

TEXAS APPRAISER LICENSING
AND CERTIFICATION BOARD

vs.

GREGORY MICHAEL SCORZA
TX-1331108-R

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DOCKETED COMPLAINT NO.
08-107 & 09-023

AGREED FINAL ORDER

On this the 21st day of May, 2010, the Texas Appraiser Licensing and Certification Board, (the Board) considered the matter of the certification of Gregory Michael Scorza (Respondent).

In order to conclude this matter Gregory Michael Scorza neither admits nor denies the truth of the Findings of Fact and Conclusions of Law contained herein but 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 Gregory Michael Scorza is a Texas state certified residential real estate appraiser, holds certification number TX-1331108-R, and has been certified by the Board during all times material to the above-noted complaint case.
2. Respondent appraised 1913 Belshire Court, Fort Worth, Texas 76140 ("the Belshire property") on or about June 12th, 2007.
3. Respondent appraised 5919 Wisdom Creek Drive, Dallas, Dallas County, Texas 75249 ("the Wisdom Creek property") on or about December 22, 2005.
4. Thereafter complaints relating to each of these real estate appraisal reports were filed with the Board. The complaints alleged that Respondent failed to comply with the Uniform Standards of Professional Appraisal Practice in his completion of these reports.
5. After receipt of each complaint, 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 complaints. Respondent's responses were received.
6. Respondent was previously disciplined in 2003, under complaint #02-058, and received an agreed final order requiring remedial education and payment of an administrative penalty.

7. 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 Belshire property:

- a) Respondent failed to comply with the conduct and record-keeping provisions of the Ethics Rule and failed to comply with the Supplemental Standards Rule;
- b) Respondent failed to identify and report the site and improvement(s) description adequately;
- c) Respondent failed to 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;
- d) Respondent failed to provide a summary of his supporting reasoning behind his highest and best use determination;
- e) Respondent failed to use appropriate methods and techniques to develop an opinion of site value and failed to provide support for his site value determination;
- f) Respondent failed to collect, verify, analyze and reconcile the cost new of improvements and failed to employ recognized methods and techniques in his cost approach;
- g) Respondent failed to collect, verify, analyze and reconcile sales comparison data adequately and failed to use improper methods and techniques correctly in his sales comparison approach;
- h) Respondent failed to analyze all sales of the subject within three (3) years prior to the effective date of the appraisal;
- i) Respondent's report contained substantial errors of commission or omission which resulted in a misleading and unreliable appraisal report.

7. 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 Wisdom Creek property:

- a) Respondent failed to comply with the conduct and record-keeping provisions of the Ethics Rule;
- b) Respondent failed to identify and report the site description adequately;
- c) Respondent failed to identify and analyze the effect on use and value of existing land use regulations, economic supply and demand, physical adaptability of the real

estate and market area trends and did not provide a summary of his supporting reasoning behind his highest and best use determination;

- d) Respondent did not use appropriate methods and techniques to develop his site value determination and failed to provide support for his site value determination, has not collected, verified, analyzed and reconciled cost new of improvements and accrued depreciations, and has failed to employ recognized methods and techniques in his cost approach;
- e) Respondent failed to analyze, collect, verify and reconcile sales comparison data adequately and failed to employ recognized methods and techniques in his sales comparison approach;
- f) Respondent failed to analyze all agreements of sale, options or listings of the subject property current as of the effective date of the appraisal;
- g) Respondent's report contained substantial errors of commission or omission as detailed above, all of which resulted in a misleading and unreliable appraisal report.

8. Respondent omitted material facts and made material misrepresentations and omitted material facts in the appraisal reports as detailed 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 (conduct and record-keeping provisions); USPAP Supplemental Standards Rule; USPAP Standards Rules: 1-2(e)(i) & 2-2(b)(iii); 1-3(a) & 2-2(b)(viii); 1-3(a) & 2-2(b)(ix); 1-3(b) & 2-2(b)(ix); & 1-3(b) & 2-2(b)(x); 1-4(b)(i) & 2-2(b)(viii); 1-4(b)(i) & 2-2(b)(ix); 1-4(b)(ii) & 2-2(b)(viii); 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)(viii); 1-4(a) & 2-2(b)(ix); 1-1(a) & 1-4(a); 1-5(a) & 2-2(b)(ix); 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 omitting material facts in his appraisal reports.

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

- a. Have his certification revoked for twenty-four months with this revocation being fully probated under the following conditions:

- i. During the entire probated, twenty-four month suspension 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 he 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 his appraisal reports and work files for any appraisal assignments he performs during the course of this period of probation within the twenty days of notice of any such request;
 - ii. No trainees shall be sponsored during the entirety of the probation period;
 - iii. Respondent shall fully and timely comply with all of the provisions of this Agreed Final Order.
- b. Sit for and receive a passing grade on the same examination taken by those applying for their residential certification:
 - i. Respondent shall submit examination results reflecting he has passed the examination no later than one year from the date this order is approved;
- c. Attend and complete a minimum, 15 classroom-hour course in USPAP;
- d. Attend and complete a minimum, 15 classroom-hour course in Residential Case Studies;
- e. Attend and complete a minimum, 15 classroom-hour course in the Sales Comparison Approach;
- f. Attend and complete a minimum, 15 classroom-hour course in the Cost Approach;
- g. Attend and complete a minimum, 7 classroom-hour course in Quality Assurance in Residential Appraisals: Risky Appraisals = Risky Loans;
 - i. No examination shall be required for this course; and
- f. Pay to the Board an administrative penalty of \$1,500.00;
 - i. Payment of the administrative penalty shall be made in 10 monthly and equal \$150.00 installments with the first such payment being due on or before June 1st and the remainder due monthly by the first day of each month thereafter; and,

- g. 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 **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. Respondent is solely responsible for locating and scheduling classes to timely satisfy the terms of this agreement.

Payment of the **ADMINISTRATIVE PENALTY** must be by certified funds, and must be tendered in accordance with the terms of this Agreed Final Order.

Failure to comply with any of the terms required by this Agreed Final Order within the time allotted shall result in **IMMEDIATE REVOCATION** of the Respondent's certification pursuant to notice to the Respondent from the Board indicating that the Respondent has not fulfilled the required terms of this Agreed Final Order.

ANY SUCH REVOCATION 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 shall be notified of any such revocation or lifting of probation by certified mail, return receipt requested, to the last known address as provided to the Board. If Respondent's certification is revoked on such a basis, the probation shall be revoked and the revocation shall become effective immediately.

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.

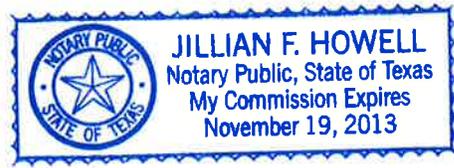
Signed this ____ day of _____, 2010.

[Signature]
GREGORY MICHAEL SCORZA

[Signature]
TED WHITMER, ATTORNEY
FOR RESPONDENT

SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned, on this the 2 day of April, 2010, by GREGORY MICHAEL SCORZA, to certify which, witness my hand and official seal.

[Signature]
Notary Public Signature
Jillian F Howell
Notary Public's Printed Name



Signed by the Standards and Enforcement Services Division this 25th day of MAY, 2010.

[Signature]
Troy Beaulieu, TALCB Staff Attorney

Signed by the Commissioner this 21 day of May, 2010.

[Signature]
Douglas E. Oldmixon, Commissioner
Texas Appraiser Licensing and Certification Board

Approved by the Board and Signed this 21st day of May, 2010.

[Signature]
James B. Ratliff, Chairperson
Texas Appraiser Licensing and Certification Board