

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

IN THE MATTER OF: Corey Ellis, CG01931 RESPONDENT	Case No. 17-30 COMBINED STATEMENT OF CHARGES AND SETTLEMENT AGREEMENT
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A. Statement of Charges

1. The Iowa Real Estate Appraiser Examining Board (“Board”) has jurisdiction of this disciplinary matter pursuant to Iowa Code chapters 17A, 272C, and 543D (2017).
2. Respondent is a certified general real estate appraiser in Iowa. He was issued Certificate No. CG01931 on July 6, 2006.
3. Certificate No. CG01931 is currently valid and scheduled to expire on June 30, 2018.
4. In September of 2017 the Board received a complaint raising questions about Respondent’s compliance with USPAP in the development and reporting of three (3) appraisal assignments. The Board submitted the appraisal reports underlying the complaint for Standard Three USPAP review. These reviews identified concerns related to report writing, understanding and application of proper methodology, and adherence to USPAP standards of practice.
5. In order to review Respondent’s work product as a whole, the Board obtained two (2) additional appraisal reports from Respondent and submitted them for Standard Three USPAP review to two (2) separate reviewers. These reviews also identified concerns similar to those identified in the prior three (3) reports.
6. The Board charges Respondent with:
 - a) Failure to adhere to USPAP in the development and communication of appraisals in violation of Iowa Code sections 543D.17(1)(d) and .18(1) and Iowa Administrative Code rules 193F—7.2, .3(2)(d) and .3(7)(a);
 - b) Failure to exercise reasonable diligence in the development and communication of appraisals in violation of Iowa Code section 543D.17(e) and Iowa Administrative Code rule 193F—7.3(6)(a); and
 - c) Demonstrating negligence or incompetence in the development, preparation and communication of appraisals in violation of Iowa Code sections 272C.10(2) and 543D.17(f) and Iowa Administrative Code rules 193F—7.3(2)(c) and (6)(a).
7. The Board and Respondent have agreed to fully resolve this matter through the following Settlement Agreement, rather than proceed to a contested case hearing.
8. Respondent knowingly and voluntarily enters into this Combined Statement of Charges and Settlement Agreement. Respondent denies the factual allegations and conclusions of law found herein. However, to avoid the delay, uncertainty, inconvenience, and expense of

litigation, and to fully resolve this matter, Respondent consents to this Agreement.

B. Settlement Agreement

1. Respondent has a right to a hearing on the charges. However, by freely and voluntarily entering into this Settlement Agreement, Respondent waives Respondent's right to hearing and all attendant rights, including the right to appeal to the superintendent and seek judicial review.

2. This Settlement Agreement constitutes discipline against Respondent, and, subject to Iowa Administrative Code rule 193F—17.2(4), is the final agency action in this contested case pursuant to Iowa Code section 17A.10 and Iowa Administrative Code rule 193—7.4.

3. Respondent acknowledges Respondent had the opportunity to consult with counsel before agreeing to this Settlement Agreement and did, in fact, consult with counsel before agreeing to this Settlement Agreement.

4. Respondent agrees the State's counsel may present this Settlement Agreement to the Board and may have ex parte communications with the Board while presenting it.

5. This Settlement Agreement shall be part of Respondent's permanent record and, in the event of any future violations, shall be considered by the Board in determining the nature and severity of any future disciplinary action to be imposed.

6. This Combined Statement of Charges and Settlement Agreement is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22.

7. Failure to comply with the provisions of this Settlement Agreement shall be grounds for further disciplinary action pursuant to Iowa Code section 272C.3(2)(a).

8. This Settlement Agreement is subject to approval of the Board:

- a) If the Board fails to approve this Settlement 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 Settlement Agreement, it shall fully dispose of all issues in this case.

9. The Board has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 272C, and 543D.

IT IS THEREFORE ORDERED:

A. Education

1. Respondent shall successfully complete the following 105 total hours of continuing education coursework ("**Required Coursework**") within ninety (90) days of this Settlement Agreement being approved by the Board. Of the total 105 hours, no more than forty-five (45) hours may be taken online and need not be attended in person; provided, however, that Respondent must take the course listed in paragraph a, below (the thirty (30) hour General Appraiser Site Valuation & Cost Approach Course), in person. With respect to the in-person

course work, Respondent may select the location thereof. The Required Coursework shall include the following courses:

- a) A thirty (30) hour General Appraiser Site Valuation & Cost Approach Course;
- b) A thirty (30) hour General Appraiser Sales Comparison Approach Course;
- c) A thirty (30) hour General Appraiser Income Approach Part 1 Course;
- d) A fifteen (15) hour Residential Report Writing and Case Studies.

Respondent shall bear any and all costs associated with these courses. Respondent may apply these hours toward his continuing education requirements for any subsequent renewal.

2. Respondent shall forward to the Board a certificate of completion or other similar documentation or confirmation demonstrating completion within ten (10) days of completion of each course required by paragraph 1.

B. Logs and Desk Review

1. Until Respondent has complied with all terms of this Settlement Agreement, Respondent shall send the Board appraisal logs on the tenth (10th) day of each month for the prior month's appraisals.

2. Approximately sixty (60) days after Respondent has completed all education, the Board shall select three (3) appraisals from Respondent's log for review that were completed after the education was completed:

- a) Two (2) of the three (3) reports must be for commercial properties and for which an income approach has been conducted.
- b) One (1) of the three (3) reports must be for a residential property and for which an income or cost approach has been conducted.

Section A (Education) provides the deadline within which education must be completed. Respondent is free to escalate the time frame by completing the education earlier than the deadline.

3. The Board will retain a certified appraiser to complete Standard Three reviews on the appraisals selected for review. Respondent shall provide the Board, within ten (10) days of request, two (2) copies of the appraisals and associated work files, and the sum of \$1,700 to be paid by the Board to the retained review appraiser.

4. The reviewing appraisers shall complete a comprehensive Standard Three review for each appraisal. The review shall be for facial compliance with USPAP. The reviewers will not perform inspections or warrant the accuracy of Respondent's work product, but will review work papers, calculations, and any other documents reasonably needed. Along with appraisal reports and work files, Respondent shall provide the reviewing appraisers copies of all documents verifying the accuracy of factual representations in each appraisal. The reviewers may request additional information, if needed, such as documentation of paired sales analysis, documentation of support for site values, and the like. The costs associated with desk review are the responsibility of Respondent, but are capped at the amounts noted in paragraph 3.

5. The reviewers shall prepare written comments on each appraisal's compliance with USPAP, and shall provide copies of the written comments to the Board. The Board shall

provide the reviews to Respondent.

6. Following the Board's receipt of the three (3) review appraisals, the Board shall either:

- a) Enter an order indicating Respondent's full compliance with this Settlement Agreement; or
- b) If the desk review comments and appraisals reveal significant USPAP violations, the Board shall defer final ruling and may order additional education or desk reviews, or other rehabilitative measures. No such order will be issued without affording Respondent reasonable notice and an opportunity to request hearing.

7. Respondent shall not supervise an associate appraiser or otherwise co-sign another appraiser's work as a supervisor until Respondent has complied with all terms of the Settlement Agreement.

8. This Settlement Agreement shall not preclude the Board from filing additional charges if one (1) or more of the appraisals submitted for desk review demonstrate probable cause to take such an action. Respondent agrees Board review of desk review reports or appraisals subject to desk review shall not constitute "personal investigation" or otherwise disqualify a Board member from acting as a presiding officer in any subsequent contested case(s).

Case No. 17-30

AGREED AND ACCEPTED:

Respondent



Corey Ellis

May 29, 2018
Date

Iowa Real Estate Appraiser Examining Board



Fred Greder, Chair

5/31/18
Date

REAP

Board / Commission

B. March

Signature, Executive Officer

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

IN THE MATTER OF:

Corey Ellis,
CG01931

RESPONDENT

Case No. 17-30

COMBINED STATEMENT
OF CHARGES/
CONSENT ORDER/
VOLUNTARY SURRENDER

The Iowa Real Estate Appraiser Examining Board ("Board") and Corey Ellis ("Respondent") enter into this Consent Order pursuant to Iowa Administrative Code rule 193—7.42:

1. The Board has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 272C, and 543D.
2. Respondent is a certified general appraiser in Iowa. He was issued Certificate No. CG01931 on July 6, 2006.
3. Certificate No. CG01931 is currently valid and scheduled to expire on June 30, 2020.
4. In September of 2017 the Board received a complaint against Respondent raising questions about Respondent's compliance with USPAP in the development and reporting of three (3) appraisal assignments. Following investigation, the Board and Respondent entered into a Combined Statement of Charges and Settlement Agreement in Case No. 17-30. Under the Combined Statement of Charges and Settlement Agreement, Respondent was to complete within ninety (90) days a total of 105 hours of continuing education, comprised of specifically identified courses. Of particular relevance here, Respondent was required to complete the thirty (30) hour General Appraiser Income Approach Part I course.
5. After entry of the Combined Statement of Charges and Settlement Agreement, Respondent successfully completed 102 of the 105 hours of required continuing education, including the instructional component of the thirty (30) hour General Appraiser Income Approach Part I course. However, after being granted several extensions by the Board, Respondent was ultimately unable to pass the required exam for the thirty (30) hour General Appraiser Income Approach Part I course. Successful completion of the exam constituted three (3) of the thirty (30) total course hours. As a result, Respondent fell three (3) hours short of the continuing education requirements set forth in the Combined Statement of Charges and Settlement Agreement.
6. Respondent, through his attorney, has now stated that he has decided to surrender his license voluntarily.
7. Pursuant to Iowa Administrative Code rule 193F-8.16 "the board may accept the voluntary surrender of a license to resolve a pending disciplinary contested case or pending

disciplinary investigation. The board shall not accept a voluntary surrender of a license to resolve a pending disciplinary investigation unless a statement of charges is filed along with the order accepting the voluntary surrender. Such voluntary surrender is considered disciplinary action and shall be published in the same manner as is applicable to any other form of disciplinary order."

8. The Board charges Respondent with failing to comply with the terms of a Board Order by failing to complete the required continuing education requirements set forth in the above-mentioned Combined Statement of Charges and Settlement Agreement within the applicable time frame in violation of Iowa Code section 272C.3(2)(a).

9. The Board and Respondent now wish to fully dispose of all issues in this case.

10. Respondent has a right to a hearing on the charges, but waives Respondent's right to hearing and all attendant rights, including the right to seek any intra-agency appeal or judicial review, by freely and voluntarily entering into this Consent Order and voluntarily surrendering his license.

11. Respondent acknowledges he has had an opportunity to consult with legal counsel prior to signing this Consent Order and voluntarily surrendering his license.

12. This Consent Order constitutes discipline against Respondent, and is the final agency order in Case No. 17-30, pursuant to Iowa Code section 17A.10 and Iowa Administrative Code rule 193—7.42.

13. This Consent Order shall be part of the permanent record of Respondent and shall be considered by the Board in determining the nature and severity of any remedy or penalty to be imposed in the event any future violations of the laws and rules administered by the Board.

14. Respondent agrees the State's counsel may present this Consent Order to the Board and may have ex parte communications with the Board while presenting it.

15. This Consent Order is a public record available for inspection and copying in accordance with the requirements of Iowa Code chapter 22.

16. This Consent Order is subject to approval of the Board:

- a. If the Board fails to approve this Consent Order, 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 Consent Order, it shall fully dispose of all issues in this case.

IT IS THEREFORE ORDERED:

A. Respondent shall **VOLUNTARILY SURRENDER** his general real-estate appraiser Certificate No. CG01931 within ten (10) days of the execution of this Consent Order. Respondent shall return his wall certificate and renewal card to the Board office within ten (10) days of the date this Consent Order is signed by all parties. For the avoidance of doubt, such voluntary surrender shall constitute discipline against Respondent, shall be treated for all intents and purposes as a **REVOCATION**.

B. Should Respondent apply to reinstate his certificate at any point in the future, any order granting an application for reinstatement entered by the Board shall, at a minimum, require Respondent continue under the terms of the Combined Statement of Charges and Settlement Agreement entered in Case 17-30, including retaking and completing, in full (including successful completion of the exam), the thirty (30) hour General Appraiser Income Approach Part I course.

AGREED AND ACCEPTED:

Respondent


Corey Ellis

11/28/2018
Date

Iowa Real Estate Appraiser Examining Board


Fred Greder, Chair

11/29/18
Date