

TEXAS APPRAISER LICENSING §
AND CERTIFICATION BOARD §

vs. §

WILLIAM PACE MOREHEAD §
TX-1323654-G §

DOCKETED COMPLAINT NO. §
08-020, 08-021, 08-214 §

AGREED FINAL ORDER

On this the 12th day of December, 2008, the Texas Appraiser Licensing and Certification Board, (the Board), considered the matter of the certification of William Pace Morehead (Respondent).

In order to conclude this matter, William Pace Morehead denies and disagrees to the truth of the Findings of Fact and Conclusions of Law contained herein however, in the interest of resolving this matter, and to eliminate the necessity, time and expense of a contested case hearing, 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 William Pace Morehead is a Texas state certified general real estate appraiser, holds certification number TX-1323654-G, and has been certified by the Board during all times material to the above-noted complaint cases.
2. On or about February, 2005, October, 2006, and June 9th, 2003, respectively Respondent appraised real property located at:
 - i. 6121 Cholla Drive, Fort Worth, Texas 76112-1104 ("the Cholla property");
 - ii. 1125 Bessie Street, Fort Worth, Texas 76110 ("the Bessie property"); and,
 - iii. 4700 Ivanhoe Drive, Fort Worth, Texas 76132 ("the Ivanhoe property").
3. Thereafter, complaints with respect to each appraisal report were filed against Respondent with the Board. The complaints alleged that the appraisal reports for each of the properties contained various violations of the Uniform Standards of Professional Appraisal Practice ("USPAP").
4. 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 each complaint. Respondent's response to each complaint was received.

5. Respondent is alleged to have 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 allegedly did not conform to USPAP in effect at the time of the appraisal reports for the properties:

- a) Respondent is alleged to have failed to cite the report option used in the Ivanhoe and Cholla property reports and failed to indicate the intended use in the Ivanhoe property report;
- b) Respondent is alleged to have failed to identify and report the site and improvements description adequately in his Ivanhoe and Bessie property appraisal reports;
- c) Respondent is alleged to have failed to report the specific zoning for all three of the properties being appraised;
- d) Respondent is alleged to have failed to analyze the effect on use and value of existing economic supply and demand and market area trends for the Bessie property appraisal report;
- e) Respondent is alleged to have not provided a summary of his reasoning behind his highest and best use determination for all three of the properties being appraised;
- f) Respondent is alleged to have failed to provide support for his site value conclusions in all three appraisal reports, cost new of improvements conclusions in his Ivanhoe appraisal report, and depreciations conclusions in all three appraisal reports;
- g) Respondent is alleged to have failed to analyze and reconcile sales comparison data properly, failed to select more appropriate comparable sales that were available in the immediate neighborhood, did not report and make necessary adjustments for characteristics;
- h) Respondent is alleged to have failed to collect, verify, analyze and reconcile comparable rental data and / or the potential earnings capacity to estimate gross income potential, did not base projections of future rent or income potential and expenses on reasonable, clear and appropriate evidence. Respondent also alleged to have failed to collect, verify, analyze and reconcile comparable operating expenses and capitalization and/or discount rates for the Bessie property;
- i) Respondent is alleged to have failed to analyze the agreement of sale for the Bessie property and report and analyze a prior sale of the property which occurred 1 year prior to his appraisal report; and,

- j) Respondent's reports for the properties are alleged to have contained substantial errors of commission or omission with respect to the sales comparison approach, cost approach, income approach, property description and listing and sales history, 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 Standards Rules: 2-2(b); 1-2(b) & 2-2(b)(ii); 1-2(e)(i) & 2-2(b)(iii); 1-3(b) & 2-2(b)(x), 1-3(b) & 2-2(b)(ix); 1-4(b)(i) & 2-2(b)(ix); 1-4(b)(i) & 2-2(b)(viii); 1-4(b)(ii) & 2-2(b)(ix); 1-4(b)(ii) & 2-2(b)(viii); 1-4(b)(iii) & 2-2(b)(ix); 1-4(b)(iii) & 2-2(b)(viii); 1-4(a) & 2-2(b)(ix); 1-4(a) & 2-2(b)(viii); 1-1(a) & 1-4(a); 1-4(c)(i) & 2-2(b)(viii); 1-4(c)(ii) & 2-2(b)(viii); 1-4(c)(iii) & 2-2(b)(viii); 1-4(c)(iv) & 2-2(b)(viii); 1-1(a) & 1-4(c); 1-5(a) & 2-2(b)(viii); 1-5(b) & 2-2(b)(viii); 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:

1. Have his certification suspended for six months with this suspension being fully probated under the following conditions:
 - i. During the entire probation period Respondent shall sponsor no appraiser trainees;
 - ii. Respondent shall timely comply with the remedial education requirements of this order;
2. Attend and complete a minimum, 15 classroom-hour course in USPAP;
3. Attend and complete a minimum, 15 classroom-hour course in Residential Report Writing;
4. Attend and complete a minimum, 15 classroom-hour course in Residential Sales Comparison or Residential Case Studies;
5. 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 **SIX 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 possible 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.

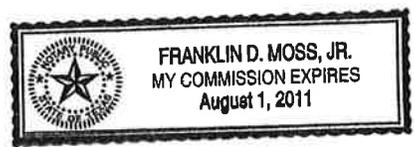
Signed this 8th day of December, 2008.

William Pace Morehead
WILLIAM PACE MOREHEAD

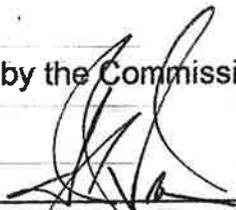
SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned, on this the 08th day of December, 2008, by WILLIAM PACE MOREHEAD, to certify which, witness my hand and official seal.

[Signature]
Notary Public Signature

Franklin Moss Jr
Notary Public's Printed Name



Signed by the Commissioner this 12th day of December, 2008.



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

Approved by the Board and Signed this 12th day of December, 2008.



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