

FEB 10 2009

CASHIER'S SECTION  
OPERATOR A

TEXAS APPRAISER LICENSING  
AND CERTIFICATION BOARD

vs.

KARI ANN SCHUPPENHAUER  
TX-1337608-R

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DOCKETED COMPLAINT NO.  
09-031

**AGREED FINAL ORDER**

On this the 20<sup>th</sup> day of February, 2009, the Texas Appraiser Licensing and Certification Board, (the Board), considered the matter of the certification of Kari Ann Schuppenhauer (Respondent).

In order to conclude this matter Kari Ann Schuppenhauer neither admits nor denies the truth of the Findings of Fact and Conclusions of Law contained herein and further agrees to the disciplinary action set out in this Agreed Final Order. The Board makes the following findings of fact and conclusions of law and enters this Order in accordance with TEX. OCC. CODE § 1103.458:

**FINDINGS OF FACT**

1. Respondent Kari Ann Schuppenhauer is a Texas state certified residential real estate appraiser, holds certification number TX-1337608-R, and has been certified by the Board during all times material to the above-noted complaint case.
2. On or about August 5<sup>th</sup>, 2008, Respondent appraised real property located at 905 Ragland Drive, Cedar Hill, Dallas, Texas ("the property").
3. On or about October 23<sup>rd</sup>, 2008, the Complainant, Deloris Kraft-Longoria, filed a staff-initiated complaint with the Board, which was based upon information submitted by the United States Department of Housing and Urban Development ("HUD").
4. On or about October 27<sup>th</sup>, 2008 the Board, in accordance with the mandate of the Administrative Procedure Act (the APA), TEX. GOV'T CODE ANN. CHPT. 2001, and TEX. OCC. CODE CHPT. 1103, notified Respondent of the nature of the accusations involved and Respondent was afforded an opportunity to respond to the accusations in the complaint. Respondent's response to the complaint was received.
5. Respondent violated TEX. OCC. CODE § 1103.405, 22 TEX. ADMIN. CODE §§ 153.20(a)(3) and 155.1(a) by the following acts or omissions which did not conform to USPAP in effect at the time of the appraisal report for the property:

- a) USPAP Ethics Rule -- Respondent failed to adhere to the record keeping provisions and produced a misleading appraisal report for the property because she misrepresented that she had performed and interior and exterior inspection of the property when she had not done so;
- b) Respondent failed to adequately identify and report the correct site description, including zoning;
- c) Respondent failed to provide a brief summary of her underlying basis and rationale for her determination of the property's highest and best use;
- d) Respondent failed to provide support for her analysis and conclusions concerning site value, cost new of improvements and accrued depreciations and failed to employ recognized methods and techniques in her cost approach analysis;
- e) Respondent failed to analyze and reconcile sales comparison data properly and generally did not employ recognized methods and techniques in her sales comparison approach;
- f) Respondent did not produce a credible appraisal report due to the problems noted above; and,
- g) Respondent's report for the property contains substantial errors of omission and commission as detailed above which resulted in a misleading appraisal report for the property.

6. Respondent misrepresented in her report that she had personally inspected the property when she had not done so;

### **CONCLUSIONS OF LAW**

1. The Texas Appraiser Licensing and Certification Board has jurisdiction over this matter pursuant to the Texas Appraiser Licensing and Certification Act, TEX. OCC. CODE § 1103 et. seq.

2. Respondent violated the following provisions of USPAP as prohibited by 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3): USPAP Ethics Rule; USPAP Standards Rules: 1-2(e)(i) and 2-2(b)(iii); 1-3(b) and 2-2(b)(ix); 1-4(b)(i) & 2-2(b)(viii); 1-4(b)(ii) & 2-2(b)(viii); 1-4(b)(iii) & 2-2(b)(viii); 1-1(a) & 1-4(b); 1-4(a) & 2-2(b)(viii); 1-1(a) and 1-4(a); 1-1(a); 1-1(b); 1-1(c); and, 2-1(a).

3. Respondent violated 22 TEX. ADMIN. CODE §153.20(a)(9) by making material misrepresentations and omitting material facts.

Based on the above findings of fact and conclusions of law, the Board **ORDERS** that the Respondent shall:

- a. Have her certification revoked for twenty-four months with this revocation being fully probated under the following conditions:
  - i. During the entire probated, twenty-four month revocation period Respondent shall submit to the Board an appraisal experience log on a form prescribed by the Board. The log shall be submitted every three months and shall detail all real estate appraisal activities she has conducted during the previous three month period. This experience log shall be signed by Respondent and contain a notarized affidavit attesting the log is true, complete and fully accurate. Upon request from the Board, Respondent shall provide copies of her appraisal reports and work files for any appraisal assignments she performs during the course of his period of probation within the twenty days of notice of any such request; and,
  - ii. Fully and timely comply with all of the provisions of this Agreed Final Order.
- b. Attend and complete a minimum, 15 classroom-hour course in USPAP;
- c. Attend and complete a minimum, 15 classroom-hour course in Residential Case Studies;
- d. Attend and complete a minimum, 15 classroom-hour course in the Cost Approach;
- e. Attend and complete a minimum, 7 classroom-hour course in Foreclosures or REO Properties;
  - i. No examination shall be required for this course,
- f. Comply with all future provisions of the Act, the Rules of the Board, and USPAP in the future or be subjected to further disciplinary action.

**ALL CLASSES** required by this Agreed Final Order must be classes approved by the Board and must be completed within **EIGHTEEN MONTHS** of the date of this Order and documentation of attendance and successful completion of the educational requirements of this Order shall be delivered to the Board on or before the end of the twelve-month period indicated. None of the classes or seminars required by this Order may be taken through correspondence courses. Unless otherwise noted above, all classes must be in-class, have an exam, and Respondent must have a passing grade on the exam given in each class. None of these required classes will count toward Respondent's continuing education requirements for certification.

Failure to timely comply with any of the terms of this Final Agreed Order shall result in

initiation of a contested case proceeding against Respondent and after opportunity for a hearing, possible imposition of disciplinary sanctions against Respondent as provided for by TEX. OCC. CODE § 1103.518, including but not limited to revocation of the above-noted probation.

Respondent, by signing this Agreed Final Order, waives the Respondent's right to a formal hearing and any right to seek judicial review of this Agreed Final Order. Information about this Agreed Final Order is subject to public information requests and notice of this Agreed Final Order will be published on the Board's web site.

THE DATE OF THIS AGREED FINAL ORDER shall be the date it is executed by the Chairperson of the Texas Appraiser Licensing and Certification Board. The Chairperson has been delegated the authority to sign this Agreed Final Order by the Texas Appraiser Licensing and Certification Board vote.

Signed this 6 day of February, 2009.

Kari Ann Schuppenhauer  
KARI ANN SCHUPPENHAUER

SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned, on this the 6 day of February, 2009, by KARI ANN SCHUPPENHAUER, to certify which, witness my hand and official seal.

Alana Brudney  
Notary Public Signature



Alana Brudney  
Notary Public's Printed Name

Signed by the Commissioner this 20th day of February, 2009.

Loretta DeHay  
Loretta DeHay, Interim Commissioner  
Texas Appraiser Licensing and Certification Board

Approved by the Board and Signed this 20th day of February, 2009.

Clinton P. Sayers  
Clinton P. Sayers, Chairperson  
Texas Appraiser Licensing and Certification Board