

TEXAS APPRAISER LICENSING
AND CERTIFICATION BOARD

vs.

JACKSON B. OSBORNE, JR.
TX-13216214-G

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DOCKETED COMPLAINT NO.
06-052

AGREED FINAL ORDER

On this the 11th day of FEBRUARY, 2008, the Texas Appraiser Licensing and Certification Board, (the Board), considered the matter of the certification of Jackson B. Osborne, Jr., (Respondent). 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 Jackson B. Osborne, Jr. is a Texas state certified general real estate appraiser, holds certification number TX-13216214-G, and has been certified by the Board during all times material to the above-noted complaint case.
2. Respondent is subject to the jurisdiction of the Board, the Texas Appraiser Licensing and Certification Act, TEX. OCC. CODE § 1103 et. seq. (the Act), the Rules of the Board, 22 TEX. ADMIN. CODE §§153, 155, 157 (the Rules), and the Uniform Standards of Professional Appraisal Practice (USPAP) in effect at the time of the appraisal.
3. On or about June 10th, 2004 Respondent appraised real property located at 5619 Sanford Drive, Houston, Texas 77096, Texas ("the property").
4. On or about December 27th, 2005, the Complainant, Lawrence F. Thames, Jr., the Appraisal Management Team Lead at Aegis Mortgage Corporation in Houston, Texas, complained to the Board alleging that the Respondent had produced an appraisal report for the property that contained numerous violations of the Uniform Standards of Professional Appraisal Practice.
5. On or about January 10th, 2006, the Board, in accordance with the mandate of the Administrative Procedure Act (the APA), TEX. GOV'T CODE ANN. § 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 alleged by the Complainant. Respondent's response was received.
6. The Enforcement Division has concluded that the Respondent violated 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 on the property:

- a. USPAP Ethics Rule – Respondent failed to adhere to the record keeping provisions of the Ethics Rule;
- b. USPAP Supplemental Standards Rule – Respondent failed to adhere to supplemental standards that applied to the assignment with respect to explaining use of sales more than one mile away from the property when sales within one mile were available for comparison;
- c. USPAP Standards 1-2(e)(i) & 2-2(b)(iii) – Respondent failed to identify and report the improvement(s) description adequately;
- d. USPAP Standards 1-3(b) & 2-2(b)(x) – Respondent failed to provide a brief summary of his rationale for his determination of the property's highest and best use;
- e. USPAP Standards 1-4(b)(i) & 2-2(b)(ix) – Respondent did not use an appropriate method or technique to develop a determination of site value due to the lack of supporting data in his report or work file;
- f. USPAP Standards 1-4(b)(ii) & 2-2(b)(ix) – Respondent has failed to collect, verify, analyze and reconcile the cost new of improvements;
- g. USPAP Standards 1-4(b)(iii) & 2-2(b)(ix) -- Respondent failed to collect, verify, analyze and reconcile accrued depreciation;
- h. USPAP Standards 1-1(a) & 1-4(b) – Respondent failed to employ recognized methods and techniques correctly in his cost approach;
- i. USPAP Standards 1-4(a) & 2-2(b)(ix) – Respondent failed to collect, verify, analyze and reconcile comparable sales data adequately;
- j. USPAP Standards 1-1(a) & 1-4(a) – Respondent has failed to employ recognized methods and techniques in his sales comparison approach correctly;
- k. USPAP Standard 1-1(a) – As detailed above, Respondent failed to employ recognized methods and techniques correctly to produce a credible appraisal;
- l. USPAP Standard 1-1(b) – For the reasons discussed above, Respondent has committed substantial errors of omission or commission that significantly affected his appraisal report for the property;
- m. USPAP Standard 1-1(c) – As outlined above, Respondent has rendered appraisal services in a careless or negligent manner;

- n. USPAP Standard 2-1(a) – For the above-noted reasons, Respondent has produced a misleading report;
- o. USPAP Standard 2-1(b) – For the above-described reasons, Respondent's appraisal report does not contain sufficient information to enable the intended users of the appraisal to understand the report properly;

7. The Enforcement Division concluded that the Respondent violated 22 TEX. ADMIN. CODE § 153.20(a)(9) by making material misrepresentations and omissions of material facts in the appraisal report of the property. These material misrepresentations and omissions of material fact include: omitting important, more appropriate comparable sales that were readily available in the property's area and should have been used in the appraisal report.

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 USPAP provisions as prohibited by 22 TEX. ADMIN. CODE §§ 153.20(a)(3) and 155.1(a): USPAP Ethics Rule and Supplemental Standards Rule; USPAP Standards Rules: 1-2(e)(i) & 2-2(b)(iii); 1-3(b) & 2-2(b)(x); 1-4(b)(i) & 2-2(b)(ix); 1-4(b)(ii) & 2-2(b)(ix); 1-4(b)(iii) & 2-2(b)(ix); 1-1(a) & 1-4(b); 1-4(a) & 2-2(b)(ix); 1-1(a) & 1-4(a); 1-1(a); 1-1(b); 1-1(c); 2-1(a); and, 2-1(b).
3. Respondent violated 22 TEX. ADMIN. CODE § 153.20(a)(9) by making material misrepresentations and omissions of material facts in his appraisal report.

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 case studies;
- c. Attend and complete a minimum, 15 classroom-hour course in residential sales comparison or appraising the tough ones;
- d. Have his certification suspended for (1) one year with that suspension being fully probated under the following conditions:
 - i. During the entire (1) one year suspension period Respondent shall submit an appraisal experience log to the Board every three

months. The log shall detail all real estate appraisal activities he has conducted during the previous three month period. This experience log shall be signed by Respondent and contain a notarized affidavit attesting that the log is true, complete and fully accurate. At the Board's request, Respondent shall provide access to any work files and reports noted on the log;

- ii. Respondent complies with the terms of his probation and all the requirements of this Agreed Final Order and,
- e. 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. 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 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.

Respondent, by signing this Agreed Final Order, neither admits nor denies that the findings of fact and conclusions of law herein set forth are correct; however, Respondent consents to the entry of this Agreed Order to avoid the expense of litigation and to reach an expeditious resolution of this matter. Respondent also agrees to satisfactorily comply with the mandates of this Agreed Final Order in a timely manner.

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.

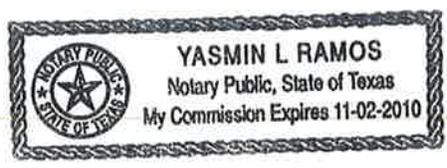
THE DATE OF THIS AGREED FINAL ORDER shall be the date it is executed by the Chairperson of the Texas Appraiser Licensing and Certification Board. The Chairperson has been delegated the authority to sign this Agreed Final Order by the Texas Appraiser Licensing and Certification Board vote.

Signed this 11th day of January, ~~2007~~ 2008

Jackson B. Osborne, Jr.
JACKSON B. OSBORNE, JR.

SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned, on this the 11th day of January, 2008, by JACKSON B. OSBORNE, JR., to certify which, witness my hand and official seal.

Yasmin L. Ramos
Notary Public Signature



Yasmin L. Ramos
Notary Public's Printed Name

Signed by the Commissioner this 7th day of February, 2008.

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

Approved by the Board and Signed this 11 day of February, 2008.

Larry Kokel
Larry Kokel, Chairperson
Texas Appraiser Licensing and Certification Board