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TEXAS APPRAISER LICENSING  
AND CERTIFICATION BOARD

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vs.

DOCKETED COMPLAINT NO.  
08-036

LEONARD RAY STEINMANN  
TX-1321948-G

**AGREED FINAL ORDER**

On this the 21<sup>st</sup> day of August, 2008, the Texas Appraiser Licensing and Certification Board, (the Board), considered the matter of the certification of Leonard Ray Steinmann (Respondent).

In order to conclude this matter, Leonard Ray Steinmann 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 Leonard Ray Steinmann is a Texas state certified general real estate appraiser, holds certification number TX-1321948-G, and has been certified by the Board during all times material to the above-noted complaint case.
2. On or about March 1<sup>st</sup>, 2006, April 14<sup>th</sup>, 2006 and March 1<sup>st</sup>, 2006, respectively, Respondent appraised real properties located at: 49 Erin Drive, Huntsville, Texas 77320 ("the Erin property"), 8729 Scarlet Oaks Drive, Willis, Texas 77318 ("the Scarlet property") and 79 McFadden Road, Huntsville, Texas 77340 ("the McFadden property") (collectively "the properties").
3. On or about October 25<sup>th</sup>, 2007, Jeff Strawmyer, filed a staff-initiated complaint with the Board. The complaint was based upon information submitted by the United States Department of Housing and Urban Development ("HUD") and alleged that Respondent had produced real estate appraisal reports for the properties that were in violation of the Uniform Standards of Professional Appraisal Practice ("USPAP").
4. On or about October 25<sup>th</sup>, 2007 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 reports for the properties.

- a) Respondent failed to comply with the record keeping provisions of USPAP's Ethics Rule;
- b) Respondent failed to identify and report the site size and the improvement(s) description adequately, including incorrectly reporting that the Scarlet property was not located in the flood plain and inaccurately reporting the lot size of the Erin property;
- c) Respondent failed to provide a brief summary of his rationale for his determination of the properties' highest and best use;
- d) Respondent failed to provide support for his analysis of site value in all three reports and cost new of improvements in the Scarlet property appraisal, and failed to employ recognized methods and techniques correctly in his cost approach for each of the appraisals;
- e) Since sales located over 15 miles away, that were not the most recent and not the most similar in terms of proximity to the properties were used and since Respondent failed to make adjustments for things such as superior location, garages, fireplaces and sales concessions, Respondent failed to collect, verify analyze and reconcile sales data adequately (namely in the Scarlet appraisal he used two unverifiable comparable sales purportedly from the county appraisal district) and did not employ recognized methods and techniques in his sales comparison approach;
- f) Respondent did not report and analyze the current agreement of sale for the Erin and Scarlet properties;
- g) Respondent failed to report and analyze prior sales of the Erin and McFadden properties. In the case of the Erin property, the transaction occurred 1 month prior to Respondent's appraisal for a price significantly lower than the market value determination indicated in Respondent's report. In the case of the McFadden property, there were three prior sales which were not disclosed.
- h) Respondent's appraisal reports on the properties contained substantial errors of omission or commission as detailed above which significantly impacted the appraisal assignments and resulted in misleading appraisal reports for the properties.

#### **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 (record keeping provisions) and USPAP Standards: 1-2(e)(i) & 2-2(b)(iii); 1-3(b) & 2-2(b)(x); 1-4(b)(i) & 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); 1-5(b) & 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 or omissions of material facts.

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

- a. Shall attend and complete, at a minimum, a 15 classroom-hour course in USPAP;
- b. Shall attend and complete, at a minimum, a 7 classroom-hour course in Manufactured Housing or Appraising the Tough Ones;
  - i. No examination shall be required for this course;
- c. Shall attend and complete, at a minimum, a 15 classroom-hour course in Residential Case Studies;
- d. Shall pay to the Board an administrative penalty of ~~\$1,000.00~~ <sup>500.00</sup>; 
- e. Shall 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 28 day of April, 2008.

Leonard Ray Steinmann  
LEONARD RAY STEINMANN

Bert Steinmann

BERT STEINMANN, ATTORNEY FOR  
RESPONDENT

SWORN TO AND SUBSCRIBED BEFORE ME, the undersigned, on this the 29 day of April, 2008, by LEONARD RAY STEINMANN, to certify which, witness my hand and official seal.

Douglas Landon Speights  
Notary Public Signature

Douglas Landon Speights  
Notary Public's Printed Name



Signed by the Commissioner this 21<sup>st</sup> day of August, 2008.

Timothy K. Irvine

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

Approved by the Board and Signed this 21<sup>st</sup> day of August, 2008.

Clinton P. Sayers

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