

**BEFORE THE WEST VIRGINIA REAL ESTATE
APPRAISER LICENSING AND CERTIFICATION BOARD**

IN THE MATTER OF:

**LORI NOBLE,
Licensed Residential Appraiser No. LR0649**

CONSENT DECREE

Now comes Respondent, Lori Noble, and the West Virginia Real Estate Appraiser Licensing and Certification Board (hereinafter "Board"), by Sharron L. Knotts, its Executive Director, for the purpose of resolving Board Complaint Number 09-007 and Complaint Number 09-009, against Noble. As reflected in this Consent Decree, the parties have reached an agreement in which Noble hereby agrees and stipulates to the Findings of Fact and Conclusions of Law set forth in the instant Consent Decree concerning the proper disposition of this matter, and the Board, having approved such agreement, does hereby find and Order as follows:

FINDINGS OF FACT

1. The Board is a state entity created by W. Va. Code § 30-38-1 *et seq.*, and is empowered to regulate, among other things, the conduct of real estate appraisers.
2. Noble is a licensed residential real estate appraiser licensed by the Board, holding license number LR0649.
3. Cook is a state certified general real estate appraiser licensed by the Board, holding license number CG0120.
4. In January 2009, Noble conducted and prepared an appraisal of property located in Summersville, Nicholas County, West Virginia (hereinafter "Property").

5. The nature of the assignment was to appraise a conservation easement.
6. In order to comply with licensure requirements, given the non-residential nature of the appraisal, and that Noble was a licensed residential real estate appraiser, it was necessary for a certified general real estate appraiser to supervise Noble, and sign the final appraisal report.
7. In the instant matter, Cook served as the supervising appraiser, and signed the appraisal report.
8. The stated purpose of the appraisal was to estimate the market value of a conservation easement to be imposed over 293.95 acres of the Property.
9. The stated intended use of the appraisal was to provide the Nicholas County Farmland Protection Board, the USDA, and the NRCS with valuation data to assist the agencies in their decision to purchase a conservation easement over the 293.95 acre Property.
10. The stated property rights appraised within the appraisal were those for a conservation easement, and were stated to have been prepared in accordance with the Uniform Standards of Professional Appraisal Practice and the Uniform Appraisal Standards for Federal Land Acquisitions.
11. Noble concluded that the value of the conservation easement interest of the Property was \$378,500.
12. Noble incorrectly and/or inadequately performed and developed the appraisal of the Property.
13. Assignments of error include, but are not necessarily limited to, the following:

- a. The appraisal report contains no assumptions and limiting conditions despite the fact that the letter of transmittal identifies the existence of such within the report;
- b. The value estimate set forth in the report (\$378,500) does not agree with the difference between the Before and After values indicated within the appraisal report (\$746,000);
- c. Within the letter of transmittal, the value of the donated land is stated as \$373,000, with a total acreage of 147 acres, however, within the appraisal report, such data was reported as \$367,500 and 147.95 acres, respectively;
- d. The stated "Purpose of the Appraisal" and "Property Rights Appraised" was not consistent with the interest actually appraised, in that the appraisers did not appraise the partial interest being acquired, but rather appraised the larger parcel Before and After the conveyance of the partial interest;
- e. Noble failed to include information relating to a 3 year rental history, if any, of the Property, prior to the effective date of the appraisal;
- f. The appraisal contained inadequate information relating to zoning requirements of the Property;
- g. The data provided within the appraisal relating to the comparable sales, both Before and After, was inadequate;
- h. Noble failed to provide adequate information within the "Scope of the Appraisal" section, in that the appraisers failed to provide a description of the part being conveyed and the principal differences between the Property in the Before and After conditions;

- i. Noble failed to report any adverse conditions relating to the Property within the appraisal;
 - j. In reporting that the Property contained 2 acres of “reserved” land, Noble failed to consider the potential for enhancement to the remaining land;
 - k. In the appraisal report, in regard to the highest of best use of the Property, Noble presented inadequate information to support their conclusion;
 - l. Noble failed to include within the appraisal report a separate and detailed analysis of the highest and best use of the Property in the After condition;
 - m. Noble failed to adequately describe, and provide an allocation for the same, the treatment of contributory values of minerals, water, timber and/or personal property;
 - n. Noble failed to provide adequate information relating to the how the comparable sales were chosen, or the reason such comparable sales were applicable to the appraisal problem;
14. At the time of the appraisal, Cook possessed neither the formal education or experience to perform a conservation easement appraisal.
15. Cook was not qualified to supervise the appraisal performed by Noble.
16. Noble was not qualified to perform the appraisal.
17. As a result of the above-referenced assignments of error, the estimated market value of the above-referenced subject property is inaccurate and/or not supportable.
18. In June 2007, Noble conducted and prepared an appraisal of property located in Fayetteville, Fayette County, West Virginia.
19. The nature of the assignment was to appraise a conservation easement.

20. Cook served as the supervising appraiser, and signed the appraisal report.
21. In the appraisal, Noble committed errors in such appraisal similar to the Nicholas County appraisal referenced above.
22. At the time of the appraisal, Cook possessed neither the formal education or experience to perform a conservation easement appraisal.
23. Cook was not qualified to supervise the appraisal performed by Noble.
24. Noble was not qualified to perform the appraisal.
25. As a result of the above-referenced assignments of error, the estimated market value of the above-referenced subject property is inaccurate and/or not supportable.

CONCLUSIONS OF LAW

1. Pursuant to Article 38 of Chapter 30 of the West Virginia Code, the Board is the State entity vested with the power to regulate real estate appraisers in the State of West Virginia.
2. Pursuant to W. Va. Code § 30-38-12(a)(7), the Board may revoke, suspend, refuse to renew, or otherwise discipline the license of an appraiser, or deny an application, for any violation of any section of this article, or rule of the Board.
3. West Virginia Code § 30-38-17 provides, in pertinent part, that “[e]ach real estate appraiser licensed or certified under this act shall 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 promulgated by the appraisal foundation.”

4. Pursuant to the Uniform Standards of Professional Appraisal Practice, Competency Rule, “[p]rior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently; or alternatively, must: 1) disclose the lack of knowledge and/or experience to the client before accepting the assignment; 2) take all steps necessary or appropriate to complete the assignment competently; and 3) describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.”

5. Noble failed to have the knowledge and experience to complete the above-referenced appraisal assignments competently; failed to disclose the lack of knowledge and/or experience to the client before accepting the assignment; failed to take all steps necessary or appropriate to complete the assignment competently; and failed to describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Competency Rule.

6. Pursuant to the Uniform Standards of Professional Appraisal Practice, Standards Rule 1-1(a), “[i]n developing a real property appraisal, an appraiser must . . . be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.”

7. Noble failed to correctly employ appropriate methods and techniques necessary to produce an accurate appraisal of the subject properties, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Standards Rule 1-1(a).

8. Pursuant to USPAP, Standards Rule 1-1(b), “[i]n developing a real property appraisal, an appraiser must . . . not commit a substantial error of omission or commission that significantly affects an appraisal.”

9. Within the appraisals, Noble committed substantial errors of omission or commission that significantly affected the appraisals, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Standards Rule 1-1(b).

10. Pursuant to the Uniform Standards of Professional Appraisal Practice, Standards Rule 1-1(c), “[i]n developing a real property appraisal, an appraiser must . . . not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affect the credibility of those results.”

11. Noble rendered appraisal services in regard to the above-referenced properties, where such services contained error affecting the accuracy of said appraisals, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Standards Rule 1-1(c).

12. Noble failed to properly state the After analysis, based upon the hypothetical condition that the conservation easements were in place while giving consideration to the effect on the values that may have been created, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, USPAP Standards Rule 2-2(b)(x), the Uniform Appraisal Standards for Federal Land Acquisitions (hereinafter “UASFLA”), and the Specifications for Appraisals of Real Property for the Farm and Ranch Program (hereinafter “Program”).

13. Noble improperly stated that she valued the market value of the fee simple interest of the properties, where the Program specified that the property rights to be

appraised included only the “surface rights” to the subject properties, in violation of the Program.

14. Noble provided insufficient information within the appraisals relating to specific zoning requirement data relating to the subject properties, in violation of Section D-6 of UASFLA.

15. Noble provided insufficient information within the appraisals relating to the descriptions of the properties, in violation of Section 13a and A-13b of UASFLA.

16. Noble provided insufficient information within the appraisals relating to the comparable sales, both Before and After, where such information was not in conformance with the requirements of Sections A-17 and B-4 of UASFLA.

17. Noble failed to include photographs of the comparable sales, Before and After, as required by the Program and Section A-34 of UASFLA.

18. Noble failed to provide sufficient information within the appraisals relating to the analysis of and support for the highest and best use of the properties, as required by Section A-14 of UASFLA.

19. Noble failed to include and provide separate and detailed analyses of the highest and best use of the properties in the After condition, as required by UASFLA and the Program.

CONSENT

Noble, both in her individual capacity and as a licensed residential real estate appraiser, by the execution hereof, agrees to the following:

1. Noble has had the opportunity to consult with counsel and executes this Consent Decree voluntarily, freely, without compulsion or duress and mindful that it has

legal consequences. No person or entity has made any promise or given any inducement whatsoever to encourage Noble to make this settlement other than as set forth herein. Noble acknowledges that she is aware that she may pursue this matter through appropriate administrative and/or court proceedings, and is aware of her legal rights regarding this matter, but intelligently and voluntarily waives such rights.

2. Noble consents to the entry of the following Order affecting her conduct as a licensed residential real estate appraiser.

ORDER

On the basis of the foregoing, the Board hereby ORDERS as follows:

1. The real estate appraiser license of Noble, License No. LR0649, is hereby REPRIMANDED.

2. Noble shall be prohibited from performing, either directly or indirectly, any real estate appraisal, other than the appraisal of one to four family residential properties, for a period of one year.

3. Upon the completion of the above-referenced one year prohibition, Noble shall be prohibited from performing any conservation easement appraisals until such time Noble successfully completes, and provides to the Board all proper documentation reflecting the same, the Appraisal Institute's course, with examination, "Valuation of Conservation Easements," or its Board approved equivalent. Upon completion of such course, and in the event Noble engages in the practice of appraising conservation easements, Noble shall be supervised by an actively certified real estate appraiser until such time the Board deems Noble competent to practice the appraising of conservation easements. During such time of supervision, Noble shall submit to the Board, for Board

review, a copy of any appraisal of a conservation easement performed by Noble. Upon determination by the Board that Noble is competent to practice the appraising of conservation easements, the Board shall dissolve the instant restriction.

4. Noble shall pay to the Board the amount of one thousand, four hundred dollars (\$1,400.00). Such payment by Noble shall represent the costs incurred by the Board associated with the investigation and prosecution of Complaints Number 09-007 and 09-009, and the subsequent reimbursement to the Board thereof. Noble shall additionally pay to the State of West Virginia a fine in the amount of five hundred dollars (\$500.00). Such payment shall be paid to the Board in full within 90 days of the date of entry of the instant Consent Decree.

5. Any deviation from the requirements of the instant Consent Decree, without the prior written consent of the Board, shall constitute a violation of this Order, and result in the immediate suspension of Noble's license. The Board shall immediately notify Noble via certified mail of the specific nature of the charges, and the suspension of Noble's license. Noble may request reinstatement of her license through renewal of this agreement, or execution of a new agreement, which may contain different or additional terms. The Board is not bound to comply with Noble's request.

In the event Noble contests any such allegations of violation of the Consent Decree, if any, which results in the suspension of Noble's license, Noble may request a hearing to seek reinstatement of her license. Any such hearing shall be scheduled and conducted in accordance with the provisions of West Virginia Code § 30-1-8 and § 30-38-1 *et seq.*

Further, in the discretion of the Board and in the event Noble violates the provisions of the instant Consent Decree, the Board may schedule a hearing on its own initiative for

the purpose of allowing the Board the opportunity to consider further discipline against Noble's license.

AGREED TO BY:

Lori Noble
LORI NOBLE, Individually

3/25/2010
DATE

ENTERED into the records of the Board this:

13th day of September, 2010.

**WEST VIRGINIA REAL ESTATE APPRAISER
LICENSING AND CERTIFICATION BOARD**

By: Sharron L. Knotts 9-13-10
SHARRON L. KNOTTS DATE
EXECUTIVE DIRECTOR

Note: ms noble signed and dated on the 25th of March, 2010. The attorney General's office did not receive until 9-8-10.
slh