

**BEFORE THE MISSISSIPPI REAL ESTATE APPRAISER
LICENSING AND CERTIFICATION BOARD**

**IN THE MATTER OF:
C. SHELTON BALL
LICENSE NO: GA-114**

CASE NO. 17-1407

CONSENT ORDER

This matter came before the Mississippi Real Estate Appraiser Licensing and Certification Board (Board) for entry of a Consent Order regarding the Respondent **C. SHELTON BALL**, who has been issued Mississippi Real Estate Appraiser License, Certified General Number **GA-114**. This action is before the Board as the result of Respondent's appraisal of real property located at **1311 Broad Street, Columbia, Mississippi**. By entering into this Consent Order, Respondent Ball waives his right to a hearing with full due process and the right to appeal any adverse decision resulting from that hearing. Having reached an agreement by consent on this matter, the Board issues its Findings of Fact, Conclusions of Law and Disciplinary Order as follows:

FINDINGS OF FACT

I.

The Mississippi Real Estate Appraiser Licensing and Certification Board is charged by law with the regulation of the practice of real estate appraisal including matters relating to real estate appraiser standards, qualifications and licensing, and disciplinary functions pursuant to Title 73, Chapter 34 of the Mississippi Code of 1972, as amended. The Board, pursuant to the authority, has full, complete and proper jurisdiction over the parties and the subject matter herein.

II.

Respondent, C. Shelton Ball is an adult resident of Mississippi whose last known address of record with the Board is **410 Courthouse Square, Columbia, Mississippi 39429**. Respondent is the

holder of Mississippi Real Estate Appraiser's License Number **GA-114**, issued by the Board pursuant to §73-34-1, *et seq.*, Miss. Code Ann. (1972), as amended, and, as such, he is subject to all of the provisions, rules, regulations and statutes governing the appraisal of real property and licensing of real estate appraisers under Mississippi Law.

III.

On or about May 12, 2014, Respondent Ball performed an appraisal of property located at 1131 Broad Street, Columbia, Mississippi, and issued an Appraisal Report.

IV.

Respondent did provide a work file but the contents of the file lacked verified documentation to support the findings in the appraisal report and there was no analysis displayed in the work file which authenticated the information referenced in the Appraisal Report. No Multiple Listing Service (MLS) documents were included with the work file and there were no notes/comments to indicate that the Respondent had used a third-party source to verify the data. The Respondent stated that his "Verification Sources" for the Sales Comparison Approach portion of the Appraisal Report were "Tax Records and/or Seller/Broker" but no tax records nor documents from the Tax Assessor's Office were included in the work file and, additionally, there were no notations in the work file to indicate the names of those individuals personally contacted nor was there any documentation which would indicate that the information was verified by anyone. The work file contained no documentation to show the analysis employed in the Cost Approach section of the Appraisal Report. Respondent stated the site value was concluded based upon land sales in the MLS but the work file contained no verified documentation in support of that conclusion.

V.

Respondent provided no disclosure in the report regarding the non-exclusive right-of way and egress/ingress easement agreement which is necessary to access the subject property. Respondent's work file did not contain any evidence that an analysis of the right-of-way agreement had been completed. Even though the work file contained a copy of the warranty deed, there was no indication in the file that the Respondent analyzed the impact of the egress/ingress agreement and it appears that he failed to disclose if or how the right-of-way agreement might impact either the market value or the marketability of the subject property.

VI.

Respondent failed to notate or disclose in the report that the construction materials which were used to build the subject improvements were much superior to those typically utilized in competing properties. Specifically, amenities such as mahogany woodwork with crown molding/baseboards and doors, cypress windows, a Spanish tile roof with copper trim/inlays, and a large round-about brick driveway. The superior condition of the property was not stated in the report and does not appear to have been the subject of any analysis.

VII.

Respondent failed to disclose that the subject property was actually listed on the National Register of Historic Places. In addition to there being no analysis or disclosure of the historical significance of the residence, there was no evidence that the Respondent considered how the historical significance impacted the marketability or market value for the subject property.

CONCLUSIONS OF LAW

VIII.

Respondent, C. Shelton Ball, admits and agrees by consent with the Board, that the above and foregoing described actions and conduct violated Miss. Code Ann. Sections 73-34-35(1)(I), 73-34-37 and 73-34-39 as amended, and more specifically the Years 2014-2015 Uniform Standards of Professional Appraisal Practice (USPAP) Record Keeping Rule, Scope of Work Rule (*Problem Identification, Scope of Work Acceptability and Disclosure Obligations*), and Standards Rules 1-2(e)(i),(iv) and (h), and 1-3(a), and 1-4(a)(b),(i),(ii) and (iii), and 1-6(a) and 2-2(a)(iii),(iv),(vii) and (viii), which state in relevant parts:

§73-34-35(1): ...[T]he rights of any licensed appraiser or licensed certified real estate appraiser may be revoked or suspended, or the holder of the license may be otherwise disciplined, in accordance with the provisions of this chapter for ...:

(I) Any act or conduct, whether the same or of a different character than specified above, which constitutes or demonstrates bad faith, incompetency or untrustworthiness; or dishonest, fraudulent or improper dealing; or any other violation of the provisions of this chapter and of rules and regulations established by the board.

§73-34-37: Each real estate appraiser licensed under this chapter must comply with generally accepted standards of professional appraisal practice and generally accepted ethical rules to be observed by a real estate appraiser. Generally accepted standards of professional appraisal practice are currently evidenced by the uniform standards of professional appraisal practice...

§73-34-39(1): A licensed real estate appraiser shall retain for a period of five (5) years the original or a true copy of: (a) each appraisal report prepared or signed by such real estate appraiser; and (b) all supporting data assembled and formulated by the appraiser in preparing each such appraisal report.

2014-2015 USPAP REQUIREMENTS

RECORD KEEPING RULE: An appraiser must prepare a workfile for each appraisal, or appraisal review assignment. A workfile must be in existence prior to the issuance of any report...

The workfile must include:

- all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other documentation...

SCOPE OF WORK RULE: For each appraisal and appraisal review assignment, an appraiser must:

1. identify the problem to be solved;
2. determine and perform the scope of work necessary to develop credible assignment results; and
3. disclose the scope of work in the report.

An appraiser must properly identify the problem to be solved in order to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results.

Problem Identification: An appraiser must gather and analyze information about those assignment elements that are necessary to properly identify the appraisal or appraisal review problem to be solved.

Comment: ...In an appraisal assignment, for example, identification of the problem to be solved requires the appraiser to identify the following assignment elements:

- subject of the assignment and its relevant characteristics; and
- assignment conditions.

This information provides the appraiser with the basis for determining the type and extent of research and analyses to include in the development of an appraisal...

Assignment conditions include assumptions, extraordinary assumptions, hypothetical conditions, laws and regulations, jurisdictional exceptions, and other conditions that affect the scope of work. Laws include constitutions, legislative and court-made law, administrative rules, and ordinances. Regulations include rules or orders, having legal force, issued by an administrative agency.

Scope of Work Acceptability: The scope of work must include the research and analyses that are necessary to develop credible assignment results.

Determining the scope of work is an ongoing process in an assignment. Information or conditions discovered during the course of an assignment might cause the appraiser to reconsider the scope of work.

An appraiser must be prepared to support the decision to exclude any investigation, information, method, or technique that would appear relevant to the client, another intended user, or the appraiser's peers.

Disclosure Obligations: The report must contain sufficient information to allow intended users to understand the scope of work performed.

Comment: Proper disclosure is required because clients and other intended users rely on the assignment results. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

STANDARD RULE 1: REAL PROPERTY APPRAISAL, DEVELOPMENT

In developing a real property appraisal, an appraiser must identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal.

Standards Rule 1-2: In developing a real property appraisal, an appraiser must:

(e) identify the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal, including;

(i) its location and physical, legal, and economic attributes;

(iv) any known easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of a similar nature;...

(h) determine the scope of work necessary to produce credible assignment results in accordance with the SCOPE OF WORK RULE.

Standards Rule 1-3: When necessary for credible assignment results in developing a market value opinion, an appraiser must:

(a) identify and analyze the effect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic supply and demand, the physical adaptability of the real estate, and market area trends;

Standards Rule 1-4: In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results.

(a) When a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

(b) When a cost approach is necessary for credible assignment results, an appraiser must:

(i) develop an opinion of site value by an appropriate appraisal method or technique;

(ii) analyze such comparable cost data as are available to estimate the cost new of the improvements (if any); and

- (iii) analyze such comparable data as are available to estimate the difference between the cost new and the present worth of the improvements (accrued depreciation).

Standard Rule 1-6: In developing a real property appraisal, an appraiser must:

- (a) Reconcile the quality and quantity of data available and analyzed within the approaches used;

**STANDARD RULE 2: REAL PROPERTY APPRAISAL,
REPORTING**

In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading.

Standards Rule 2-2: Each written real property report must be prepared under one of the following three options and prominently state which option is used: Appraisal Report or Restricted Appraisal Report.

- (a) **The content of an Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:**

- (iii) summarize information sufficient to identify the real estate involved in the appraisal, including the physical, legal and economic property characteristics relevant to the assignment;

- (iv) State the real property interest appraised;

Comment: The statement of the real property rights being appraised must be substantiated, as needed, by copies or summaries of title descriptions or other documents that set forth any known encumbrances.

- (vii) summarize the scope of work used to develop the appraisal;

Comment: Because intended users' reliance on an appraisal may be affected by the scope of work, the report must enable them to be properly informed and not misled. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

- (viii) summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;

Comment: An Appraisal Report must include sufficient information to indicate that the appraiser complied with the requirements of STANDARD 1. The amount of detail required will vary with the significance of the information to the appraisal.

The appraiser must provide sufficient information to enable the client and intended users to understand the rationale for the opinions and conclusions, including reconciliation of the data and approaches, in accordance with Standards Rule 1-6.

DISCIPLINARY ORDER

IX.

The Board, by Respondent **C. SHELTON BALL'S** agreement and consent, hereby orders and imposes discipline as follows:

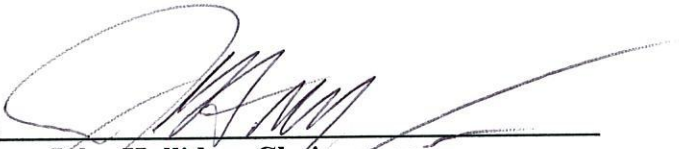
- A) Respondent must complete a fifteen (15) hour *2014-2015 National USPAP* course, and pass the accompanying examination, within one hundred and eighty (180) days of the date of this Consent Order.

- B) Respondent must complete a seven (7) hour *Defendable Work File* course within one hundred and eighty (180) days of the date of this Consent Order.
- C) Respondent must complete a fourteen (14) hour *Appraisal Report Writing* course within one hundred and eighty (180) days of the date of this Consent Order.
- D) The Board Staff recommends that the Respondent complete the mandated courses in a classroom environment, if available. The credit hours generated by the successful completion of the mandated courses may not be used to satisfy the twenty-eight (28) hours of continuing education, but may be used toward supervisor education.
- E) Respondent expressly agrees that if he fails to deliver to the Board Administrator evidence that he has successfully completed all of the required courses set forth herein, including evidence of passing grades on any accompanying examination, within the required time periods, such failure shall constitute grounds for additional disciplinary action by the Board without further notice to Respondent.
- F) This disciplinary action shall be reported to and posted with applicable and appropriate authorities including the Board's newsletter and/or website.
- G) This action and order of the Board shall be public record and shall be spread upon the Minutes of the Board as its official act and deed.
- H) Respondent, as evidenced by his signature hereto, waives any and all objections or legal challenges he may have regarding or arising out of this matter, the entry of this Consent Order or any of its terms. He expressly waives any legal objections that may otherwise be available to him as to the Board taking this matter up preliminarily for purpose of considering and voting on whether or not to enter into this Consent Order.

I) Should the Board decline the entry of this Consent Order, Respondent understands and acknowledges that he remains entitled to a fair and impartial hearing of this matter before the Board.

SO ORDERED, this the 23rd day of April, 2015.

**MISSISSIPPI REAL ESTATE APPRAISER
LICENSING AND CERTIFICATION BOARD**

By: 
John Holliday, Chairperson
For and on Behalf of the Board

AGREED:

C. Shelton Ball 7. March 6, 2015
C. SHELTON BALL **Date**

