

TEXAS APPRAISER LICENSING §  
AND CERTIFICATION BOARD §

vs. §

DOCKETED COMPLAINT NOS. §  
12-035 and 13-163 §

LARRY MILTON STREET §  
TX-1332076-R §

**AGREED FINAL ORDER**

On the 22 day of Nov, 2013, the Texas Appraiser Licensing and Certification Board, (the "Board"), considered the matter of the certification of Larry Milton Street (the "Respondent").

In order to conclude this matter, Respondent 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.

**FINDINGS OF FACT**

1. Respondent is a Texas state certified residential real estate appraiser who holds certification number TX-1332076-R, and was certified by the Board during all times material to the above-noted complaints.
2. Respondent appraised real property located at 1628 Seawall Boulevard, Unit 2, Galveston, Texas 77550 (the "Seawall Property") on or about June 14, 2007.
3. Respondent appraised real property located 86 Red Sable Drive, The Woodlands, Texas 77380 (the "Red Sable Property") on or about November 6, 2012.
4. The Seawall Property and the Red Sable Property may be referred to collectively as, the "Properties".
5. Thereafter two complaints were filed with the Board. The complaints allege that the Respondent produced appraisal reports for the Properties that did not conform to the Uniform Standards of Professional Appraisal Practice (USPAP), TEX. OCC. CODE CHPT. 1103 (the "Act") and 22 TEX. ADMIN. CODE CHPT. 153 and 155 (the "Rules").
6. On or about October 3, 2011, a complaint was filed with the Board regarding the Seawall Property by Ms. Deb Nikodym of Rels Valuation, 8009, 34<sup>th</sup> Avenue South, Suite 1300, Bloomington, Minnesota 55425 (the "Seawall Property Complaint").
7. On or about March 1, 2013, a complaint was filed with the Board regarding the Red Sable Property by Carter M. Crane, SRA, Wells Fargo Bank, Collateral Appraiser Manger,

2222 W. Rose Garden Lane, Phoenix, Arizona 85207 (the "Red Sable Property Complaint").

8. Seawall Property Complaint and the Red Sable Property Complaint may be referred to collectively as, the "Complaints."

9. Thereafter the Board, in accordance with the mandate of the Administrative Procedure Act (the "APA"), TEX.GOV'T CODE ANN. CHPT. 2001, and the Act, notified Respondent of the nature of the accusations involved in the Complaints regarding the respective Properties and Respondent was afforded opportunities to respond to the accusations in the Complaints. Respondent was also requested to provide certain documentation to the Board. Respondent timely responded to the Complaints.

10. 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 Seawall Property:

- a) USPAP Ethics Rule (Record Keeping) – Respondent did not comply with the USPAP Ethics Rule because his workfile lacked data, information, and documentation;
- b) USPAP Standards 1-2(c) & 2-2(v) – Respondent did not provide a definition of market value and did not identify the source;
- c) USPAP Standards 1-2(e)(i) & 2-2(iii) – Respondent did not identify and report the site and improvement(s) descriptions adequately;
- d) USPAP Standards 1-2(e)(iv) & 2-2(viii) – Respondent did not consider and report easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances or other items of a similar nature;
- e) USPAP Standards 1-3(a) & 2-2(viii) – Respondent did not identify and analyze the effect on use and value of existing land use regulations, economic supply & demand, physical adaptability of the real estate and market area trends;
- f) USPAP Standards 1-3(b) & 2-2(ix) – Respondent did not provide an explanation of his basis and rationale of the highest and best use;
- g) USPAP Standards 1-4(a) & 2-2(viii) and 1-1(a) & 1-4(a) – Respondent did not collect, verify, analyze and reconcile comparable sales data adequately and did not employ recognized methods and techniques in his sales comparison approach;
- h) USPAP Standard 2-2(viii) – Respondent did not explain and support the exclusion of the income approach;

- i) USPAP Standards 1-5(a) & 2-2(viii) – Respondent did not analyze all agreements of sale, options or listings of the subject current as of the effective date of the appraisal; and
- j) USPAP Standards 1-1(a), 1-1(b), 1-1(c); 2-1(a); and 2-1(b) – Respondent did not employ correct methods and techniques and did not analyze and reconcile significant and material information he had a duty to analyze and reconcile.

11. 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 Red Sable Property:

- a) USPAP Ethics Rule (Record Keeping) – Respondent did not comply with the USPAP Ethics Rule because his workfile lacked data, information, and documentation;
- b) USPAP Competency Rule – Respondent did not acquire the necessary competency to recognize relevant geographic information pertinent to the appraisal valuation;
- c) USPAP Standards 1-2(e)(i) & 2-2(iii) – Respondent did not identify and report the site and improvement(s) descriptions adequately;
- d) USPAP Standards 1-2(e)(iv) & 2-2(viii) – Respondent did not consider and report easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances or other items of a similar nature;
- e) USPAP Standards 1-3(a) & 2-2(viii) – Respondent did not identify and analyze the effect on use and value of existing land use regulations, economic supply & demand, physical adaptability of the real estate and market area trends;
- f) USPAP Standards 1-3(b) & 2-2(ix) – Respondent did not provide an explanation of his basis and rationale of the highest and best use;
- g) USPAP Standard 2-2(viii) – Respondent did not explain and support the exclusion of the cost approach;
- h) USPAP Standards 1-4(b)(i) and 2-2(viii) – Respondent did not use an appropriate method and/or technique to develop an opinion of site value;
- i) USPAP Standards 1-1(a) and 1-4(b) – Respondent did not use an appropriate method and/or technique to develop an opinion of site value;
- j) USPAP Standards 1-4(a) and 2-2(viii) – Respondent did not adequately collect, verify, analyze, and reconcile comparable sales data;
- k) USPAP Standards 1-1(a) and 1-4(a) – Respondent did not correctly employ recognized methods and techniques to determine the sales comparison approach;

- l) USPAP Standards 2-2(viii) – Respondent did not explain and/or support the exclusion of the income approach;
  - m) USPAP Standards 1-6(a),(b) and 2-2(viii) – Respondent did not reconcile the quality and/or quantity of the data within the approaches used and the applicability and/or suitability of the approaches pertaining to the final opinion of value; and
  - n) USPAP Standards 1-1(a), 1-1(b), 1-1(c); 2-1(a); and 2-1(b) – Respondent did not employ correct methods and techniques and did not analyze and reconcile significant and material information he had a duty to analyze and reconcile.
12. To resolve the Complaints, the parties enter into this consent order in accordance with TEX. OCC. CODE § 1103.458.

### CONCLUSIONS OF LAW

1. The Board has jurisdiction over this matter pursuant to the Texas Appraiser Licensing and Certification Act, TEX. OCC. CODE § 1103.
2. Respondent violated the above-noted provisions of USPAP as prohibited by TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(6).
3. The parties are authorized to resolve their dispute by means of a consent order in accordance with Tex. Occ. Code §1103.458.

### ORDER

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

1. **EDUCATION.** On or before November 22, 2014, Respondent shall submit documentation of attendance and successful completion of the classes set out below to the Board. All classes required by this Agreed Final Order must be classes approved by the Board. Unless otherwise noted below, all classes must require in-class attendance and have an exam. Respondent must receive a passing grade on the exam given in each class. None of the required classes will count toward Respondent's continuing education requirements for licensure. **Respondent is solely responsible for locating and scheduling classes to timely satisfy this Agreed Final Order and is urged to do so well in advance of any compliance deadline to ensure adequate time for completion of the course in the event of course cancellation or rescheduling by the course provider.**
  - A. A minimum 15 classroom hour course in USPAP.
2. Fully and timely comply with all of the provisions of this Agreed Final Order; and,

3. Comply with all provisions of the Act, the Rules of the Board, and USPAP in the future or be subjected to further disciplinary action.

#### **ACKNOWLEDGMENT AND WAIVER**

**IF RESPONDENT FAILS TO TIMELY COMPLY WITH ANY TERMS IN THIS AGREED FINAL ORDER, WHICH HAS A SPECIFIC, STATED DUE DATE, RESPONDENT SHALL BE ASSESSED A \$1,000 ADMINISTRATIVE PENALTY AND RESPONDENT'S LICENSE, CERTIFICATION, AUTHORIZATION OR REGISTRATION SHALL BE SUSPENDED, UNTIL RESPONDENT IS IN FULL COMPLIANCE WITH THE TERMS OF THIS AGREED FINAL ORDER AND THE \$1,000 ADMINISTRATIVE PENALTY HAS BEEN RECEIVED BY THE BOARD.**

**ANY SUCH SUSPENSION SHALL BE EFFECTIVE WITHOUT THE NEED FOR A HEARING OR OTHER ADMINISTRATIVE DUE PROCESS UNDER THE TEXAS APPRAISER LICENSING AND CERTIFICATION ACT OR THE ADMINISTRATIVE PROCEDURE ACT, AND RESPONDENT SPECIFICALLY WAIVES ANY SUCH HEARING OR DUE PROCESS.**

**RESPONDENT, BY SIGNING THIS AGREED FINAL ORDER, WAIVES THE RESPONDENT'S RIGHT TO A FORMAL HEARING, ANY MOTION FOR REHEARING, 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.

Respondent is solely responsible for timely delivery to the Board of all documents and payments necessary for compliance of this Agreed Final Order. Payment of any administrative penalties due must be in the form of a cashier's check or money order made payable to the Texas Appraiser Licensing and Certification Board. Respondent shall retain documentation (reply email, fax confirmation, return receipt, etc.) confirming receipt by the Board of all the necessary documents.

Respondent shall send all documents and payments necessary for compliance by: (1) email to [compliance.talcb@talcb.texas.gov](mailto:compliance.talcb@talcb.texas.gov), (2) fax to (512) 936-3966, attn: Compliance, or (3) certified mail return receipt requested to Standards & Enforcement Services, Texas Appraiser Licensing & Certification Board, Stephen F. Austin Building, 1700 N. Congress Ave., Suite 400, Austin, TX 78701.

**I HAVE READ AND REVIEWED THIS ENTIRE AGREED FINAL ORDER FULLY AND AM ENTERING INTO IT OF MY OWN FREE WILL TO AVOID THE EXPENSE OF LITIGATION AND TO REACH AN EXPEDITIOUS RESOLUTION OF THE MATTER. I NEITHER ADMIT NOR DENY THAT THE FINDINGS OF FACT AND CONCLUSIONS OF LAW CONTAINED HEREIN ARE CORRECT. I UNDERSTAND ALL OF MY COMPLIANCE OBLIGATIONS UNDER THIS AGREED FINAL ORDER AND THE CONSEQUENCES FOR FAILING TO COMPLY WITH THOSE OBLIGATIONS.**

I UNDERSTAND THAT THE BOARD AND ITS STAFF CANNOT PROVIDE ME WITH LEGAL ADVICE. I AM AWARE OF MY RIGHT TO A HEARING, AND HEREBY WAIVE A HEARING AND ALSO WAIVE ANY RIGHT TO SEEK JUDICIAL REVIEW OF THIS AGREED FINAL ORDER, INCLUDING FOR ANY SUBSEQUENT ACTION RESULTING FROM MY FAILURE TO TIMELY COMPLY WITH AN ADMINISTRATIVE REQUIREMENT OF THIS AGREED FINAL ORDER, SUCH AS PAYMENT OF A FEE, COMPLETION OF COURSEWORK OR FAILURE TO PROVIDE LOGS.

This agreement may be executed in one or more counterparts, in form of electronic mail, facsimile, or other written expression of agreement, each of which shall be deemed an original and together shall comprise evidence of full execution of the agreement.

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 15<sup>th</sup> day of October, 2013.

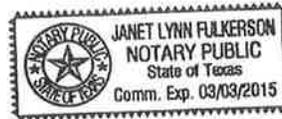
Larry Milton Street  
Larry Milton Street

Paul I. Aronowitz  
Garla G. Lujan, Respondent's Attorney  
Paul I. Aronowitz

SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned, on this the 15 day of October, 2013, by Larry Milton Street, to certify which, witness my hand and official seal.

Janet Lynn Fulkerson  
Notary Public Signature

Janet Lynn Fulkerson  
Notary Public's Printed Name



Signed by the Standards and Enforcement Services Division this 11th day of October, 2013.

Mark J. Mrnak

Mark J. Mrnak, TALCB Director of Standards and Enforcement Services and Staff Attorney

Signed by the Commissioner this 22 day of Nov, 2013.

  
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Douglas Oldmixon, Commissioner  
Texas Appraiser Licensing and Certification Board

Approved by the Board and Signed this 22 day of Nov, 2013.

  
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Walker Beard, Chairperson  
Texas Appraiser Licensing and Certification Board