

**BEFORE THE IOWA REAL ESTATE APPRAISER EXAMINING BOARD
OF THE STATE OF IOWA**

IN THE MATTER OF:)

MARTIN E. HORMAN)

CERTIFICATE NO. [REDACTED])

RESPONDENT)

CASE NO. 95-18

COMPLAINT

COMES NOW, the Complainant William M. Schroeder, and states:

1. He is the Executive Secretary of the Iowa Real Estate Appraiser Examining Board and files this Complaint solely in his official capacity.
2. The Board has jurisdiction in this matter pursuant to Iowa Code Chapters 17A, 543D, 272C (1995).
3. On February 12, 1993, Martin E. Horman, the Respondent, was issued an Iowa Real Estate Appraiser Certificate by the Board.
4. The Certificate No. [REDACTED] is currently in good standing.

COUNT I

The Respondent is charged with violation of the Uniform Standards of Professional Appraisal Practice (USPAP) in connection with the development of three real estate appraisals pursuant to Iowa Code Sections 543D.17(1)(d) and 543D.18(1)(1995) and Iowa Administrative Code 193F-7.1(5).

COUNT II

The Respondent is charged with failing to exercise reasonable diligence in the preparation and communication of three real estate appraisals in violation of Iowa Code Section 543D.17(1)(e) (1995).

COUNT III

The Respondent is charged with negligence and incompetence in the preparation and communication of three real estate appraisals in violation of Iowa Code Section 543D.17(1)(f) (1995).

CIRCUMSTANCES

1. The Respondent prepared and communicated three (3) appraisals for real property identified as the Partial Taking Lot 7, Murrowdale Plat 3; dated April 1, 1995, George Cataldo, 2301 SW 9th Street, Des Moines, Iowa, dated March 30, 1995 and Sarah Marie Trans. Inc., 4041 East 16th Street, Des Moines, Iowa, dated June 26, 1995.
2. The above appraisals were prepared and communicated after the Respondent was issued Iowa Certified General Real Property Certificate No. [REDACTED].
3. The Partial Taking Lot 7 (dated April 1, 1995) report contains deficiencies including but not limited to the following:
 - a. Failure to prominently state reporting option used. 2-2
 - b. Failure to identify and state the date of the report. 2-2(v)
 - c. Failure to define the value being considered. 1-2(b)
 - d. Failure to adequately identify and summarize the real estate being appraised. 1-2(a) and 2-2(i)
 - e. Failure to correctly collect, verify, analyze and reconcile data. 1-4(a); 2-2(viii); 2-2(xi)
 - f. Failure to include a signed certification in the report. 2-2(xii)
4. The George Cataldo (dated March 30, 1995) report contains deficiencies including but not limited to the following:
 - a. Failure to prominently state reporting option used. 2-2
 - b. Failure to correctly collect, verify, analyze and reconcile data. 2-2(vi); 1.4(a); 1-4(b)(iv)(v)(vi); 1-4(c); 2-2(viii)
 - c. Failure to correctly employ recognized methods. 1-1(a); 2-2(viii)
 - d. Failure to include sufficient information to enable the person(s) who are expected to receive or rely on the report to understand it properly. 2-1(b)

5. The Sarah Marie Trans. Inc. (dated June 26, 1995) report contains deficiencies including but not limited to the following:

- a. Failure to correctly collect, verify, analyze and reconcile data. 2-2(vi); 1-4(b)(iii); 1-1(a); 1-4(b)(vi); 1-4(c); 2-2(viii); 2-2(xi)
- b. Failure to include sufficient information to enable the person(s) who are expected to receive or rely on the report to understand it properly. 2-1(b)

WHEREAS, the Complainant prays that a hearing be held in this matter and that the Board take such action as it deems appropriate under the law.

WILLIAM M. SCHROEDER, EXECUTIVE SECRETARY
COMPLAINANT

On this 7th day of December, 1995 the Iowa Real Estate Appraisal Examining Board found probable cause to file this statement of charges and to order a hearing in this case.

CHAIR, IOWA REAL ESTATE APPRAISER
EXAMINING BOARD

BEFORE THE IOWA
REAL ESTATE APPRAISER EXAMINING BOARD

IN THE MATTER OF:)	
MARTIN E. HORMAN)	R.E. APPR. NO. 95 - 18
Cert. No. [REDACTED])	
)	SETTLEMENT AGREEMENT AND
RESPONDENT)	CONSENT ORDER

The Iowa Real Estate Appraiser Examining Board (Board) and Martin E. Horman (Respondent) enter into this Settlement Agreement and Consent Order (Agreement), pursuant to Iowa Code sections 17A.10 and 272C.3(4)(1995) and 193F IAC 8.6:

1. The Board has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 543D, and 272C(1995).
2. Respondent is a certified general real estate property appraiser.
3. A Notice of Hearing and Statement of Charges was filed against the Respondent on December 7, 1995.
4. Respondent has a right to a hearing on the charges, but waives his right to hearing and all attendant rights by freely and voluntarily entering into this Agreement.
5. Respondent agrees the State's counsel may present this Agreement to the Board and may have ex parte communications with the Board while presenting it.
6. This Agreement shall be part of the permanent record of Respondent and shall be considered by the Board in determining the nature and severity of any disciplinary action to be imposed in the event of any future violations.

7. This Agreement is a public record available for inspection and copying in accordance with the requirements of Iowa Code Chapter 22 and Iowa Code section 272C.3(4).

8. Failure to comply with the provisions of this Agreement shall be grounds for disciplinary action pursuant to Iowa Code § 272C.3(2)(a)(1995). However, no action may be taken against Respondent for violations of these provisions without a hearing.

9. This Agreement is subject to approval of the Board:

(a) If the Board fails to approve this Agreement, it shall be of no force or effect on either party, and it shall not be admissible for any purpose in further proceedings in this matter.

(b) If the Board approves this Agreement, it shall fully dispose of all issues in this case.

IT IS THEREFORE ORDERED:

A. Respondent shall successfully complete the following educational courses all of which may be counted toward continuing education requirements for certification renewal.

(1) Fifteen tested hours on USPAP; and

(2) At least 75 additional tested hours that include instruction in the cost approach, the sales comparison approach, and the income approach for nonresidential real property and report writing.

B. Respondent shall, within 60 days from the date this Order is signed, provide an educational plan to the Board for course approval.

C. Respondent shall develop a desk review consultation agreement with an Iowa certified general real property appraiser in good standing and pre-approved by the Board. The agreement shall specify that desk report review shall be performed by the consultant prior to the release of all appraisals prepared by the Respondent on or after the date of this Agreement. Once the

reviewer has been approved by the Board, an executed copy of the agreement shall be submitted to the Board within 10 days.

D. The reviewer's suggestions and/or concerns shall be incorporated into each appraisal report prior to the release of the appraisal. A copy of the reviewer's comments shall be submitted directly to the Board from the reviewer. The comments do not need to be received by the Board prior to the release of the appraisal.

E. The desk review process shall be required on all real property appraisals. The Respondent may petition the Board to cease the desk review process as soon as he verifies successful completion of the educational plan described above and has had at least two appraisals reviewed (one residential and one nonresidential). The Board will halt the desk review requirement if the desk review comments fail to reveal serious deviations from the Uniform Standards of Professional Appraisal Practice in the Respondent's appraisals. If the Board finds serious deviations from USPAP in the desk review comments or appraisals, the consultation agreement shall continue for six months and again be reviewed.

F. Prior to the time Respondent has successfully completed the educational plan described above, Respondent shall disclose in all appraisal reports (and associated correspondence) completed after this Order is signed that the appraisal is subject to desk review pursuant to a Consent Order issued by the Iowa Real Estate Appraiser Examining Board. Additionally, any appraisal subject to desk review must disclose any significant professional input by the desk reviewer.

G. The Respondent shall submit a log of all nonresidential appraisal reports completed in the first six months following his successful completion of the educational plan described above.

The log shall be submitted seven months after the education is completed and the Board may select one or more appraisals for review.

This Stipulation and Consent Order is voluntarily entered into by the Respondent on the

4th day of April, 199 .

2/17/96
Date


Martin E. Horman, Respondent

This Consent Agreement is accepted by the Iowa Real Estate Appraiser Examining Board on this 4th day of April, 1996.

4/4/96
Date


L. Craig Harris, Chair
Iowa Real Estate Appraiser
Examining Board