the low range of housing in the neighborhood is $60,000.00. This statement contradicts the low range of comparable listings on page 2 of the URAR 1 (Exhibit 3, page 56) at $49,000.00 and the comparable sales at $59,000.00.

Site Section

18. By reporting the site dimensions as being "unavailable" (Exhibit 3, page 56), the Respondent failed to provide the site dimensions or give the data source of the site area reported for the subject property 2.

Improvements Section

19. The room count shown on page 1 of the URAR (Exhibit 3, page 56) (and in the Sales Comparison Approach (Exhibit 3, page 57)) reflects 3 bedrooms. The sketch only shows 2 bedrooms (Exhibit 3, page 69).

601 NW 18th Street, Moore, Oklahoma

20. In July of 2012, WR Starkey Mortgage, LLP (the "client 3") hired the Respondent to complete an appraisal (the "appraisal 3") for a property located at 601 NW 18th Street, Moore, Oklahoma (the "subject 3" or "subject property 3")(Exhibit 5, page 108). On page 114 of the Addendum in Exhibit 5, HUD/FHA is identified as an additional user of the appraisal report on subject property 3.

21. The Respondent completed the appraisal 3 and transmitted the Appraisal Report 3 to the client 3, with an effective date of July 25, 2012. The appraisal 3 was for a purchase transaction.

22. The Respondent committed a series of errors in the Appraisal Report 3 which led to a misleading appraisal report. These errors include, but are not limited to, the following in paragraphs 23-28.

Contract Section

23. The Respondent failed to properly report his analysis of the sales contract. On page 1 of the Uniform Residential Appraisal Report ("URAR 2") (Exhibit 5, page 108), the Respondent reports that the sale was an "Arms length sale; The contract was analyzed." This comment is not an acceptable analysis.

Neighborhood Section

24. On page 1 of the URAR 2 (Exhibit 5, page 108), the Respondent states the low range of housing in the neighborhood is $60,000.00. This statement contradicts the low range of comparable sales at $41,700.00.

Site Section

25. By reporting the site dimensions as being "Unavailable", the Respondent failed to provide the site dimensions (Exhibit 5, page 108) or give the data source of the site area reported for the subject property 3.

Improvements Section

26. The Respondent's effective age is not supported (Exhibit 5, page 108). The subject 3 is 39 years old and the Respondent reports it has an effective age of 15 years with no reported updates within the last 15 years (Exhibit 5, page 108). Comments in his Property Condition do not support his effective age statement.

Appraiser's Certification

27. The Respondent included a USPAP Addendum (Exhibit 5, page 126) which states this report is a Self-Contained Report when it is actually a Summary Report.

Other

28. The Respondent reports on the Location Map (Exhibit 5, pages 122-123) that the subject property 3 and his comparable properties are located in the City of Oklahoma City, Oklahoma. In his Sales Comparison Approach (Exhibit 5, page 109), he reports that they are located in the City of Moore, Oklahoma.

29. All three (3) appraisals show a pattern of carelessness and negligence in the development of the appraisals and the reporting thereof.

CONCLUSIONS OF LAW

The Board adopts in the full the Conclusions of Law as determined by the Hearing Panel below:

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

A) The Ethics Rule of the Uniform Standards of Professional Appraisal Practice Ethics Rule;

B) Standard 1, Standards Rules 1-1, 1-2, and 1-4; 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. The 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. The 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. The 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."

FINAL ORDER

WHEREFORE, having adopted in full the Findings of Fact and Conclusions of Law entered by the Disciplinary Hearing Panel, the Board issues it's Final Order, modifying the Recommendation of the Disciplinary Hearing Panel, in part, as follows:

1. Respondent Jason W. Williams shall be placed on **PROBATION** for a period of **ONE (1) YEAR** beginning immediately upon the date that any final agency order is entered in this matter plus a period of thirty (30) days after the Respondent is notified of the final agency order either personally or by certified mail, return receipt requested. During the period of probation, Respondent Jason W. Williams shall provide an appraisal log on REA Form 3 to the administrative office of the Board no later than the fifth working day of each month detailing all his appraisal activity during the preceding month. The Board may select and require samples of work product from these appraisal logs be sent for review.

2. Respondent Jason W. Williams shall pay an administrative fine in the amount of **FIVE HUNDRED DOLLARS ($500.00)** to the Board. Payment of the fine shall be remitted to the Board in accordance with the manner contemplated by 59 O.S. § 858-723(B).

3. Respondent Jason W. Williams, shall successfully complete corrective education as follows:

- The **FIFTEEN (15) HOUR** Course Number 600: National USPAP Course
- The **THIRTY (30) HOUR** Course Number 601: Basic Appraisal Principals
- The **THIRTY (30) HOUR** Course Number 602: Basic Appraisal Procedures

The course(s) must all be completed with copies of certificates of course completion transmitted to the administrative office of the Board within **ONE (1) YEAR** from the date of the Board Order. The course(s) must be tested and must be live courses, attended in person by the Respondent (not distance and/or correspondence and/or on-line courses). The course(s) shall not be counted toward continuing education credit by the Respondent.

4. Respondent Jason W. Williams shall pay the costs expended by the Board for legal fees and travel costs incurred in this matter. The Board staff will provide a statement of the costs incurred to Respondent with the final order. Costs shall be fully paid within thirty (30) days from the date of any final order of the Board.

5. Respondent Jason W. Williams shall supervise no trainee appraiser(s) for a period of two (2) years from the date of any final order of the Board plus a period of thirty (30) days after the Respondent is notified of the final agency order either personally or by certified mail, return receipt requested.

6. Failure by Respondent to comply with any requirement of this order shall result in his appraisal credential being suspended instanter, with notification forwarded immediately to Respondent by Certified U. S. mail, return receipt requested.

THE BOARD WISHES TO ADVISE THE RESPONDENT THAT HE HAS THIRTY (30) DAYS TO APPEAL THIS ORDER WITH THE APPROPRIATE DISTRICT COURT.

IT IS SO ORDERED this 1st day of July, 2015.

By: _____
ERIC SCHOEN, Board Secretary

By: _____
BRYAN NEAL, Assistant Attorney General
Counsel to the Board

CERTIFICATE OF MAILING

I, Ashley Snider, hereby certify that on the 6th day of July, 2015 a true and correct copy of the above and foregoing Board's Decision as to Disciplinary Hearing Panel Recommendation was served by First Class - Certified Mail, Return Receipt Requested to:

Daniel J. Gamino **7013 2250 0000 5046 2742**
Jamestown Office Park, North Building
3035 NW 63rd Street, Suite 214
Oklahoma City, Oklahoma 73116

Jason W. Williams **7013 2250 0000 5046 2759**
5011 North Drexel Blvd
Oklahoma City, Oklahoma 73112

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

Frank E. Priegel, Hearing Panel Member
PO Box 627
Okmulgee, Oklahoma 74447

H.E. Smith, Hearing Panel Member
PO Box 362
Stillwater, Oklahoma 74076

John M. Travers, Hearing Panel Member
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313 N.E. 21st Street
Oklahoma City, OK 73105

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

ASnider

ASHLEY SNIDER

RECAPITULATION OF MONTHLY BILLING
MATTER OF JASON W. WILLIAMS
COMPLAINT #14-008

PERIOD		CURRENT BILLING	
DATE	COMPLAINT # AND RESPONDENTS	HOURS	AMOUNT
	DERRYBERRY & NAIFEH LLP		
January, 2015	#14-008 WILLIAMS	3.00	$390.00
February, 2015	#14-008 WILLIAMS	11.00	$1,430.00
March, 2015	#14-008 WILLIAMS	4.00	$520.00
April, 2015	#14-008 WILLIAMS	32.50	$4,225.00
	Disciplinary Hearing Panel Mileage:		
4/20/2015	*Smith*		$73.60
4/20/2015	*Travers*		$128.75
4/20/2015	*Priegel*		$119.60
	Witness Mileage		
	Davis		$31.05
	TOTAL BILLING	**50.50**	$6,918.00

"I CERTIFY THAT THIS IS A TRUE AND ACCURATE RECAP OF AMOUNTS INVOICED IN THE MATTER OF JASON W. WILLIAMS.

Dated this 1st day of July, 2015

CHRISTINE MCENTIRE, DIRECTOR
REAL ESTATE APPRAISER BOARD