



OFFICE OF THE ATTORNEY GENERAL
STATE OF OKLAHOMA

ATTORNEY GENERAL OPINION
2024-29A

Christine McEntire, Director
Oklahoma Real Estate Appraiser Board
400 N.E. 50th St.
Oklahoma City, OK 73105-1816

July 8, 2024

RE: Johnson and Treat, Complaint #22-037

Dear Director McEntire:

This office has received your request for a written Attorney General Opinion regarding action that the Oklahoma Real Estate Appraiser Board intends to take against Respondents, George M. Johnson and Jim L. Treat.

The Oklahoma Certified Real Estate Appraisers Act authorizes the Board, upon finding a violation of the Act or Board rules to place appraisers' certificates on probation, order the payment of administrative fines, and order an appraiser to pay legal fees and costs expended by the Board. *See* 59 O.S.2021, § 858-723(A)(3, 8–9). The Act requires licensed appraisers to adhere to the Uniform Standards of Professional Appraisal Practice ("USPAP"), which contains professional requirements pertaining to ethics, competency, and scope of work. 59 O.S.2021, § 858-726. Further, the Board may discipline licensees who "violat[e] . . . any of the standards for the development or communication of real estate appraisals as provided in the Oklahoma Certified Real Estate Appraisers Act;" "fail[] or refus[e] to exercise reasonable diligence in developing an appraisal, preparing an appraisal report or communicating an appraisal;" demonstrated "negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal;" "willful[] disregard[] or violat[ion] [of] any . . . provisions of the Oklahoma Certified Real Estate Appraisers Act." 59 O.S.2021, § 858-723(C)(6–9).

According to a September 2023 Board complaint, Respondents performed an appraisal dated March 31, 2022, with an appraisal report issued on April 5, 2022. On investigation, the Board found numerous deficiencies non-compliant with USPAP standards with the appraisal report including, but not limited to:

- No analysis on agreements of sale, options, or listings of the subject property, including the instant listing and sales contract;
- Failure to provide data and analysis concerning the adjustments made to the appraisal;
- Failure to explain a \$225,000 deduction in deferred maintenance and renovation;

- Insufficient data and analysis to support report findings and conclusions for market rent and vacancy and collection loss; and
- Failed to provide a basis for the projected property tax expense of \$2,500.

Finding clear and convincing evidence that the Respondents violated the Board's Act and rules, the Board proposes to place Respondents' licenses on probation for one year; mandate thirty-seven hours in corrective education for each Respondent; and impose costs for prosecution in the amount of \$4,000, jointly and severally liable. Failure to timely follow the discipline imposed will result in immediate suspension without further action of the Board. The Board may reasonably believe the proposed action is necessary to deter future violations and to protect the public welfare.

It is, therefore, the official opinion of the Attorney General that the Oklahoma Real Estate Appraiser Board has adequate support for the conclusion that this action advances the State's policy to uphold standards of competency and professionalism among real estate appraisers.



ROB JOHNSON
GENERAL COUNSEL