



## 2007 - A Time of Transition



by **Superintendent  
Kelly Davids**

As the New Year gets underway, we welcome Governor Ted Strickland and Lt. Governor Lee Fisher to the helm of the state and former Senator Kimberly A. Zurz as the new Director of the Ohio Department of Commerce. Governor Strickland's Turnaround Ohio plan has presented a new vision for the state. The Division is committed to that vision and to providing exemplary service in all of our consumer protection and regulatory responsibilities.

The new year also brings with it some important updates to real estate and appraiser licensing law and rules. In compliance with Senate Bill 185, applicants for appraiser registration, license, and certification now must submit state and national criminal records checks; and the criteria to be licensed or certified as an appraiser as of January 1, 2008 is now fully outlined in rule and statute. In real estate, all licensees are now on a three-year renewal schedule that coincides with due dates for continuing education. Rule updates in progress include changes to O.A.C. 1301:11-7 that will allow for online education for appraiser continuing education, as well as updates to O.A.C. 1301:5 governing real estate practice that are proposed as part of the required review of all rules every five years. If you would like to review the proposed rule changes, please visit our website. We welcome your comments and suggestions.

We are also pleased to offer you easier access to the enacted rules and statutes governing real estate licensees and appraisers. Ohio Revised Code Chapters 4735, 4763, and Ohio Administrative Code Sections 1301:5 and 1301:11 are now available directly from our web site. Instead of sending you to a third-party provider, the links give you direct access to the updated statutes and rules.

We know 2007 will be a time of progress. We look forward to making this journey with each of you.

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## Governor Strickland Appoints Kimberly A. Zurz As Director of Commerce

Governor Ted Strickland appointed Kimberly A. Zurz as Director of the Ohio Department of Commerce, effective January 29, 2007. Director Zurz oversees the Division of Real Estate & Professional Licensing and the other divisions of the department, including: Administration, Financial Institutions, Industrial Compliance, Labor & Worker Safety, Liquor Control, Securities, State Fire Marshal and Unclaimed Funds.

“I am committed to providing strong leadership to carry out the Department’s mission of consumer protection and fair, efficient regulation of business,” Director Zurz said. “I look forward to working with Ohio’s real estate and appraiser professionals who have an integral role in enhancing our citizen’s quality of life and the vitality of our economy.”

Prior to her appointment, Director Zurz served as a State Senator representing the 28<sup>th</sup> District, which includes Portage County and a portion of Summit County. While serving more than three years in the Ohio Senate, she earned a reputation as a staunch advocate for higher education and job creation.

Before her appointment to the Ohio Senate in 2003 and election in 2004, Director Zurz served almost 11 years on the Summit County Council, including three terms as President. During her service on the Council, she presided over a county budget of over \$560 million.

Director Zurz is the President of her family’s 78-year-old business, The Eckard-Baldwin Funeral Home, in Akron. As a businesswoman, she has an informed perspective about the needs and concerns of small businesses and the importance of excellent customer service.

She is married to Richard Zurz, Jr., and has three children. She and her family reside in Green in Summit County. Zurz graduated from Firestone High School in Akron and attended the University of Akron.



**Kimberly A. Zurz**  
Director

## Resources Available to Help Licensees Attract Potential Buyers in Ohio

The Division of Real Estate & Professional Licensing’s website now has a link to the Ohio Department of Development’s Office of Strategic Research. The Office of Strategic Research provides data and analysis on the economic, industrial and demographic trends of the State of Ohio. A few of the statistics you can obtain from this site include: the U.S. Census Bureau, U.S. Bureau of Economic Analysis, County Population Estimates, Ohio State-to-State comparison plus many more.



Members of the Education and Research Advisory Committee have discussed ways to make this type of information available to real estate licensees as this data may be useful when recruiting potential buyers to Ohio. The Committee and Division will continue to search for and add links of useful resources to the website and make updates known in the newsletter. To access this information, simply go to our website at: [www.com.state.oh.us/real](http://www.com.state.oh.us/real) then click on Related Links.

Another website that may be of interest is Business.Ohio.gov which is located underneath Other Links on the Division’s home page. Popular topics on this site include: Quality of Life – Choose Ohio!, Labor Market Data, Business Development, Small Business Ombudsman and others. This website’s primary purpose is to make government accessible to you and your business to help you find the information and services to keep your business thriving in Ohio.

## Three Year Renewal Cycle for Real Estate Brokers and Salespersons

In 2006, all real estate brokers and salespeople renewed their licenses for either one, two or three years depending on the year that the continuing education was due. This transition year was designed to match the **license expiration date** with the **continuing education due date** so that, beginning in 2007, licensees renew their licenses and submit continuing education together as one process every three years. Renewals are due on the licensee's birthday in the calendar year that the continuing education is due. **The renewal will not be considered complete until the Continuing Education requirements are met.**

All licenses renewed in a timely manner on or after January 1, 2007, will be renewed for a three-year period for a fee that is three times the renewal fee for one year. For salespeople, a three-year renewal costs \$117. For brokers, a three-year renewal costs \$147. You may not make a partial renewal payment.

The Division mails the **Renewal Application with Education Compliance Form** about 60 days prior to the licensee's expiration/continuing education due date. If a licensee doesn't receive a renewal form, one may be downloaded from the Forms section of the Division's website: [www.com.state.oh.us/real/realform.htm](http://www.com.state.oh.us/real/realform.htm).



To be considered timely, a completed Renewal Application with Education Compliance Form, copies of your continuing education certificates and the correct amount of fees must be **postmarked on or before the licensee's expiration date**. The Renewal Application with Education Compliance Form may not, however, be submitted prior to 60 days before the licensee's expiration date.

The renewal fees, renewal form and continuing education must be submitted together unless the licensee pays the renewal fees online at the Division's e-License Center: <http://www.com.state.oh.us/real/elicense.aspx>. Once the online renewal is completed by the licensee, the required continuing education certificates and Education Compliance Form must still be mailed to the Division on time.

For information such as your continuing education due date or license expiration date, please visit the License Lookup section of the Division's e-License Center at [www.com.state.oh.us/real](http://www.com.state.oh.us/real) or call the Division at (614) 466-4100.

## 2007 Begins Improved Process for Continuing Education Providers

The Division of Real Estate and Professional Licensing has developed a website where providers of continuing education may use an ID and password to verify the approval of continuing education class applications. This process has replaced the paper "Provider Reports" that were previously mailed. The new process not only saves time and money, but gives providers unlimited access to their class information. Providers may access and verify all class approval information including certification numbers, dates, times and locations for continuing education classes.

"The website provides instant access to a listing of all the classes currently approved for any given provider at virtually any time. In addition, the information can be downloaded and sorted to verify accuracy or merged into documents such as certificates, and sign-in sheets," said Tom Yersavich, Education Compliance Administrator.

The **Continuing Education Course Approval link** and additional information can be found at our website at [www.com.state.oh.us/real/](http://www.com.state.oh.us/real/) under *Course Provider*. In addition, each 2007 course will have **ONE (1) Certification number for the entire year regardless of how many times the class is held**. After the course's initial or renewal approval, the Additional Offerings Form must be completed for each time a class will be held. Providers may use the Continuing Education Course Approval link noted above to verify the certification number and to ensure accuracy in course listing and information. Although the course number will not change for each class offered during the year, individual classes will be differentiated in the electronic course rosters by date, time and location.

## ***Senate Bill 185 - What does it mean for Ohio's registered, licensed and certified appraisers?***

There has been a lot of talk lately about the recently-enacted Senate Bill 185. The new law, which went into effect on January 1, 2007, attempts to curb the unscrupulous lending practices that got a lot of media attention last year. These practices were, in part, responsible for Ohio having the highest foreclosure rate in the United States.

S.B. 185, entitled The Homebuyers' Protection Act, is one of the toughest anti-predatory lending laws in the country. The new law brings many changes for Ohio's lending industry, as well as for Ohio's certified, licensed and registered appraisers.

The new law requires that all appraisals completed for mortgage-related loans be performed by a licensed or certified appraiser. Prior to SB 185, only federally-related transactions having a transaction value greater than \$250,000 required a licensed or certified appraiser to perform the appraisal. This new provision will give the Division of Real Estate & Professional Licensing's appraisal enforcement staff more regulatory authority when they process complaints related to these transactions. The Division received more than 350 appraiser complaints in 2006.

The new law also makes it a fifth-degree felony for anyone to directly or indirectly compensate, instruct, induce, coerce or intimidate a licensed or certified appraiser to secure a certain value for any dwelling offered as security for repayment of a mortgage loan. This could deter those mortgage brokers or loan officers who are inclined to coerce or influence an appraiser's value judgment.

"It gives appraisers something to point to when they're dealing with a forceful person telling them to reach a certain value," said Kelly Davids, the Division's Superintendent. "It also gives teeth to law enforcement to prosecute those guilty of coercion."

Under the law, all new appraiser applicants must submit a national criminal background check along with their application. This includes applicants who are upgrading their licenses. For example, if a Licensed Residential Appraiser wants to upgrade to a Certified General Appraiser, he or she will need to submit a criminal records check along with the application.

The full text of Senate Bill 185 can be viewed at <http://www.legislature.state.oh.us>. For more information, contact Adam Tonti, Appraiser Licensing Supervisor at (216) 787-3100 or visit the Division's website at <http://www.com.state.oh.us/real>.

### **Highlights of Senate Bill 185:**

- Requires that a licensed or certified appraiser perform appraisals completed in conjunction with a mortgage loan.
- Requires national criminal background checks on new applicants for an appraiser registration, license, or certification. The applicant is required to pay any fees associated with the background check.
- Prohibits the issuance of an appraiser registration, license, or certification to anyone who has been convicted of or pleaded guilty to any criminal offense involving theft, receiving stolen property, embezzlement, forgery, fraud, passing bad checks, money laundering, drug trafficking, or any criminal offense involving money or securities – unless the applicant can establish to the satisfaction of the Superintendent that the applicant is honest, truthful and of good reputation and there is no basis in fact for believing that the applicant will commit such an offense again.

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**Senate Bill 185 continued...**

- Requires that when filing an annual renewal for an appraiser registration, license, or certification, the applicant must sign a statement that they have not been convicted of or pleaded guilty to any criminal offense in the previous twelve months.
- Makes it a fifth degree felony for anyone to directly or indirectly compensate, instruct, induce, coerce or intimidate a licensed or certified appraiser for the purpose of corrupting or improperly influencing the appraiser's independent judgment with respect to the valuation of any dwelling offered as security for repayment of a mortgage loan.
- Allows information gathered by the Division of Real Estate & Professional Licensing to be released to the Division of Financial Institutions, the Department of Insurance, the Attorney General, local law enforcement agencies and prosecutors.

## **Guidelines for Appraisers Asked to Reach a Certain Value As the result of the passage of S.B. 185**

*Written by Margaret Hambleton, President, Hambleton, Inc. and Appraiser Board Chairperson*

As appraisers, we get requests from clients that often leave us wondering why our services are being engaged. After all, the client already has a copy of a purchase contract or provides us with an estimate of value along with the appraisal order. Sound familiar? Predatory lending has become a major issue nationwide and individual states have taken steps to protect the general public against such practices. Such is the case in Ohio with the passing of Senate Bill 185. This article focuses on one part of the bill that refers to appraisers directly.

Wording from Senate Bill 185 relating to influencing an appraiser to reach a value conclusion is under Ohio Revised Code Section 4763.12(E).

*“No person, directly or indirectly, shall knowingly compensate, instruct, induce, coerce, or intimidate or attempt to compensate, instruct, induce, coerce, or intimidate, a certificate holder or licensee for the purpose of corrupting or improperly influencing the independent judgment of the certificate holder or licensee with respect to the value of the dwelling offered as security for repayment of a mortgage loan.”*

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## *Appraisers - Important Information continued...*

*Consider the following situations:*

Situation #1: The client asks you to call if the appraisal doesn't come in at a specified dollar amount.

Situation #2: The client asks you to call and notify them if it is not possible to support a value at or above a specified dollar amount before you proceed.

Situation #3: The client gives you the owner's estimate of value in advance.

Situation #4: The client sends you a request stating that the owner thinks the property is worth a specified dollar amount, but also stating that the client really needs the dollar amount to be something different, and that he or she won't forget your help when assigning future appraisals.

Many appraisers are unsure how to proceed when receiving these types of assignment requests, whether verbally or in written form.

The above wording from Senate Bill 185 is aimed at clearly establishing an appraiser's independence in appraisal assignments. It is consistent with the Ethics Rule of the Uniform Standards of Professional Appraiser Practice (USPAP). Appraisers are engaged to **form opinions of value**. Appraisers are not engaged to support a predetermined amount or a value conclusion that favors the cause of the client.

Many appraisers put requests such as those indicated above in the appraisal file, go ahead and complete the assignment, and don't worry whether the value conclusion is near the client's request or not. Other appraisers routinely turn down these types of assignments. Some appraisers comply with the wants of the client, not recognizing the risks (or ignoring them).

***What can appraisers do to ensure they are conforming with the law and with USPAP when they receive these types of assignments?***

It is important to communicate with your client **in advance** of accepting such assignments. In the first three examples above, let the client know that the statement of a specific amount that came with the assignment request **does not** establish a condition for the performance of the appraisal. If the client intends it to be a condition, **do not accept** the assignment. Document the conversation and keep a copy of the documentation. If you have communicated by telephone, send a follow-up letter, fax, or email. Don't just let the original fax or email communication remain in your file. Ask the client to provide an acknowledgement that the estimate was not provided as a condition. It is prudent to ask that no numbers be put on any orders and that value estimates not be discussed at all. Remember, subtle pressure is as wrong as coming right out and asking for a number.

Situation 4 provides a clear example of an unacceptable assignment condition. While the client may feel that offering preference in future assignments on the basis of "making the numbers work" in a specific assignment is appropriate, attaching such a condition to an assignment compromises an appraiser's impartiality and destroys the appraiser's credibility. Such assignments should be turned down.

***What happens to purchase contracts and the discussion of any pending sale in an assignment?*** Remember, a sale price in a pending transaction is part of the information an appraiser is required to analyze in accordance with Standards Rule 1-5. Receiving this information with a request for service is appropriate, but accepting an assignment with the price as a predetermined value in the assignment violates USPAP.

Think about your client base and the requests you get. Are you conforming to the law, including USPAP? The Ohio Attorney General's Office has recently started a consumer protection program to address these types of issues. Licensees and certificate holders can contact Jim Petroff, Consumer Protection Investigator, with the Ohio Attorney General's office at **614-466-7820** or via email at [jpetroff@ag.state.oh.us](mailto:jpetroff@ag.state.oh.us) to report such issues.

## *Residential Property Disclosure Form - Update and Additional Info*

The Residential Property Disclosure Form<sup>1</sup> was revised, effective January 1, 2007, pursuant to Ohio Revised Code Section 5302.30. The revised form includes a statement that information on the operation and maintenance of the type of sewage treatment system serving a property is available from the department of health or the board of health of the health district in which the property is located.

Though not new to the statute, but because the Division receives many questions about this, you should also know that according to this law, a transferor is not required to present the form when any of the following apply:

1. A transfer pursuant to court order;
2. A transfer to a mortgagee by a mortgagor by deed in lieu of foreclosure or in satisfaction of the mortgage debt;
3. A transfer to a beneficiary of a deed of trust by a trustor in default;
4. A transfer by a foreclosure sale that follows a default in the satisfaction of an obligation secured by a mortgage;
5. A transfer by a sale under a power of sale following a default in the satisfaction of an obligation that is secured by a deed of trust or another instrument containing a power of sale;
6. A transfer by a mortgagee, or a beneficiary under a deed of trust, who has acquired the residential real property at a sale conducted pursuant to a power of sale under a mortgage or a deed of trust or who has acquired the residential real property by a deed in lieu of foreclosure;
7. A transfer by a fiduciary in the course of the administration of a decedent's estate, a guardianship, a conservatorship, or a trust;
8. A transfer from one co-owner to one or more other co-owners;
9. A transfer made to the transferor's spouse or to one or more persons in the lineal line of consanguinity of one or more of the transferors;
10. A transfer between spouses or former spouses as a result of a decree of divorce, dissolution of marriage, annulment, or legal separation or as a result of a property settlement agreement incidental to a decree of divorce, dissolution of marriage, annulment, or legal separation;
11. A transfer to or from the state, a political subdivision of the state, or another governmental entity;
12. A transfer that involves newly constructed residential real property that previously has not been inhabited;
13. A transfer to a transferee who has occupied the property as a personal residence for one or more years immediately prior to the transfer;
14. A transfer from a transferor who both has not occupied the property as a personal residence within one year immediately prior to the transfer and has acquired the property through inheritance or devise.

<sup>1</sup>

<http://www.com.state.oh.us/real/realform.htm#re>



## Answers to Your Frequently Asked Questions

**Q. Do I need a real estate sales or broker's license to advertise property owner's vacancies on a website where I would be paid a fee to advertise their vacant unit and after they have been filled, I would remove their information from my website?**

A. It would be permissible to just provide an advertising medium, where ads are merely posted by owners and no referral fees are charged or received by the advertiser, and most generally, the advertiser is not in the situation of acting as a real estate agent for a fee, a commission, or any other kind of remuneration, for any of the parties, to any real estate transaction.

## Points to Ponder

1. Just because your file number (also known as your license number) may have several zeros in it, it does not mean you can remove the zeros to shorten the number. The complete file number must be correctly displayed on all correspondence and applications submitted to the Division for proper verification and processing.
2. If you are involved in a charitable event such as raffling a house, you need to contact the Attorney General's Charitable Law Section at <http://www.ag.state.oh.us/business/charitable.asp> for the proper rules and guidelines. You may refer to Ohio Revised Code section 2915.092 which governs raffles. Also, please be mindful of R.C. 4735.18(A)(14) prohibitions concerning a lottery or scheme of chance.
3. A reminder to real estate licensees, your renewal and continuing education are due together on your birth date on a three year renewal cycle. If you are unsure of what year you are due, go to the Division's website at [www.com.state.oh.us/real](http://www.com.state.oh.us/real) and click on the eLicense Center Icon and then click on Look Up License Information or you can contact the Division at 614-466-4100.
4. According to O.R.C. 4763.05(G), certified or licensed appraisers and registered appraiser assistants must notify the Superintendent of a change in the address of their principal place of business or residence within 30 days of the change. The Multiple Change Application is the proper form for this and can be found on the Division's website. There is no fee to change a home address; however, there is a \$20 fee to change the business address. To make this change on-line, go to [www.com.state.oh.us/real](http://www.com.state.oh.us/real). Click on eLicense Center. Then click on "Maintain Your License Information."
5. On a related note, pursuant to O.R.C. 4735.14(D), real estate licensees must notify the Division of a change of personal address. To change one's home address, use the Real Estate Change Application – Individual form [Com 3628]. For a broker to change the brokerage address, use the Real Estate Change Application – Business [Com 3684]. There is no fee for either of these transactions. To make this change on-line, go to [www.com.state.oh.us/real](http://www.com.state.oh.us/real). Click on eLicense Center. Then click on "Maintain Your License Information."





## **Real Estate and Appraiser Enforcement What's Within Our Jurisdiction?**

The Division's Real Estate Enforcement section enforces real estate law as provided in the Ohio Revised Code Chapter 4735 and the Ohio Administrative Code 1301:5. The Division investigates complaints filed against licensed real estate brokers and salespersons as well as alleged unlicensed activity. The authority of the Division involves taking disciplinary action against a licensee's real estate license.

The Division's Appraiser Enforcement section enforces real estate appraiser law as provided in the Ohio Revised Code Chapter 4763 and the Ohio Administrative Code 1301:11. The Division investigates complaints filed against certified or licensed appraisers and registered appraiser assistants. The authority of the Division involves taking disciplinary action against appraiser licenses, certificates or registrations.

The Division does not regulate home builders, contractors, mortgage companies, home inspectors, escrow agents or title companies. Likewise, the Division does not have the authority to interpret, enforce, or cancel a contract for the sale of property. In addition, we do not have the authority to adjudicate issues concerning disputes involving payment of appraisal fees, refunds, and whether or not an appraisal fee has been earned. Ohio law also does not authorize the Division to award compensation for any alleged damages that a complainant may have experienced, order deposits returned or resolve commission disputes between brokers.

Any action seeking to recover damages must be initiated in a court of law through a civil judgment and subsequently through the Ohio Real Estate Recovery Fund.

### **What Happens to My License if I am Called to Active Military Duty?**



When a real estate broker or salesperson enters the armed forces, i.e., begins active military duty, they may place their real estate license on deposit (inactive status) with the Division of Real Estate and Professional Licensing. They are then not required to renew their license and submit their continuing education (which is due together) until the renewal date that follows the date of discharge from the armed forces. This is all set forth in Ohio Revised Code Section 4735.13(G).

Here is an example:

- Licensee called to active duty on June 29, 2006
- Renewal/CE due date was July 30, 2006
- Discharged on October 2, 2006
- Submit transfer/reactivation form
- Next renewal/CE due date will be July 30, 2009

When the licensee is discharged and ready to resume their real estate career, they must submit a completed salesperson or broker transfer/reactivation form that must be signed by the sponsoring broker and include the appropriate reactivation fee, and a copy of their military orders stating the activation and discharge dates.

As the example above shows, the licensee would not be required to renew until July 30, 2009, and the licensee would pay the standard renewal fee on that date. Even though they may work as a licensee from October 2, 2006, to July 30, 2009, the licensee would not be responsible for paying the renewal fee that would have been due on July 30, 2006.

The Division believes this interpretation of the law is in accord with the State's responsibility to support those who defend our country.

## Real Estate Disciplinary Actions

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### REVOCATIONS

**DAVID M. WATSON**, salesperson, Akron, Ohio, had his license revoked for violating Revised Code 4735.13(C) and Revised Code 4735.18(A). In the United States District Court for the Northern District of Ohio, Mr. Watson was found guilty of Conspiracy to Commit Offense or Defraud the United States, a felony. He also failed to notify the Division of his conviction within 15 days of the conviction. The underlying offense involved quit claiming of real estate to investors in order for them to claim they owned the properties they were refinancing, reducing costs by circumventing down payment requirements.

**STANLEY MOTYKA**, salesperson, Garfield Heights, Ohio, had his license revoked for violating Revised Code 4735.13(C), when in the United States District Court for the Northern District of Ohio. Mr. Motyka was convicted of four felony offenses involving bank fraud, false statement to HUD, false statements to a financial institution and mail fraud. He also failed to notify the Division of his conviction within 15 days of the conviction.

### SUSPENSIONS, FINES, EDUCATION and REPRIMAND

**PATRICIA A. HOSEY**, salesperson, Cambridge, Ohio, was given a public reprimand for violating Revised Code 4735.18(A), when she was convicted of one count of Trademark Counterfeiting, a fourth degree felony and another count of Trademark Counterfeiting, a first degree misdemeanor. The convictions did not involve real estate.

**BRENDA D. LAMBERT**, salesperson, Cambridge, Ohio, as the result of an investigation of a formal complaint, was required to complete and to submit proof of completion of a three hour core law course for violating Revised Code 4735.18(A)(9) as that section incorporates Revised Code 4735.62(C). The Commission found that Ms. Lambert failed to obtain necessary approvals, required as a consequence of the bankruptcy of the sellers, her clients, in the sale of real property.

**ALAN J. BENJAMIN**, broker, Beachwood, Ohio, as the result of an investigation of a formal complaint, was fined \$300.00 for violating Revised Code 4735.18(A)(24). The Commission found that Mr. Benjamin failed to keep complete and accurate transaction documents for three years.

**JOHN C. WOLANIN**, broker, Canton, Ohio, as the result of an investigation of a formal complaint, was fined \$200.00 for violating Revised Code 4735.18(A)(9) as that section incorporates Revised Code 4735.55(A)(2), when he failed to include the fair housing statement and a statement defining the practice known as "blockbusting" in a listing agreement between himself and the seller. For violating Revised Code 4735.18(A)(9) as that section incorporates Revised Code 4735.58(A), he was fined \$200, for failing to present the seller with an agency disclosure statement prior to marketing or showing the property. Finally, for three violations of Revised Code 4735.18(A)(21), he was fined \$600.00. He published advertising that was misleading or inaccurate when he indicated the property had central air conditioning, included public water and sewage and that an additional lot came with the property in the property information in the MLS and property data information sheet, when the property did not include an additional lot, did not include public water and sewer and did not have central air conditioning.

**ERIC W. SAXTON**, salesperson, Grove City, Ohio, as the result of an investigation of a formal complaint, was fined \$300.00 and was required to complete and to submit proof of completion of a three-hour core law course for violating Revised Code 4735.18(A)(24). The Commission found Mr. Saxton failed to maintain transaction records for a period of at least three years.

**JUDITH A. MODENE**, broker, Perrysburg, Ohio, as the result of an investigation of a formal complaint, was fined \$250.00 and was required to complete and to submit proof of completion of a three-hour core law course for violating Revised Code Sections 4735.18(A)(21) and (A)(24). The Commission found that Ms. Modene, as a licensed real estate broker, advertised that a salesperson was a broker when they were not. She also failed to keep complete and accurate records of a transaction for a period of three years from the date of the transaction.

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## Real Estate Disciplinary Actions continued

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**JONATHAN (JON) D. MODENE**, salesperson, Perrysburg, Ohio, as the result of an investigation of a formal complaint, was fined \$250.00 and was required to complete and to submit proof of completion of a three-hour core law course for violating Revised Code 4735.18(A)(21). The Commission found that Mr. Modene, as a licensed real estate salesperson, advertised that he was a broker when he was not.

**MARCIA L. MCGEE**, broker, Dayton, Ohio, as the result of an investigation of a formal complaint, was fined \$300.00 and was required to complete and to submit proof of completion of a three hour ethics course for violating Revised Code 4735.18(A)(9) as that section incorporates Revised Code 4735.62(A) and Revised Code 4735.18(A)(5). The Commission found that Ms. McGee failed to exercise reasonable skill and care in representing her clients, the buyers, when she failed to insert a contingency in the purchase offer that the buyer's offer was contingent upon the sale of buyers' current home. In addition, she failed to account for or remit money coming into her possession which belonged to the buyers when she failed to deposit the earnest money into the brokerage trust account upon the seller's acceptance of the offer.

**GALE L. LIMRON**, salesperson, New Philadelphia, Ohio, as the result of an investigation of a formal complaint, had her license suspended for 5 days, which commenced on December 24, 2006, and was fined \$1,000.00 for violating Revised Code 4735.18(A)(9) as it incorporates Revised Code 4735.67(A). The Commission found that Ms. Limron failed to disclose material facts pertaining to the physical condition of a property, of which she had knowledge, to the purchaser of the property.

**DANIEL L. FLOWERS**, salesperson, Parma Heights, Ohio, as the result of an investigation of a formal complaint, was fined \$500.00 and was required to complete and to submit proof of completion of a three hour course on agency, for violating Revised Code 4735.18(A)(9) as that section incorporates Revised Code 4735.71(B). The Commission found that Mr. Flowers caused sellers he represented to execute a dual agency disclosure form when a dual agency relationship did not exist.

**ALEXANDRIA R. McADAMS**, broker, Rocky River, Ohio, as the result of an investigation of a formal complaint, had her license suspended for 10 days, which commenced on October 2, 2006, was fined \$500.00 and was required to complete and to submit proof of completion of the ten-hour broker's post-licensure course, for violating Revised Code 4735.18(A)(35). Ms. McAdams signed the receipt in a purchase agreement for an earnest money deposit, which in fact had not been received.

### UNLICENSED ACTIVITY

**PAM BALINT**, Ravenna, Ohio, was found by the Commission to have violated Revised Code 4735.02, unlicensed activity, and was assessed a civil penalty in the amount of \$3,500.00. The Commission found that Ms. Balint acted as a real estate broker or real estate salesperson without being licensed under Chapter 4735. Ms. Balint's conduct included accepting phone calls inquiring about the subject property and directing or assisting in the procuring of a prospective buyer to purchase the subject property. In addition, on five occasions Ms. Balint advertised or held herself out as engaged in the business of selling real estate. She placed signs with her phone number on it in the subject property's yard. She ran an ad in a newspaper regarding real estate for sale with her phone number and name. She provided a flyer marketing the subject property with her name and phone number on it. She marketed the property on the phone on two occasions.

**EVIE KIDDER**, Akron, Ohio, was found by the Commission to have violated Revised Code 4735.02, unlicensed activity, and was assessed a civil penalty in the amount of \$21,000.00. The Commission found that she consistently took actions to list, negotiate the sale of, sell a property, and made several requests to collect a commission on the sale of a property. Ms. Kidder acted as a real estate broker or real estate salesperson without being licensed under Chapter 4735.

**TONY HOFFMAN**, Akron, Ohio, was found by the Commission to have violated Revised Code 4735.02, unlicensed activity, and was assessed a civil penalty in the amount of \$21,000.00. The Commission found that he consistently took actions to list, negotiate the sale of, and sell a property and made several requests to collect a commission on the sale of a property. Mr. Hoffman acted as a real estate broker or real estate salesperson without being licensed under Chapter 4735.

## Appraiser Disciplinary Actions

### SUSPENSIONS, FINES, ADDITIONAL EDUCATION AND REPRIMAND

**KIMBERLEE ANNE MCMULLEN**, a Certified residential real estate appraiser from Delaware, Ohio, was found to have done the following with respect to an appraisal report: **1.** She violated ORC 4763.11(G)(5) as that section incorporates 2003 USPAP Standards Rule 1-1(c) and 1-4 by operation of OAC 1301:11-5-01 when she failed to provide support for her conclusions regarding the cost figures for the Cost Approach in the appraisal report and her work file; **2.** She violated ORC 4763.11(G)(5) and 4763.11(G)(6) as those sections incorporate 2003 USPAP Standards Rule 2-2 by operation of OAC 1301:11-5-01 when she failed to disclose whether the report was a Self-Contained Appraisal Report, a Summary Appraisal Report or a Restricted Use Appraisal Report; and **3.** She violated ORC 4763.11(G)(5) and ORC 4763.11(G)(6) as those sections incorporate 2003 USPAP Standards Rule 1-5(b) by operation of OAC 1301:11-5-01 when she failed to disclose a prior sale of the Subject that occurred less than three years prior to the date of the appraisal report.

For all the violations, the Board ordered Kimberlee Anne McMullen to complete 22 hours of additional education consisting of the following: a 7 hour course relating to the Cost Approach and a 15 hour course relating to the USPAP pre-licensure course including passing the course examination.

**JODI L. MCKINLEY**, a Certified residential real estate appraiser from Canal Winchester, Ohio, was found to have done the following with respect to an appraisal report: **1.** She violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2004 USPAP Standards Rule 1-1(a), 1-1(b), 1-1(c), 1-2(e), and/or 2-1 by operation of OAC 1301:11-5-01 when she indicated the Subject's zoning compliance was "legal" when in fact the Subject's zoning compliance was "legal nonconforming (grandfathered use)" as of the effective date of the appraisal and the Subject's legal nonconforming use was readily available to her in the normal course of business; **2.** She violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2004 USPAP Standards Rule 1-1(a), 1-1(b), 1-1(c), 1-4(b), and/or 2-1 by operation of OAC 1301:11-5-01 when she failed to select comparable sales for the Sales Comparison Approach that were legal nonconforming uses like the Subject and she failed to make any adjustment recognizing the difference between the Subject's legal nonconforming use and the comparable sales' legal use, or in the alternative, she failed to sufficiently explain the reason no adjustment was necessary to recognize the difference between the Subject's legal nonconforming use and the comparable sales' legal conforming use; **3.** She violated ORC 4763.12(C) when she failed to include the information required in that section; **4.** She violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2004 USPAP Standards Rule 1-1(b), 1-1(c), 1-4(a), and/or 2-1 by operation of OAC 1301:11-5-01 when she failed to make square footage adjustments to Comparable Sale #2 and Comparable Sale #3 as a result of their differences in square footage compared to the Subject, or in the alternative, she failed to sufficiently explain the reason no square footage adjustments were necessary; **5.** She violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2004 USPAP Standards Rule 1-1(c), 1-2(e), and/or 2-2(b) by operation of OAC 1301:11-5-01 when she stated the Subject neighborhood is built-up "25% to 75%" but in the adjacent section under "present land use %", she stated the Subject neighborhood is built up "84%"; **6.** She violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2004 USPAP Standards Rule 1-1(c) and/or 2-1(b) by operation of OAC 1301:11-5-01 when she failed to complete the "PUD section" and the Subject's "HOA per month" on page one of the appraisal report; **7.** She violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2004 USPAP Standards Rule 1-1(c) and/or 2-1(b) by operation of OAC 1301:11-5-01 when she failed to complete the Subject's "Neighborhood or Project Name" on page one of the appraisal report; and **8.** She violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2004 USPAP Standards Rule 1-1(c) by operation of OAC 1301:11-5-01 when she rendered appraisal services in a negligent and careless manner.

For violation 1, the Board ordered Jodi L. McKinley to complete 14 hours of additional education in a course related to Residential Market Analysis. For violation 2, the Board ordered Ms. McKinley to complete 7 hours of additional education in a course relating to the Sales Comparison Approach. For violations 3 through 7, she was ordered to pay a civil penalty of \$100.00 and for violation 8, Ms. McKinley was ordered to complete 15 hours of additional education in a course related to the USPAP pre-licensure course including the passing of the class examination.

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## Appraiser Disciplinary Actions continued

**KENNETH SHIREL DAVIS**, a State licensed residential real estate appraiser from Canal Winchester, Ohio, was found to have done the following with respect to a real estate appraisal report: **1.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(b), 1-1(c), 1-5(b) and/or 2-1 by operation of OAC 1301:11-5-01 when he failed to report and analyze a sale of the Subject that occurred within three years prior to the effective date of the appraisal and such sale was available to him in the normal course of business; **2.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(b), 1-1(c), 1-5(b) and/or 2-1 by operation of OAC 1301:11-5-01 when he failed to report and analyze a second sale of the Subject that occurred within three years prior to the effective date of the appraisal and such sale was available to him in the normal course of business; **3.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(b) by operation of OAC 1301:11-5-01 when he did not verify the zoning for the Subject, but rather reported the Subject's use; **4.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(b) by operation of OAC 1301:11-5-01 when he described the Subject as a two story in one part of the appraisal but he also indicated in the Subject sketch that it consists of three floors; **5.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(b), 1-1(c), 1-5(a) and/or 2-1 by operation of OAC 1301:11-5-01 when he failed to report any of the closing costs, concessions and pre-pays associated with the sale of the Subject; **6.** He violated ORC 4763.11(G)(5), 4763.11(G)(6), 4763.11(G)(7), 4763.11(G)(8) and/or 4763.14 as those sections incorporate 2003 USPAP Record Keeping Section of the Ethics Rule by operation of OAC 1301:11-5-01 when he failed to maintain true copies of his appraisal report; **7.** He violated ORC 4763.11(G)(4), 4763.11(G)(5), 4763.11(G)(6), 4763.11(G)(7) and/or 4763.11(G)(8) as those sections incorporate 2003 USPAP Ethics Rule by operation of OAC 1301:11-5-01 when he failed to prepare, maintain and make available when required by the Division a true copy of the appraisal report; **8.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(b) by operation of OAC 1301:11-5-01 when he committed substantial error(s) of omission or commission that significantly affected his appraisal report; and **9.** He violated ORC 4763.11(G)(5), 4761.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(c) by operation of OAC 1301:11-5-01, when he rendered appraisal services in a negligent or careless manner that affected the credibility of the appraisal report.

For violations 1, 2, 3, 5, 8 & 9, the Board ordered Kenneth Shirel Davis to pay a civil penalty of \$1,350.00. For violation 4, the Board gave Mr. Davis a public reprimand. For violation 6, he was ordered to complete 29 hours of additional education in the following courses: 7 hours in a course related to the Sales Comparison Approach; 15 hours in a course related to the USPAP pre-licensure course, including passing the course examination; and 7 hours in a course chosen by Mr. Davis and approved by the Division; and for violation 7, he was **suspended** from the practice of appraising real estate in the State of Ohio for 5 days.

**ANGEL R. ROGERS**, a State licensed residential real estate appraiser from Columbus, Ohio, was found to have done the following with respect to a real estate appraisal report: **1.** She violated ORC 4763.11(G)(4), 4763.11(G)(5), 4763.11(G)(6), 4763.11(G)(7) and/or 4763.11(G)(8) as those sections incorporate the Conduct Section in the Ethics Rule of the 2004 USPAP and/or 2004 USPAP Standards Rule 2-1 by operation of OAC 1301:11-5-01 when she indicated, by not specifying otherwise in the appraisal report, that she personally inspected the Subject both inside and outside when she did not in fact do so; **2.** She violated ORC 4763.01(I), 4763.11(G)(4), 4763.11(G)(5), 4763.11(G)(6), 4763.11(G)(7) and/or 4761.11(G)(8) as those sections incorporate the Conduct Section in the Ethics Rule of the 2004 USPAP, 2004 USPAP Standards Rule 2-1 and/or 2-2(b)(vii) by operation of OAC 1301:11-5-01 when she failed to summarize the professional assistance she received from another individual in the development of the appraisal report; **3.** She violated ORC 4763.11(G)(5), 4763.11(G)(6), and/or 4763.11(G)(7) as those sections incorporate 2004 USPAP Standards Rule 1-1(c), 1-4(b) and/or 2-1 by operation of OAC 1301:11-5-01 when she failed to sufficiently support her basis for assigning a \$15,000 value to the site of the Subject in the Cost Approach and her work file; **4.** She violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2004 USPAP Standards Rule 1-1(b), 1-1(c), 1-4(b) and/or 2-1 by operation of OAC 1301:11-5-01 when she reported, without stating the basis for the representation, an effective age for the Subject of "20-25" years despite the fact that the actual age of the Subject at the time of the appraisal was 94 years; **5.** She violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2004 USPAP Standards Rule 1-1(b), 1-1(c), and/or 2-1 by operation of OAC 1301:11-5-01 when she failed to provide the Subject basement and garage's square footage and the "As-Is"

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## Appraiser Disciplinary Actions continued

value for the Subject's site improvements in the Cost Approach; **6.** She violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2004 USPAP Standards Rule 1-1(c) and/or 2-1 by operation of OAC 1301:11-5-01 when she reported the County for the Subject was "USA"; reported the Subject has no special tax assessments when the Subject's property record card as of the effective date of the appraisal indicates the Subject has a special tax assessment of \$69.98 per half or \$139.96 per year; and reported the Subject's neighborhood build-up was "25%-75%" but indicated elsewhere in the appraisal report the Subject's neighborhood land use was 95% developed; **7.** She violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2004 USPAP Standards Rule 1-1(b), 1-1(c) and/or 2-1 by operation of OAC 1301:11-5-01 when she included in the calculation of the Subject's total square footage the enclosed porch, but also included it in the Sales Comparison Approach in a row titled "Porch, Patio, Deck, Fireplace(s), etc.", effectively double counting the Subject's enclosed porch; **8.** She violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2004 USPAP Standards Rules 1-1(c) and/or 2-1 by operation of OAC 1301:11-5-01 when she made inconsistent or inappropriate adjustments in the Sales Comparison Approach to the sales comparables; **9.** She violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2004 USPAP Standards Rule 1-1(c) and/or 2-1 by operation of OAC 1301:11-5-01 when she indicated the Subject is a two story home while the sketch in the appraisal report indicated the Subject has a third floor which was included in the Subject's total square footage; **10.** She violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2004 USPAP Standards Rule 1-1(c) and/or 2-1 by operation of OAC 1301:11-5-01 when she failed to complete or address the Income Approach in the appraisal report; and **11.** She violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2004 USPAP Standards Rule 2-1(a) or the Conduct Section of the Ethics Rule for 2004 USPAP by operation of OAC 1301:11-5-01 when she completed and communicated a misleading appraisal report.

For violations 1, 2, and 11, the Board **suspended** Angel R. Rogers from the practice of appraising real estate in the State of Ohio for 30 days. For violations 3 through 10, Ms. Rogers was ordered to pay a civil penalty of \$1,000.00 and to complete 30 hours of additional education in the following courses: 15 hours in a course related to the Sales Comparison Approach and 15 hours in a course related to the USPAP pre-licensure course including passing the course examination.

**JOHN GEORGE GRIEST**, a State certified residential real estate appraiser from Dayton, Ohio, was found to have done the following with respect to a real estate appraisal report: **1.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and 4763.11(G)(7) as those sections incorporate 2000 USPAP Standards Rule 1-1(a), 1-1(b), 1-1(c), 1-2(f), 1-3, 2-1(a) and 2-1(b) by operation of OAC 1301:11-5-01 when he failed to accurately describe the neighborhood and the attendant characteristics that affect the marketability of the property; **2.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and 4763.11(G)(7) as those sections incorporate USPAP 2000 Standards Rule 1-4 and 2-1 by operation of OAC 1301:11-5-01 when he failed to state his basis for assigning a \$20,000 value to the site of the Subject in his appraisal report and his workfile; **3.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and 4763.11(G)(7) as those sections incorporate USPAP 2000 Standards Rule 1-1(a), 1-3, and 1-4 by operation of OAC 1301:11-5-01 when he failed to adequately describe or to adequately provide the cost for improvements to the Subject, and improperly cited the USPAP Jurisdictional Exception Rule as the basis for his deviations from accepted practice; **4.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and 4763.11(G)(7) as those sections incorporate USPAP 2000 Standards Rule 1-1(b), 1-1(c), and 2-1 by operation of OAC 1301:11-5-01 when he used as comparable sales, properties which were not similar to the Subject, and didn't state his reasons for not using similar comparables; and **5.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and 4763.11(G)(7) as those sections incorporate the USPAP 2000 Standard Rule 1-1(c) by operation of OAC 1301:11-5-1 when he rendered appraisal services in a negligent and careless manner.

For violation 1, the Board ordered John George Griest to pay a civil penalty of \$250.00. For violations 2 through 4, Mr. Griest was ordered to complete 7 hours of additional education in a course related to the Cost Approach and for violation 5, he was ordered to complete 15 hours of additional education in a course related to the USPAP pre-licensure course, including passing of the course examination.

**SUSAN MATHEY VERMEIRE**, a state licensed residential real estate appraiser from Westerville, Ohio, was found to have done the following with respect to a real estate appraisal report: **1.** She violated ORC 4763.11(G)(5), 4763.11(G)(6) and 4763.11(G)(7) as those sections incorporate USPAP 2002 Standards Rule 1-1(b), 1-1(c), and 2-1 by operation of OAC 1301:11-5-01 when she used as comparable sales, properties that were not truly comparable to

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## Appraiser Disciplinary Actions continued

the Subject; she reported substantially inaccurate distances between the comparables and the Subject; and she did not state her reasons for using comparable properties that were not comparable to the Subject; **2.** She violated ORC 4763.11(G)(5), 4763.11(G)(6) and 4763.11(G)(7) as those sections incorporate USPAP 2002 Standards Rule 1-4 and 2-1 by operation of OAC 1301:11-5-01 when she failed to state her basis for assigning a \$21,000 value to the site of the Subject in the appraisal report and her workfile; **3.** She violated ORC 4763.11(G)(5), 4763.11(G)(6) and 4763.11(G)(7) as those sections incorporate USPAP 2002 Standards Rule 1-1(a) and 2-1(c) by operation of OAC 1301:11-5-01 when she reported significantly lower effective ages for comparable sales in comparison to their actual ages without stating a basis for her conclusion in the appraisal report or her workfile; **4.** She violated ORC 4763.11(G)(5), 4763.11(G)(6) and 4763.11(G)(7) as those sections incorporate USPAP 2003 Standards Rule 1-1(a), 1-1(b), 1-1(c), 1-2(f) and 2-2(b) by operation of OAC 1301:11-5-01 when she failed to provide adequate information and sound reasoning to verify the opinions expressed in her appraisal reports and she limited her research and analysis to such a degree that the resulting opinions and conclusions developed in the appraisal were not credible in the context of the intended use of the appraisal; **5.** She violated ORC 4763.11(G)(5) and 4763.11(G)(7) as those sections incorporate USPAP 2002 Standards Rule 2-2 by operation of OAC 1301:11-5-01 when she failed to disclose whether the report was a Self-Contained Appraisal Report, a Summary Appraisal Report or a Restricted Use Appraisal Report; and **6.** She violated ORC 4763.11(G)(5), 4763.11(G)(6) and 4763.11(G)(7) as those sections incorporate the USPAP 2000 Standard Rule 1-1(c) by operation of OAC 1301:11-5-1 when she rendered appraisal services in a negligent and careless manner.

For all the violations, the Board ordered Susan Mathey Vermeire to complete 30 hours of additional education in a course relating to Basic Appraisal Procedures, including passing the course examination.

**JOHN E. MILLER**, a state certified residential real estate appraiser from Wapakoneta, Ohio, was found to have done the following with respect to a real estate appraisal report: **1.** He violated ORC 4763.11(G)(4), 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate USPAP 2001 Standards Rule 1-4(a) and 2-1 by operation of OAC 1301:11-5-01 when he falsely reported the distance from the Subject to Comparable Sale #1; **2.** He violated ORC 4763.11(G)(4), 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate USPAP 2001 Standards Rule 1-4(a) and 2-1 by operation of OAC 1301:11-5-01 when he falsely reported the Gross Living Area of Comparable Sale #2 in the Sales Comparison Approach; and **3.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and 4763.11(G)(7) as those sections incorporate the USPAP 2001 Standards Rules 1-1(a) by operation of OAC 1301:11-5-01 when he failed to correctly employ recognized methods and techniques that are necessary to produce a credible appraisal report.

For all the violations, the Board ordered John E. Miller to pay a civil penalty of \$250.00 and to complete 15 hours of additional education in a course relating to the USPAP pre-licensure course, including passing the course examination. In addition, Mr. Miller was **suspended** from the practice of appraising real estate in the State of Ohio for 7 days.

**DAVID R. TURNER**, a state certified residential real estate appraiser from Dublin, Ohio, was found to have done the following with respect to a real estate appraisal report: **1.** He violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2004 USPAP Standards Rule 1-1(a), 1-1(b), 1-2(e), 2-1(b) and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when he failed to sufficiently summarize the characteristics of the second house on the Subject's lot; **2.** He violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2004 USPAP Standards Rule 1-1(a), 1-1(b), 2-1(b), and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when he failed to sufficiently summarize in his appraisal report or his workfile his basis for the adjustment of the Subject's second house in the Sales Comparison Approach; **3.** He violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2004 USPAP Standards Rule 1-1(a), 1-1(b), 1-3, 2-1(b), and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when he failed to report the Subject's highest and best use or sufficiently develop, in an addendum for the appraisal report, his opinion of the Subject's highest and best use; **4.** He violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2004 USPAP Standards Rule 1-1(a), 2-1(b), and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when he failed to analyze a recent prior sale for Comparable Sale #3; **5.** He violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2004 USPAP Standards Rule 1-4(b), 2-1, and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when he failed to sufficiently support his basis for assigning a \$45,000 value to the site of the Subject in his appraisal report or his workfile; and **6.** He violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2004 USPAP Standards Rule 1-1(b), 1-4(b), 2-1, and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when he reported

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## Appraiser Disciplinary Actions continued

for the Subject, without stating the basis for the representation, an effective age for the Subject of “5-10” years despite the fact that the actual age of the Subject at the time of the appraisal was 33 years. For all these violations, the Board ordered David R. Turner to pay a civil penalty of \$250.00 and to complete 15 hours of additional education in a course related to USPAP pre-licensure course, including passing the course examination.

**MICHAEL S. KANGAS**, a Licensed residential real estate appraiser from Montville, Ohio, was found to have done the following with respect to an appraisal report: **1.** He violated ORC 4763.11(G)(4), 4763.11(G)(5), 4763.11(G)(6), 4763.11(G)(7) and/or 4763.11(G)(8) as those sections incorporate 2003 USPAP Standards Rule 1-1(b), 1-1(c), 1-2(f), 2-1, 2-2(b)(vii), and/or the Conduct Section of the Ethics Rule for 2003 USPAP by operation of OAC 1301:11-5-01 when he indicated in his signed Statement of Limiting Conditions and Appraiser Certification that he had inspected the Subject property, both inside and outside, when in fact he did not and he failed to summarize the extent of assistance by his appraiser assistant in the appraisal report for the Subject property; **2.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(a), 1-1(b), 1-1(c), 1-4(c), 1-6(a), 2-1(b), and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when he developed the Income Approach in his appraisal report for the Subject property, but he failed to include in his appraisal report and his work file a summary of the information analyzed, the appraisal procedures followed, and the reasoning that supports his analyses, opinions and conclusions associated with the Income Approach; **3.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(b), 1-1(c), and/or 2-1(b) by operation of OAC 1301:11-5-01 when he did not verify the zoning for the Subject property, but rather reported the Subject’s land use; **4.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(b), 1-1(c), 1-6(a), and/or 2-1(b) by operation of OAC 1301:11-5-01 when he failed to report a prior sale for Comparable Sale #2 that occurred within a year of his appraisal of the Subject property and such sale was published in County Records which he indicated in the appraisal report he consulted in the completion of the Sales Comparison Approach; **5.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(a), 2003 USPAP Standards Rule 1-1(b), 1-1(c), 1-4(b), 2-1, and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when he reported, without stating the basis for the representation, an effective age for the Subject property of 20 years despite the fact that the actual age of the Subject property at the time of the appraisal report was 91 years; **6.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(a), 1-1(b), 1-1(c), 2-1 and/or the Conduct Section of the Ethics Rule for 2003 USPAP by operation of OAC 1301:11-5-01 when he used comparable sales which were superior to the Subject property and he did not substantiate his reasons for using those properties as comparable sales or make appropriate adjustments for the differences between the Subject property and the comparable sales; **7.** He violated ORC 4763.12(C) when he failed to include the disclosures or information required by ORC 4763.12(C); **8.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(c), 1-2(e), and/or 2-1 by operation of OAC 1301:11-5-01 when he indicated in one part of the appraisal that the Subject’s neighborhood was “Suburban” but in another part of the appraisal report, he indicated the Subject’s Location was “Urban”; **9.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(c), 1-4(b), and/or 2-1 by operation of OAC 1301:11-5-01 when he failed to sufficiently support his basis for assigning a \$10,000 value to the Subject’s site in the Cost Approach and his work file; **10.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(c) and/or 2-1 by operation of OAC 1301:11-5-01 when he indicated in one part of the appraisal report that the Subject is a “two story structure with a heated, finished attic that is accessible by stairs” but he failed to take into consideration in the Sales Comparison Approach or in the alternative, failed to explain in the appraisal report his basis for not considering this in the Sales Comparison Approach; **11.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(b), 1-1(c), 1-2(e), 1-4(a) and/or 2-1 by operation of OAC 1301:11-5-01 when he indicated the Subject’s exterior is frame but according to PACE, a named source of information in his appraisal report, the Subject’s exterior consists of asbestos or in the alternative, he failed to explain the reason for difference; **12.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(a) by operation of OAC 1301:11-5-01 when he failed to correctly employ recognized methods and techniques that are necessary to produce a credible appraisal; **13.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(b) by operation of OAC 1301:11-5-01 when he committed substantial errors of omission or commission that significantly affected the appraisal report for the Subject property; **14.** He violated ORC

*continued on page 17*



## Appraiser Disciplinary Actions continued

4763.11(G)(5), 4763.11(G)(6), and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(c) by operation of OAC 1301:11-5-01 when he rendered appraisal services in a negligent or careless manner that affected the credibility of the appraisal report for the Subject property; and **15.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standard Rule 2-1 and/or the Conduct Section of Ethics Rule for 2003 USPAP by operation of OAC 1301:11-5-01 when he completed a misleading appraisal report as a result of the appraisal report's insufficient information and analyses.

For all the violations, the Board ordered Michael S. Kangas to pay a fine of \$2,100.00 and to complete 59 hours of additional education consisting of the following: a 15 hour course relating to the USPAP pre-licensure course including passing the course examination; 30 hours in a course related to Appraisal Procedure including passing the course examination; and a 14 hour course to Site Valuation and Cost Approach.

**MICHAEL J. PATTERSON**, a Licensed residential real estate appraiser from Toledo, Ohio, was found to have done the following with respect to an appraisal report: **1.** He violated ORC 4763.11(G)(4), 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(b), 1-1(c), 1-4(a), 2-1, and/or the Conduct Section of the Ethics Rule for 2003 USPAP by operation of OAC 1301:11-5-01 when he failed to use comparable sales located in the Subject's subdivision that were available to him in the normal course of business, and he failed to sufficiently summarize his basis for their exclusion; **2.** He violated ORC 4763.11(G)(4), 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(b), 1-1(c), 1-4(a), 2-1, and/or the Conduct Section of the Ethics Rule for 2003 USPAP by operation of OAC 1301:11-5-01 when he used sales which were not similar to the Subject property, and he failed to sufficiently summarize his basis for their selection as comparable sales given their significant differences with the Subject property; **3.** He violated ORC 4763.11(G)(5), 4763.11(G)(6), and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Rule 1-1(b), 1-1(c), and/or 2-1 by operation of OAC 1301:11-5-01 when he selected Comparable Sale #2 which was not located in the Subject's neighborhood boundaries as he defined them in his appraisal report; **4.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(c), 1-4(b), and/or 2-1 by operation of OAC 1301:11-5-01 when he failed to sufficiently support his basis for assigning a \$26,000 value to the site of the Subject property in his appraisal report and his workfile; **5.** He violated ORC 4763.11(G)(5), 4763.11(G)(6), and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(c), 2-1(b), 2-2(b)(ix) and/or the Record Keeping Section of the Ethics Rule for 2003 USPAP by operation of OAC 1301:11-5-01 when he included the Subject's basement in the estimated reproduction costs new for the Subject's above-grade dwelling, but he failed to sufficiently summarize in his appraisal report or in his workfile the procedure or analysis he used in reaching cost per square footage conclusion; **6.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(c), 2-1 and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when he made a square footage adjustment to Comparable Sale #4 but he failed to make a square footage adjustment to any of the other Comparable Sales or in the alternative, he failed to sufficiently summarize his basis for not making a square footage adjustment to the other Comparable Sales; **7.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(c) and/or 2-1(b) by operation of OAC 1301:11-5-01 when he failed to report or summarize in the appraisal report whether the Subject has any "HOA\$ per month" and whether the "Project Information for PUDs" was applicable to the Subject property; **8.** He violated ORC 4763.11(G)(5), 4763.11(G)(6), and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(c) by operation of OAC 1301:11-5-01 when he rendered appraisal services in a negligent or careless manner that affected the credibility of the appraisal report; **9.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 1-1(b) by operation of OAC 1301:11-5-01 when he committed substantial errors of omission or commission that significantly affected the appraisal report; and **10.** He violated ORC 4763.11(G)(5), 4763.11(G)(6) and/or 4763.11(G)(7) as those sections incorporate 2003 USPAP Standards Rule 2-1(a) and the Conduct Section of the Ethics Rule for 2003 USPAP by operation of OAC 1301:11-5-01 when he completed a misleading appraisal report by giving preference to information that produced an inflated value conclusion for the Subject property.

For all the violations, the Board ordered Michael J. Patterson to pay a fine of \$500.00 and to complete 29 hours of additional education consisting of the following: a 15 hour course relating to the USPAP pre-licensure course including passing the course examination; a 7 hour course relating to the Sales Comparison Approach; and a 7 hour course

*continued on page 18*

## Appraiser Disciplinary Actions continued

relating to the Cost Approach and his license to appraise residential real estate in the State of Ohio was **suspended** for 7 days.

**VALLERIE DAVIS**, a Certified residential real estate appraiser from Waverly, Ohio, was found to have done the following with respect to an appraisal report: **1.** She violated ORC 4763.11(G)(5), 4763.11(G)(6), 4763.11(G)(8) and/or 4763.14 as those sections incorporate the Record Keeping Section of the Ethics Rule for 2003 USPAP by operation of OAC 1301:11-5-01 when she failed to maintain true copies of her appraisal report or maintain a work file for the appraisal report for the Subject property; **2.** She violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2003 USPAP Standards Rule 1-1(a), 1-1(b), 1-1(c), 1-5(b), 2-1 and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when she failed to report and analyze a prior sale of the Subject property that occurred within three years prior of the effective date of the appraisal and the information regarding that sale of the Subject property was available to her in the normal course of business; **3.** She violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2003 USPAP Standards 1-1(a), 1-1(b), 1-1(c), 1-4(a), 2-1 and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when she used Comparable Sale #3 in the Sales Comparison Approach even though it was located outside the Subject property's neighborhood boundaries as she defined them, and she failed to make a location adjustment to Comparable Sale #3 in the Sales Comparison Approach or in the alternative, she failed to sufficiently summarize in her appraisal report the reasons why no location adjustment was necessary; **4.** She violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2003 USPAP Standards Rule 1-1(a), 1-1(b), 1-1(c), 1-5(b), 2-1 and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when she failed to report and analyze a June 2002 sale and a July 2002 sale of Comparable Sale #3 that occurred within one year of the effective date of the appraisal report and information regarding the sales of Comparable Sale #3 was available to her in the normal course of business; **5.** She violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2003 USPAP Standards Rule 1-1(a), 2-1(b), and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when she failed to sufficiently summarize the condition, the quality of construction or the floor plan of the Subject property's second floor given the Subject property's design; **6.** She violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2003 USPAP Standards Rule 1-1(a), 1-4(a), 2-1(b), and/or 2-2(b)(ix) by operation of OAC 1301:11-5-01 when she failed to make an adjustment to Comparable Sale #3 recognizing the difference between the number of bathrooms between Comparable Sale #3 and the Subject property, or in the alternative, she failed to sufficiently summarize the reasons why no adjustment was necessary in recognition of this difference; and **7.** She violated ORC 4763.11(G)(5) and/or 4763.11(G)(6) as those sections incorporate 2003 USPAP Standards Rule 2-1(a) and/or the Conduct Section of Ethics Rule for 2003 USPAP by operation of OAC 1301:11-5-01 when she completed a misleading appraisal report for the Subject property.

For all the violations, the Board ordered Vallerie Davis to pay a fine of \$750.00 and to complete 36 hours of additional education consisting of the following: a 15 hour course relating to the USPAP pre-licensure course including passing the course examination; a 7 hour course relating to the Sales Comparison Approach and a 14 hour course relating to Residential Report Writing.



## Important Addresses and Phone Numbers

To help you deal with questions and problems more efficiently, here are some frequently used addresses and phone numbers. Directing inquiries to the appropriate office will expedite securing necessary information.

### The Division of Real Estate and Professional Licensing

#### Columbus Office

77 S. High Street, 20<sup>th</sup> Floor  
Columbus, OH 43215-6133  
Phone: 614-466-4100  
FAX: 614-644-0584

#### Cleveland Office

*Re: cemetery disputes and appraisal licensing*  
615 W. Superior Ave., NW  
12<sup>th</sup> Floor  
Cleveland, OH 44113-1801  
Phone: 216-787-3100  
FAX: 216-787-4449

#### Website/Email Address

*Re: general information about the Division, licensee look-up, course provider rosters, FAQ's, downloading forms, etc.*  
[www.com.state.oh.us/real](http://www.com.state.oh.us/real)  
*Re: updates on Ohio Rules and Regulations*  
[www.state.oh.us/real/ohiolaws.htm](http://www.state.oh.us/real/ohiolaws.htm)  
*Re: inquiries to the Division*  
[REPLD@com.state.oh.us](mailto:REPLD@com.state.oh.us)

### REALTORS

#### National Association of REALTORS

*Re: business services and products to REALTORS*  
430 N. Michigan Ave.  
Chicago, IL 60611-4087  
312-329-8200

#### Ohio Association of REALTORS

*Re: membership dues, president's sales club, legal hotline*  
200 E. Town Street  
Columbus, OH 43215-4648  
614-228-6675  
[www.ohiorealtors.org](http://www.ohiorealtors.org)

#### Columbus Board of REALTORS

2700 Airport Drive  
Columbus, OH 43219  
614-475-4000

#### Cleveland Area Board of REALTORS

5633 Brecksville Road  
Independence, OH 44131  
216-901-0130

#### Cincinnati Area Board of REALTORS

14 Knollcrest Dr.  
P.O. Box 37889  
Cincinnati, OH 45222  
513-761-8800

#### Dayton Area Board of REALTORS

1515 S. Main Street  
Box 111  
Dayton, OH 45401  
937-223-0900

### Other Important Addresses and Phone Numbers

#### Ohio Division of Financial Institutions

*Re: mortgage brokers*  
77 S. High Street, 21<sup>st</sup> Floor  
Columbus, OH 43215-6120  
614-728-8400  
[www.com.state.oh.us/DFI](http://www.com.state.oh.us/DFI)

#### Ohio Department of Insurance

*Re: title insurance and title companies*  
2100 Stella Court  
Columbus, OH 43215-1067  
614-644-2658

#### Ohio Attorney General's Office

*Re: consumer protection issues*  
30 E. Broad Street, 17<sup>th</sup> Floor  
Columbus, OH 43215-3428  
614-466-8831  
800-282-0515

#### Civil Rights Commission

*Re: fair housing complaints*  
1111 E. Broad Street  
Columbus, OH 43205  
614-466-2785  
Toll Free: 888-278-7101

#### Columbus Bar Association

*Re: complaints against attorneys, attorney referrals*  
175 S. 3<sup>rd</sup> St., 11<sup>th</sup> Floor  
Columbus, OH 43215  
614-221-4112

#### Appraisal Foundation

*Re: appraiser criteria, USPAP*  
1155 15<sup>th</sup> St. NW, #1111  
Washington, DC 20005  
202-347-7722  
[www.AppraisalFoundation.org](http://www.AppraisalFoundation.org)

#### American Society of Home Inspectors

*Re: home inspectors complaints*  
800-743-2744  
[www.ashi.org](http://www.ashi.org)

#### National Lead Information Center

*Re: lead base paint issues*  
800-424-5323

#### HUD

*Re: loan programs, Real Estate Settlement Procedure Act (RESPA)*  
Consult your local blue pages for the nearest HUD office.

## 2007 Meeting Schedules

### Ohio Real Estate Commission

The Ohio Real Estate Commission (OREC) meetings are held in the Division's Columbus office at 77 S. High Street in the 20<sup>th</sup> Floor Hearing Room. All OREC meetings are open to the public but are subject to change. Anyone wishing to address the Real Estate Commission must submit a formal, written request. Please contact the Division if you have questions.

March 14  
April 18  
May 23  
June 27  
August 1  
September 5  
October 17  
November 28

### Ohio Real Estate Appraiser Board

The Ohio Real Estate Appraiser Board meetings are held in the Division's Columbus office at 77 S. High Street in the 20<sup>th</sup> Floor Hearing Room. All Appraiser Board meetings are open to the public but are subject to change. Anyone wishing to address the Appraiser Board must submit a formal, written request. Please contact the Division if you have questions.

February 9  
April 13  
June 15  
August 10  
September 14  
November 9

### Education & Research Advisory Committee

The Education and Research Advisory Committee was established by the Ohio Real Estate Commission to provide information and education for all licensees. One of the duties of the committee is to discuss and to develop topics for research papers by colleges, universities and trade organizations. These research topics are then considered for funding by the Ohio Real Estate Commission. The Committee consists of 11 members comprised of the Superintendent of the Division, two Commission Members, brokers and industry representatives. The Committee meets quarterly in Columbus at 77 S. High Street, 23<sup>rd</sup> Floor Director's Conference Room.

March 7  
May 9  
August 29  
November 1



### The Ohio Department of Commerce

State of Ohio  
Department of Commerce  
Division of Real Estate and Professional Licensing  
77 South High Street, 20th Floor  
Columbus, OH 43215-6133

#### Commission Members

Owen V. Hall, President  
Shirley L. Davis  
Rosetta Hayes-Borders  
John P. Kennedy  
David C. Paul

#### Appraiser Board Members

Margaret A. Hambleton, Chair  
Brian W. Barnes  
Lytle T. Davis  
Raymond E. Houk  
Michael Koren

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Columbus, Ohio 43215-6133

#### Cleveland Office

Voice (216) 787-3100  
FAX (216) 787-4449

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