

TEXAS APPRAISER LICENSING
AND CERTIFICATION BOARD

vs.

PATRICK LEWIS DUNAGAN
TX-1335769-R

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DOCKETED COMPLAINT NO.
08-121

AGREED FINAL ORDER

On this the 15th day of AUGUST, 2008, the Texas Appraiser Licensing and Certification Board, (the Board), considered the matter of the certification of Patrick Lewis Dunagan (Respondent).

In order to conclude this matter, Patrick Lewis Dunagan 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, Patrick Lewis Dunagan, is a Texas state certified residential real estate appraiser, holds certification number TX-1335769-R, and has been certified or licensed by the Board during all times material to the above-noted complaint case.
2. On or about August 26th, 2004, Respondent appraised real property located at 7531 Woodshadow Drive, Dallas, Texas 75249 ("the property"). At that time, Respondent was a state licensed real estate appraiser, holding license number TX-1333223-L.
3. On or about February 29th, 2008, the Complainant, Mark Loftus, an investigator with the Board, filed a staff-initiated complaint with the Board. The complaint alleged that the appraisal report contained USPAP violations that resulted in an inflated value.
4. On or about March 4th, 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 and 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) Respondent communicated a misleading appraisal report for the property;

- b) Respondent violated the record keeping provisions of USPAP's Ethics Rule by failing to maintain an adequate work file.
- c) Respondent failed to identify and report the improvement(s) description adequately;
- d) Respondent failed to identify, analyze and report correctly the impact on use and value of economic supply and demand and market area trends;
- e) Respondent used inappropriate methods or techniques in his cost approach analysis, including failing to analyze depreciation and provide any support for his site value determination;
- f) Respondent used inappropriate methods or techniques in his sales comparison approach analysis and failed to identify, analyze and report comparable sales data adequately by not selecting appropriate comparable sales, particularly in terms of gross living area, construction quality, age and location and failing to report and analyze sales concessions;
- g) Respondent failed to report and analyze the contract of sale and the prior listing history which showed an inability to sell for a price significantly lower than the sales price; and,
- h) Respondent's report contained substantial errors of commission or omission with respect to the sales comparison, and cost approach analyses as noted above.

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 TEX. OCC. CODE § 1103.405 and 22 TEX. ADMIN. CODE §§ 155.1(a) and 153.20(a)(3): USPAP Ethics Rule 6(iih), USPAP Standards Rules: 1-2(e)(i) & 2-2(b)(iii), 1-3(a) & 2-2(b)(ix), 1-4(b)(i) & 2-2(b)(ix), 1-4(b) & 2-2(b)(ix), 1-1(a) & 1-4(b), 1-4(a) & 2-2(b)(ix), 1-1(a) & 1-4(a), 1-5(a) & 2-2(b)(ix), 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 omissions of material facts.

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

- a. Attend and complete a minimum, 15 classroom-hour course in USPAP;
- b. Attend and complete a minimum, 15 classroom-hour course in Residential Report Writing;

- c. Attend and complete a minimum, 15 classroom-hour course in the Sales Comparison Approach;
- d. Attend and complete a minimum, 15 classroom-hour course in Residential Case Studies;
- e. Pay to the Board an administrative penalty of \$1,000.00; and,
- f. Comply with all 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 **TWELVE 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.

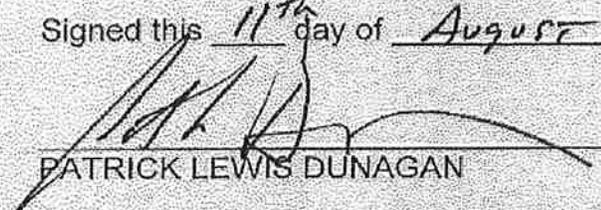
Payment of the **ADMINISTRATIVE PENALTY** must be by certified funds, and must be tendered within **TWENTY DAYS** of the date of this Agreed Final Order.

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.

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 in the Board's newsletter and/or 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.

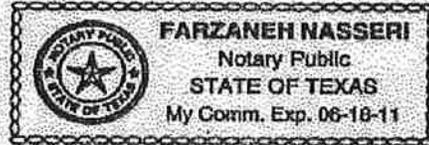
Signed this 11th day of August, 2008.


PATRICK LEWIS DUNAGAN

SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned, on this the 11th day of Aug, 2008, by PATRICK LEWIS DUNAGAN, to certify which, witness my hand and official seal.

F. NASSERI
Notary Public Signature

FARZANEH NASSERI
Notary Public's Printed Name



Signed by the Commissioner this 15th day of AUGUST, 2008.

Timothy K. Irvine, Commissioner
Texas Appraiser Licensing and Certification Board

Approved by the Board and Signed this 15th day of AUGUST, 2008.

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