

**VIRGINIA REAL ESTATE APPRAISER BOARD
INFORMAL FACT-FINDING CONFERENCES
JUNE 16, 2004 (10:00 AM)**

The Virginia Real Estate Appraiser Board convened in Richmond, Virginia, for the purpose of holding Informal Fact-Finding Conferences pursuant to the Administrative Process Act.

Harry O. Lewis, Jr., Board Member, Presided. No other board members were present.

Douglas Schroder appeared for the Department of Professional and Occupational Regulation.

The conferences were recorded by Inge Snead & Associates, LTD. and the Summaries or Consent Orders are attached unless no decision was made.

Disc=Disciplinary Case

C=Complainant/Claimant
R=Respondent/Regulant
I=Investigator
W=Witness

Participants

1. Thornwell A. Long
File Number 2003-02770 (Disc)

2. W. Justin Drinkwater
File Number 2004-00845 (Disc)

Wayne Ozmore – I

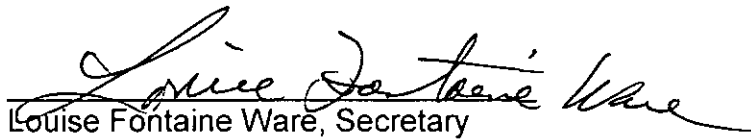
Drinkwater – R
Fay B. Silverman – C
Mary K. Yewell - W
Shelby Hill – I

The meeting adjourned at 12:00 p.m.

Virginia Real Estate Appraiser Board



David N. Castle, Chairman


Louise Fontaine Ware, Secretary

COPY TESTE:

Custodian of Records

**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION**

REAL ESTATE APPRAISER BOARD

**RE: THORNWELL A. LONG
LICENSE NUMBER: 4001 001950**

FILE NUMBER: 2003-02770

Summary of the Informal Fact-Finding Conference

An Informal Fact-Finding Conference (IFF) was convened on June 16, 2004, at the Department of Professional and Occupational Regulation, pursuant to a Notice of Informal Fact-Finding Conference sent by certified mail to Thornwell A. Long on April 13, 2004. The following individuals participated at the conference: Wayne Ozmore, Investigator; Douglas W. Schroder, Staff Member; Harry O. Lewis, Jr., presiding Board Member. Neither Thornwell A. Long, Respondent, nor anyone on his behalf, attended the IFF.

Background

On April 15, 2003, the Enforcement Division of the Department of Professional and Occupational Regulation received a written complaint from Review Appraiser Gary Wallace ("Wallace") with Citi Financial Mortgage regarding a real estate appraisal performed by Thornwell A. Long ("Long"), a licensed Virginia Certified Residential Appraiser on property known as 8 Dotson Drive, Hampton, Virginia 23669.

Due to a recent foreclosure, Citi Financial Mortgage reviewed Long's appraisal report on the property. Long performed the subject appraisal on October 19, 2000, for lending purposes.

On or about November 21, 2002, Wayne S. Powell ("Powell"), a licensed Virginia Certified Residential Appraiser (license number 4001 000702) signed a Residential Appraisal Field Review Report on the subject property located at 8 Dotson Drive, Hampton, Virginia 23669. Powell performed the review appraisal for LandAmerica Default Services located at 4 Hutton Centre, Suite 1025, Santa Ana, California 92707.

Summation of Facts

1. On or about October 19, 2000, Long performed an appraisal of property located at 8 Dotson Drive, Hampton, Virginia 23669. Long estimated the fair market value of the subject property to be \$105,000.00.
2. In the subject appraisal, Long used the following three comparables: (1) 61 Huffman Drive, Hampton, Virginia; (2) 8 Rhonda Circle, Hampton, Virginia; and (3) 106 Kove Drive, Hampton, Virginia.
3. In the subject appraisal for 8 Dotson Drive, Hampton, Virginia, Long obtained sales price information on the three comparables from "records" of the City of Hampton. Long listed the following sales prices for the three comparables: (1) \$95,900 sales price for 61 Huffman Drive, Hampton, Virginia; (2) \$105,000 sales price for 8 Rhonda Circle, Hampton, Virginia; and (3) \$110,000 sales price for 106 Kove Drive, Hampton, Virginia.
4. On or about November 21, 2002, Wayne S. Powell ("Powell"), a licensed Virginia Certified Residential Appraiser (license number 4001000702) signed a Residential Appraisal Field Review Report on Long's appraisal of the subject property. Powell indicated in his Residential Appraisal Field Review Report that: "Sales price for the 3 comparables in..." [Long's] "...report could not be verified through the data source indicated by the appraiser. The actual sales prices for the comparables found by this appraiser in the city records, was found to be much lower than the information given by the appraiser in his report. In the report, sales prices were reported as follows:" [for comparables used by Long] "#1 \$95,900; #2 \$105,000; #3 \$110,000 --- actual sales prices #1 \$54,000; #2 \$70,950; and #3 \$94,700."
5. In the subject Residential Appraisal Field Review Report, Powell adds that all comparables were closed sales as of the effective date of original proposal (Long's appraisal of the subject property).
6. On March 12, 2004, Powell told Investigator Wayne J. Ozmore, Jr. (the Board's agent) that the records he used for the comparables in his Field Review of Long's

appraisal were obtained from the Assessor's Office of the City of Hampton and that Powell's copies of those records were destroyed in the aftermath of Hurricane Isabel.

7. On March 12, 2004, the Board's Agent obtained information from the City Assessor's Office for the City of Hampton concerning recent sales amounts used for the subject comparables. The most recent sale amounts for the subject comparables as reflected in the records of the City of Hampton indicates the following: #1 \$54,000; #2 \$70,950; and #3 \$94,700. The records obtained by the Board's agent concerning recent sales amounts used for the subject comparables exactly match those as listed in Powell's Residential Appraisal Field Review Report of Long's appraisal.

Conclusion and Recommendation

Count 1: 18 VAC 130-20-180(D) (Effective March 4, 1998) to wit: 2000 USPAP Standards Rule 1-1(a)

Long's failure to correctly employ those recognized methods and techniques that are necessary to produce credible appraisals, is a violation of Board Regulation 18 VAC 130-20-180(D). Therefore, I recommend that a monetary penalty of \$250.00 be imposed for a violation of this regulation.

Count 2: 18 VAC 130-20-180(E) to wit: 2000 USPAP Standards Rule 2-1(a)

Long's failure to clearly and accurately set forth the subject appraisal in a manner that is not misleading is a violation of Board Regulation 18 VAC 130-20-180(E). Therefore, I recommend that a monetary penalty of \$250.00 and revocation of his license be imposed for a violation of this regulation. Long did not appear at the IFF, therefore it appears to me that Long was not concerned about keeping his license.

By: _____

Harry O. Lewis
Presiding IFF Board Member
Real Estate Appraiser Board

Date: _____

FINAL ORDER RECOMMENDATION

THE TOTAL MONETARY PENALTY RECOMMENDED HEREIN SHALL BE PAID WITHIN SIXTY (60) DAYS FROM THE DATE OF ENTRY OF THE FINAL ORDER IN THIS MATTER. FAILURE TO PAY THE TOTAL MONETARY PENALTY ASSESSED WITHIN SIXTY (60) DAYS OF THE DATE OF ENTRY OF SAID FINAL ORDER WILL

RESULT IN THE AUTOMATIC SUSPENSION OF LICENSE NUMBER 4001 001950
UNTIL SUCH TIME AS SAID AMOUNT IS PAID IN FULL.

**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION**

REAL ESTATE APPRAISER BOARD

**RE: W. JUSTIN DRINKWATER
LICENSE NUMBER: 4001 006143**

FILE NUMBER: 2004-00845

Summary of the Informal Fact-Finding Conference

An Informal Fact-Finding Conference (IFF) was convened on June 16, 2004, at the Department of Professional and Occupational Regulation, pursuant to a Notice of Informal Fact-Finding Conference sent by certified mail to W. Justin Drinkwater on April 30, 2004. The following individuals participated at the conference: W. Justin Drinkwater, Respondent; Fay B. Silverman, Complainant (by telephone); Shelby Smith-Hill, Investigator; Douglas W. Schroder, Staff Member; Harry O. Lewis, Jr., presiding Board Member.

Background

On or about August 15, 2003, the Enforcement Division of the Department of Professional and Occupational Regulation received a written complaint from Fay B. Silverman ("Silverman"), on behalf of Southern Trust Mortgage Company ("Southern Trust") regarding an appraisal that was performed by W. Justin Drinkwater ("Drinkwater"), as appraiser.

On or about March 18, 2003, Drinkwater completed a Complete Uniform Residential Appraisal Report for United Capital Mortgage for property located at 10 Josephs Crossings, Hampton, Virginia 23661.

Summation of Facts

1. Drinkwater reported the appraised value of the property located at 10 Josephs Crossings, Hampton, Virginia as \$168,000.00, which is incorrect and appears to be inflated. Drinkwater failed to use comparable sales from the subject property's immediate

neighborhood, one of which is located on the same street as the subject property. These sales have adjusted values of \$127,100.00 and \$130,000.00.

2. During the IFF, Drinkwater testified that he "cloned" a report that was previously done and should have reviewed that report more thoroughly for inconsistencies. Drinkwater also testified he went outside of the neighborhood for comparables because the subject was an older property and no "two-story" sales were within the neighborhood. Additionally, Drinkwater believed the property value was increasing in this neighborhood due to it's location to Hampton and to the interstates.

3. During the IFF, Silverman testified that Southern Trust was unable to approve the loan based on the appraised value reported by Drinkwater.

Conclusion and Recommendation

Count 1: 18 VAC 130-20-180(D) (Effective March 4, 1998) to wit: 2003 USPAP Standard Rule 1-1(a)(b)(c)

Drinkwater's failure to use comparable sales from the subject property's immediate neighborhood, one of which is located on the same street as the subject property, is a violation of Board Regulation 18 VAC 130-20-180(D). Therefore, I recommend that a monetary penalty of \$250.00 be imposed for a violation of this regulation.

I believe that Drinkwater's explanation as to why he went outside of the neighborhood for comparables, which were approximately 1,000 square feet larger than the subject property, was not reasonable. Also, Drinkwater reported the value of the land in the cost approach to be \$50,000.00, when the Real Estate Assessors Office gave a value of \$20,000.00 to the land and Drinkwater did not give any sales to support his estimate of land value in the cost approach. Additionally, I would strongly recommend that Drinkwater be required to take a continuing education course in USPAP.

By: _____

Harry O. Lewis
Presiding IFF Board Member
Real Estate Appraiser Board

Date: _____

FINAL ORDER RECOMMENDATION

THE TOTAL MONETARY PENALTY RECOMMENDED HEREIN SHALL BE PAID WITHIN SIXTY (60) DAYS FROM THE DATE OF ENTRY OF THE FINAL ORDER IN

THIS MATTER. FAILURE TO PAY THE TOTAL MONETARY PENALTY ASSESSED WITHIN SIXTY (60) DAYS OF THE DATE OF ENTRY OF SAID FINAL ORDER WILL RESULT IN THE AUTOMATIC SUSPENSION OF LICENSE NUMBER 4001 006143 UNTIL SUCH TIME AS SAID AMOUNT IS PAID IN FULL.

STATE AND LOCAL GOVERNMENT
CONFLICT OF INTEREST ACT

TRANSACTIONAL DISCLOSURE STATEMENT
for Officers and Employees of State Government

1. Name: Harry O. Lewis, Jr.
2. Title: Board Member
3. Agency: Real Estate Appraiser Board
4. Transaction: Informal Fact-Finding Conferences on June 16, 2004
5. Nature of Personal Interest Affected by Transaction: NONE

6. I declare that:

(a) I am a member of the following business, profession, occupation or group, the members of which are affected by the transaction:

(b) I am able to participate in this transaction fairly, objectively, and in the public interest.

Harry O. Lewis, Jr.
Signature

6/16/04
Date

RE LIC
JUN 17 2004