

STATE OF ARIZONA
Department of Insurance and Financial Institutions
FILED December 5, 2023 by AS

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of the Appraiser’s License of:

CAROLYN J. JACKMAN,
Certified Residential Appraiser
License No. 22537

Respondent.

23A-046-FIN
CONSENT ORDER

The Arizona Department of Insurance and Financial Institutions (the “Department”) has received evidence that Carolyn J. Jackman (“Jackman” or “Respondent”) violated provisions of Arizona Revised Statutes (“A.R.S.”) Title 32 and the Uniform Standards of Professional Appraisal Practice (“USPAP”). Respondent wishes to resolve this matter without the commencement of formal proceedings, admits the following Findings of Fact are true, and consents to the entry of the following Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent holds a license as a Certified Residential Appraiser in the State of Arizona, License No. 22357, originally issued on May 8, 2018, pursuant to A.R.S. § 32-3612. Respondent’s license currently expires on April 30, 2024.
2. In August 2022, the Department issued two separate actions against Respondent’s license as follows:
 - a) On or about August 1, 2022, the Department issued a Letter of Concern to Respondent, in response to Complaint No. 2021-DFI-0509, based on violations of the provisions of the USPAP and A.R.S. The Letter of Concern was a non-disciplinary action and warned that continued violation may result in disciplinary action.
 - b) On or about August 15, 2022, Respondent signed a disciplinary letter with the

1 Department in Case No. 2021-DFI-0222, based on violations of the provisions of the
2 USPAP and A.R.S. Respondent completed twenty-six (26) hours of additional
3 education classes.

4 3. On February 6, 2023, Respondent performed an appraisal of a single family
5 residential property located at 340 W. Cannon Ave. Colorado, Arizona, (“W. Cannon Ave.
6 Appraisal”) as part of a purchase transaction. The effective date of the W. Cannon Ave. Appraisal is
7 the same as the date the appraisal was performed, February 6, 2023.

8 4. On or about March 3, 2023, the Department received a complaint about the W.
9 Cannon Ave. Appraisal and investigated the matter. The investigation included, *inter alia*, a review
10 of the W. Cannon Ave. Appraisal Report (“W. Cannon Ave. Report”) and the related workfile.
11 After the investigation, the Department investigator concluded the following:

12 a. Respondent violated the USPAP Ethics Rule. Respondent completed the
13 initial W. Cannon Ave. Report by deliberately inserting inaccurate photographs of
14 Comparable Sales 1-4, without alerting the Client or Intended User of this fact or the reasons
15 for the misrepresentation.

16 b. Respondent violated USAP SR 1-1(b)(c). Respondent used inaccurate
17 descriptions of several comparables. The W. Cannon Ave. Report represented that, unlike
18 the subject property, none of the comparables had a large finished basement included in the
19 total living area. However, during the investigation, it was discovered that at least two
20 comparable sales did in fact have large basements but Respondent failed to report their
21 description accurately and subsequently failed to properly adjust those comparable sales in
22 the Sales Comparison Approach for the difference in square footage.

23 c. Respondent violated USPAP Ethics Rule and SR 1-1(a)(b), 1-4(a) and 2-
24 2(a)(x) by misrepresenting two comparables (3&4) as "verified closed market transactions,"
25 when they were not arms-length sales.

26 d. Respondent violated USPAP SR 1-2(e)(i) and 2-1(b) by: (i) including a

1 reference to a 1320 square foot recreational vehicle (“RV”) carport that was described as
2 “personal property” even though the structure was permanently attached to a slab, and no
3 additional value was given to the RV carport without adequate explanation by the
4 Respondent; (ii) disclosing a Solar Array in the sales comparison grid, with no explanation
5 why no value was given; (iii) determining the subject site land value “based on recent sales
6 of unimproved lots in the subject market area” (W. Cannon Ave. Appraisal at 3) but failing to
7 include any land sale comparables; and (iv) inaccurately describing several comparables
8 whose description was available via public records.

9 e. Respondent also violated USPAP Record Keeping Rule and SR 1-4(b)(i) by:
10 (i) submitting to the Department a workfile that was incomplete and lacked documentation
11 regarding sales/listings supporting the land value estimation and documentation supporting
12 how the sale comparables were verified; (ii) failing to provide to the Department copies of all
13 signed appraisal reports provided to the Client; (iii) failing to include discussion or
14 calculations to indicate how large condition adjustments were determined, despite stating in
15 the report that the adjustments were derived via paired sales analysis.

16 f. On or about September 11, 2023, the Department held a video conference
17 with Respondent. During the conference, Respondent admitted that she failed to exercise
18 due diligence in the selection of the comparables and some of the properties included were
19 not appropriate to be used as market value indicators in an appraisal since they were not
20 arms-length sales and their inclusion resulted in the development and reporting of a
21 misleading appraisal.

22 **CONCLUSIONS OF LAW**

23 5. The Department has personal and subject matter jurisdiction in this case under A.R.S.
24 § 32-3601 *et seq.*, and is authorized to seek disciplinary action against any Arizona licensed or
25 Arizona certified real property appraiser for violations of Arizona Statutes or Rules.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

13. Respondent shall complete the following education within **six (6) months** of the Effective Date of this Consent Order: (i) **a four (4) hour course such as McKissock’s “That’s a Violation” or similar course**; (ii) **three (3) hour USPAP compliance such as McKissock “Support Your Adjustments”**; (iii) **four (4) hour data verification course such as Appraisal Institute “Practical Applications of the Residential Sales Comparison Approach”**; (iv) **six (6) hours Appraisal institute’s “Online Business Practices and Ethics”**; (v) **four (4) hour Record Keeping/Workfile Retention such as the Appraisal Foundation “Appraiser Self Protection: Documentation and Record Keeping”**, and (vi) **four (4) hours Appraisers Ethics course such as the Appraisal Foundation’s “Ethics, Competency and Negligence”**. The total required education is a minimum of **twenty-five (25) hours** in length and **may not be counted toward the continuing education requirements for the renewal of Respondent’s license.** Respondent shall provide proof that she completed the required education to the Department within **three (3) weeks** of completion of the required coursework. Respondent shall be responsible for all costs and expenses associated with completing the required coursework.

DATED AND EFFECTIVE this 5th day of December, 2023.

Barbara D. Richardson

Barbara D. Richardson
Cabinet Executive Officer
Executive Deputy Director
Arizona Department of Insurance and Financial Institutions

CONSENT TO ORDER

1
2 1. Respondent acknowledges that it has been served with a copy of the foregoing
3 Consent Order in the above-referenced matter, has read it, is aware of his right to an administrative
4 hearing in this matter and has knowingly and voluntarily waived that right.

5 2. Respondent accepts the personal and subject matter jurisdiction of the Department
6 over it in this matter.

7 3. Respondent acknowledges that no promise of any kind or nature has been made to
8 induce it to sign the Consent to Order and it has done so knowingly and voluntarily.

9 4. Respondent acknowledges and agrees that the acceptance of this Consent to Order by
10 the Director is solely to settle this matter and does not preclude the Department from instituting other
11 proceedings as may be appropriate now or in the future. Furthermore, and notwithstanding any
12 language in this Consent Order, this Consent Order does not preclude in any way any other state
13 agency or officer or political subdivision of this state from instituting proceedings, investigating
14 claims, or taking legal action as may be appropriate now or in the future relating to this matter or
15 other matters concerning Respondent, including but not limited to violations of Arizona's Consumer
16 Fraud Act. Respondent acknowledges that, other than with respect to the Department, this Consent
17 Order makes no representations, implied or otherwise, about the views or intended actions of any
18 other state agency or officer or political subdivision of the state relating to this matter or other
19 matters concerning Respondent.

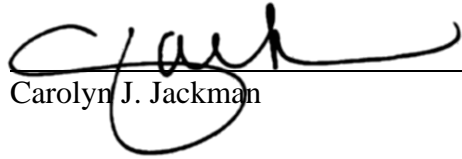
20 5. Respondent acknowledges and agrees that failure to correct the violations set forth
21 above in this Consent Order, or any repeat findings of the above violations in the future, can result in
22 disciplinary action which may include a civil money penalty and suspension or revocation of its
23 license.

24 6. Respondent waives all rights to seek an administrative or judicial review or otherwise
25 to challenge or contest the validity of this Consent Order and its accompanying parts before any
26 court of competent jurisdiction.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

7. The Department considers this to be a disciplinary action as defined in Arizona Administrative Code R4-46-101.

DATED this 4th day of December, 2023.



Carolyn J. Jackman

1 **ORIGINAL** of the foregoing filed this
2 5th day of December, 2023,
3 in the office of:

4 Barbara D. Richardson, Cabinet Executive Officer and Executive Deputy Director
5 Arizona Department of Insurance and Financial Institutions
6 Attn: Ana Starcevic, Paralegal Project Specialist
7 100 N. 15th Avenue, Suite 261
8 Phoenix, AZ 85007

9 **COPY** of the foregoing e-mailed this
10 5th day of December, 2023, to:

11 Deian Ousunov, Assistant Director
12 Gio Espinosa, Regulatory Legal Affairs Officer
13 Steven Fromholtz, Licensing Manager
14 Tammy Seto, Assistant Director
15 Nancy Inserra, Regulatory Compliance Officer
16 Jeffery Rahn, Staff Investigator - Appraisal Investigations

17 Zachary Howard, Assistant Attorney General
18 Arizona Attorney General's Office
19 2005 N. Central Avenue
20 Phoenix, Arizona 85007
21 Zachary.Howard@azag.gov

22 **COPY** of the foregoing emailed same date to:

23 Carolyn J. Jackman
24 carolynjackman@gmail.com
25 Respondent

26 *Ana Starcevic*

#11594792