

**BEFORE THE MISSISSIPPI REAL ESTATE APPRAISER
LICENSING AND CERTIFICATION BOARD**

**IN THE MATTER OF:
BRADLEY D. BOUNDS
LICENSE NO: RA-547**

NO. 23-1611

CONSENT ORDER

This matter came before the Mississippi Real Estate Appraiser Licensing and Certification Board (Board) for entry of a Consent Order regarding the Respondent **BRADLEY D. BOUNDS**, who has been issued Mississippi Real Estate Appraiser License No. RA-547. This action is before the Board as the result of Respondent's appraisal of real property located at 1941 Simpson Hwy 149, Mendenhall, Mississippi 39114. By entering into this Consent Order, Respondent BOUNDS waives his right to a hearing with full due process and the right to appeal any adverse decision resulting from that hearing. Having reached an agreement by consent on this matter, the Board issues its Findings of Fact, Conclusions of Law and Disciplinary Order as follows:

FINDINGS OF FACT

I.

The Mississippi Real Estate Appraiser Licensing and Certification Board is charged by law with the regulation of the practice of real estate appraisal including matters relating to real estate appraiser standards, qualifications and licensing, and disciplinary functions pursuant to Title 73, Chapter 34 of the Mississippi Code, as amended. The Board, pursuant to this authority, has full, complete and proper jurisdiction over the parties and the subject matter herein.

II.

Respondent BRADLEY D. BOUNDS is an adult resident of Mississippi whose last known address of record with the Board is 263 McMahon Road, Purvis, Mississippi, 39475. Respondent is the holder of a real estate appraiser's license, No. RA-547, issued by the Board pursuant to Miss. Code Ann. §§73-34-1, *et seq.*, as amended, and, as such, he is subject to all of the provisions, rules,

regulations and statutes governing the appraisal of real property and licensing of real estate appraisers under Mississippi law.

III.

On or about October 22, 2016, Respondent Bounds performed an appraisal of property located at 1941 Simpson Hwy 149, Mendenhall, Mississippi, 39114 and issued an Appraisal Report (sometimes hereafter "Report").

IV.

On or about November 1, 2016, the Board received a sworn complaint from Hartley Smith. Smith was the real estate licensee involved in a transaction wherein Respondent Bounds performed an appraisal for a parcel of real property located at 1941 Simpson Highway 149, Mendenhall, Mississippi 39114 and issued an Appraisal Report. Among other complaints, Smith alleged Bounds had evidenced an improper interest in the property for which he was engaged to perform an appraisal. Smith provided the Board with copies of text messages from Bradley Bounds wherein Bounds states that he was familiar with the property and had even asked the owner to let him know first before placing the property on the market.

V.

Upon receipt of the sworn complaint, the Board sent correspondence to Bradley Bounds dated November 1, 2016 enclosing a copy of Smith's sworn complaint and requested Bounds produce to the Board a copy of the subject Appraisal Report, Work file and a response to the complaint within ten (10) working days.

VI.

On December 8, 2016, a Thursday, Board Investigator Danielle Morales sent correspondence to Bradley Bounds advising the Board had received no information from Bounds as requested in its November 1, 2016 correspondence. Respondent Bounds responded the same

day that he would respond with the requested documents by that Sunday, December 11, 2016.

On Tuesday, December 13, 2016, Investigator Morales supplied Bounds with copies of text messages that had been submitted with the Smith complaint for his review and at his request.

Bounds responded the same day that he would “forward all that you requested ASAP.”

VII.

On December 19, 2016, Respondent Bounds delivered an electronic copy of the subject appraisal report to the Board but did not include the work file, response to the Smith complaint or other documents requested by the Board. Bounds stated “I will get the document notarized tomorrow and send the rest of this information to you... Again, I am so sorry for me delaying this.”

VIII.

On January 12, 2017, Investigator Morales corresponded with Respondent Bounds, acknowledging receipt of the subject Appraisal Report on December 19, 2016, “but I have not received your work file or the notarized response to your complaint.” Bounds responded four days later on Monday, January 16, 2017, advising he was “...way behind on some work I have to get caught up” and requested the Board give him additional time through the next weekend to respond.

IX.

Following several attempts to contact Respondent Bounds regarding the outstanding documents requested of Bounds, Investigator Morales sent correspondence to Bounds on Friday, February 17, 2017 advising Bounds she had “made several attempts to contact you on the status of you[r] work file for 1941 Simpson Hwy 149 in Mendenhall. Please advise... when I will be receiving this file.” Bounds responded the following Monday, February 20, 2017 offering personal reasons for the delay in cooperating with the Board investigation but admitting “all of this is personal and does not excuse me getting you this information... If you could give me until the 28th [of February] I will have everything in I promise.”

X.

Board Investigator Morales spoke with Respondent Bounds by telephone on or about April 21, 2017 to discuss the still outstanding documents requested by the Board. Bounds then sent correspondence to Investigator Morales on Tuesday, April 21, 2017 advising Morales again about personal problems but admitting “I understand I have a professional responsibility and I have failed to meet this.” Bounds stated further “The work file will follow in the next week as I get all of the information together you requested.”

XI.

As of May 18, 2017, Respondent Bradley Bounds had still not provided the Work File or other documents requested as part of the Board’s investigation of the Smith complaint and despite Respondent Bounds’ numerous acknowledgments of his responsibilities to cooperate with the Board and his repeated promises to supply the Board with documents requested pursuant to the Board investigation. As a result of Respondent Bradley Bounds admitted actions and/or omissions, the Board was hampered in its investigation of the sworn complaint submitted by Hartley Smith. Only after being served with the Board’s own Complaint alleging Bounds’ failure to cooperate with the Board investigation did Bounds finally submit the outstanding documents to the Board which the Board received on or about May 25, 2017. Thereafter, the Board investigative staff reviewed the subject appraisal report and workfile.

XII.

Respondent makes statement in report on addendum page “I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.”

Contained within the report on the FIREA page, appraiser states “I have completed two prior appraisals on the subject with an effective dates of 2/24/2015 and 7/14/2015.” These two statements contradict themselves within the report.

XIII.

Respondent shows on the certification page that his license expiration date is August 31, 2015 but the effective date of the report is October 22, 2016.

XIV.

Respondent has a limited work file and does not provide verified documentation to support the site value, cost approach or if any adverse conditions attend the subject being located in an AE Flood Zone. Respondent shows two parcels in report and a survey showing 12.94 acres. Respondent further shows that the site value was concluded by local tax records and the cost approach was verified by local contractors. No verified documentation was included in the work file to support such conclusions of value for the cost approach.

CONCLUSIONS OF LAW

XV.

Respondent BRADLEY D. BOUNDS admits and agrees, by consent with the Board, that the above and foregoing described actions and conduct violated Miss. Code Ann. §73-34-1, *et seq.*, and, more specifically, §73-34-39 and §73-34-35, and the Years 2016-2017 Uniform Standards of Professional Appraisal Practice (USPAP) Ethic Rule (*Conduct*), Record Keeping Rule, Scope of Work, (*Acceptability, Disclosure Obligations*), and Standards Rules 1-2(h), 1-4(b)(i)(ii) and (iii), and 2-2(a)(iii)(vii) and (viii), and 2-3, which state in relevant parts:

Miss. Code Ann. §73-34-39

(1) A licensed real estate appraiser shall retain for a period of five (5) years the original or a true copy of: (a) each appraisal report prepared or signed by such real estate appraiser; and (b) all supporting data assembled and formulated by the appraiser in preparing each such appraisal report.

(2) Upon reasonable notice, a licensed real estate appraiser shall make all records required to be maintained under the provisions of this chapter available for inspection and copying by the board or its designated agent.

Miss. Code Ann. §73-34-35

(1) An application for licensure or renewal may be denied, and the rights of any licensed appraiser or licensed certified real estate appraiser may be revoked or suspended, or the holder of the license may be otherwise disciplined, in accordance with the provisions of this chapter for any of the following acts or omissions:

(l) Any act or conduct, whether the same or of a different character than specified above, which constitutes or demonstrates bad faith, incompetency or untrustworthiness; or dishonest, fraudulent or improper dealing; or any other violation of the provisions of this chapter and of rules and regulations established by the board.

2016-2017 USPAP REQUIREMENTS

ETHIC RULE: An appraiser must promote and preserve the public trust inherent in appraisal practice by observing the highest standards of professional ethics.

Conduct: An appraiser must perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interest.

If known prior to accepting an assignment, and/or if discovered at any time during the assignment, an appraiser must disclose to the client, and in each subsequent report certification:

Any services regarding the subject property performed by the appraiser within the three-year period immediately preceding acceptance of the assignment, as an appraiser or in any other capacity.

RECORD KEEPING RULE: An appraiser must prepare a work file for each appraisal or appraisal review assignment. A work file must be in existence prior to the issuance of any report. A written summary of an oral report must be added to the work file within a reasonable time after the issuance of the oral report.

All other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other data, information, and documentation;

SCOPE OF WORK RULE: For each appraisal, appraisal review assignment, an appraiser must:

1. identify the problem to be solved;
2. determine and perform the scope of work necessary to develop credible assignment results; and
3. disclose the scope of work in the report.

An appraiser must properly identify the problem to be solved in order to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results.

Scope of Work Acceptability: The scope of work must include the research and analyses that are necessary to develop credible assignment results.

Determining the scope of work is an ongoing process in an assignment. Information or conditions discovered during the course of an assignment might cause the appraiser to reconsider the scope of work.

An appraiser must not allow assignment conditions to limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use.

Disclosure Obligations: The report must contain sufficient information to allow intended users to understand the scope of work performed.

Comment: Proper disclosure is required because clients and other intended users rely on the assignment results. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed.

STANDARD RULE 1: REAL PROPERTY APPRAISAL, DEVELOPMENT

In developing a real property appraisal, an appraiser must identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal.

Standards Rule 1-2: In developing a real property appraisal, an appraiser must:

(h) determine the scope of work necessary to produce credible assignment results in accordance with the Scope of Work Rule.

Standards Rule 1-4: In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results.

(b) When a cost approach is necessary for credible assignment results, an appraiser must:

(i) develop an opinion of site value by an appropriate

appraisal method or technique;

(ii) analyze such comparable cost data as are available to estimate the cost anew of the improvements (if any)

(iii) analyze such comparable data as are available to estimate the difference between the cost new and the present worth of the improvements (accrued depreciation)....

STANDARD RULE 2: REAL PROPERTY APPRAISAL, REPORTING

In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading.

Standards Rule 2-2: Each written real property report must be prepared under one of the following options and prominently state which option is used: Appraisal Report, or Restricted Appraisal Report.

(a) The content of an Appraisal Report must be consistent with the intended use of the appraisal, and at a minimum:

(iii) summarize information sufficient to identify the real estate involved in the appraisal, including the physical, legal, and economic property characteristics relevant to the assignment;

(vii) summarize the scope of work used to develop the appraisal;

(viii) summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusions of the sales comparison approach, cost approach or income approach must be explained.

Standards Rule 2-3: Each written real property appraisal report must contain a signed certification that is similar in content to the following form:

I certify that, to the best of my knowledge and belief:

I have performed no (or the specified) services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

DISCIPLINARY ORDER

XVI.

The Board, by Respondent BRADLEY D. BOUNDS' agreement and consent, hereby Orders and imposes discipline as follows:

1. The license of Respondent shall be SUSPENDED for thirty (30) days, held in abeyance. Respondent will be allowed to practice as a real estate appraiser during the period of suspension in abeyance provided Respondent otherwise complies with all other terms of this Consent Order and all applicable statutes, rules and regulations governing appraisal practice in Mississippi.
2. Respondent shall complete a fifteen (15) hour 2016-2017 national USPAP course, and pass the accompanying examination, within one hundred eighty (180) days of the signing of this Consent Order. The Board staff recommends that the Respondent complete the mandated USPAP course in a classroom environment, if available.
3. Respondent shall complete a seven (7) hour Defendable Work File Course, within one hundred and eighty (180) days of the signing of this Consent Order.
4. Respondent shall complete a fifteen (15) hour Residential Site Valuation and Cost Approach course, and pass any accompanying examination, within one hundred eighty (180) days of the signing of this Consent Order.
5. Respondent shall complete a four (4) or seven (7) hour Ethics Course and pass any

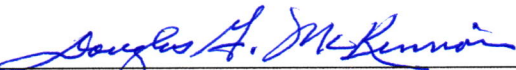
accompanying examination, within one hundred eighty (180) days of the signing of this Consent Order.

6. The credit hours generated by the successful completion of the above mandated courses may not be used to satisfy the twenty-eight (28) hours of continuing education that are required for renewal.
7. Respondent expressly agrees that failure to comply with any of the terms of this Consent Order, within the time period ordered, shall constitute grounds for additional disciplinary action by the Board. Respondent agrees further that failure to complete the above mandated courses, within the time period ordered, will effect the immediate placement of Respondent's license in inactive status until such time as Respondent provides the Board with proof of completion of said mandated courses and full compliance with the terms of this Consent Order.
8. This action and Order of the Board shall be public record and shall be spread upon the Minutes of the Board as its official act and deed.
9. This disciplinary action shall be reported to and posted with the appropriate authorities. This action shall also be published in the Disciplinary proceedings section of the MAB website.
10. Respondent, by his signature, waives any and all objections or legal challenges he may have regarding or arising out of this matter, the entry of the Consent Order, or any of its terms. He agrees to and waives any legal objections that may be otherwise available to him as to the Board taking this matter up preliminarily for the purpose of considering and voting on whether or not to enter into this Consent Order.


11. Should the Board decline the entry of this Consent Order, Respondent understands and acknowledges that he remains entitled to a fair and impartial hearing of this matter before the Board.
12. This Order with respect to Respondent BRADLEY D. BOUNDS will be effective upon The date he signs this Consent Order.

SO ORDERED, this the 27th day of July, 2016.

MISSISSIPPI REAL ESTATE APPRAISER
LICENSING AND CERTIFICATION BOARD

By: 
Doug McKinnon, Chairperson
For and on Behalf of the Board

AGREED:


BRADLEY D. BOUNDS

6-30-17
DATE

