

BEFORE THE BOARD OF REAL ESTATE APPRAISERS  
STATE OF MONTANA

IN THE MATTER OF DOCKET NO. CC-10-0258-REA REGARDING:

THE PROPOSED DISCIPLINARY	)	Case No. 2018-2010
TREATMENT OF THE LICENSE OF	)	
GREGORY STRABLE, CERTIFIED	)	
RESIDENTIAL APPRAISER,	)	
License No. 750	)	
	)	
and	)	

IN THE MATTER OF DOCKET NOS. CC-11-0131-REA AND CC-11-0076-REA REGARDING:

THE PROPOSED DISCIPLINARY	)	Case Nos. 1021-2011 and 1033-2011
TREATMENT OF THE LICENSE OF	)	
GREGORY STRABLE, Certified Residential	)	
Appraiser, License No. 750.	)	
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**PROPOSED FINDINGS OF FACT; CONCLUSIONS OF LAW;  
AND RECOMMENDED ORDER**

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**I. INTRODUCTION**

On April 7, 2010, the Montana Board of Real Estate Appraisers (MBREA) issued a Notice of Proposed Board Action and Opportunity for Hearing regarding Gregory Strable certified residential appraiser license number 750. That case was assigned docket number CC-10-0258-REA. On April 28, 2010, Strable requested a hearing on the proposed board action. The case was subsequently transferred to the department's Hearings Bureau on May 28, 2010 and was assigned Case No. 2018-2010. A notice of hearing and telephone conference was issued on June 2, 2010, and a scheduling conference was held on June 22, 2010 with Michael Fanning, agency legal counsel, representing the Department of Labor and Industry's Business Standards Division. Strable was not available at that conference. At that time, the hearing in the matter was set for October 7, 2010.

On June 30, 2010, Patrick Flaherty, attorney-at-law, appeared and requested a new schedule for the proceedings. Based on the parties' requests, a new telephone conference in this matter was held on July 6, 2010 with Michael Fanning and Patrick Flaherty present. At that conference, a hearing was scheduled for November 30, 2010. The scheduling order set an October 22, 2010, deadline for disclosure of witnesses. On September 20, 2010, Strable asked for another continuance and after another conference, the parties agreed to a hearing date of February 9, 2011 and a deadline for disclosure of witnesses of January 28, 2011.

On January 28, 2011, the department filed its objection to licensee's expert witness in Case No. 2018-2010, arguing that Mr. Strable's disclosure of the expert witness was in violation of the Montana Rules of Civil Procedure, in violation of the hearing officer's scheduling order and legally insufficient under the Uniform Standards of Professional Appraisal Practice. The department's motions also sought sanctions for the improper disclosure. In response to the department's objection, on February 2, 2011, Strable filed a motion to extend the hearing date, which would allow the department time to depose Strable's expert witness, Joe Seipel. On February 2, 2011, the hearing officer held another conference with the parties to discuss the motions before him and to discuss a new schedule for the proceedings. Prior to that conference, counsel for the parties agreed that the licensee would find an alternate expert who could be located, disclosed, and then deposed. On that basis, on February 3, 2011, the hearing officer issued an order finding good cause to continue the hearing until May 25, 2011, granting Strable until March 18, 2011 to make his expert disclosure and giving the department until May 6, 2011 to complete any discovery regarding the disclosed expert. At the conference, the parties also agreed that Department Exhibit 1, consisting of six separate attachments, was authentic, complete, and admissible into evidence. No preliminary rulings regarding licensee's exhibits was undertaken due to technical issues with the presentation of those exhibits.

While Case No. 2018-2010 was proceeding, two more complaints against Strable were sent to the Hearings Bureau by the MBREA screening panel. On December 1, 2010, the MBREA issued a notice of proposed board action and opportunity for hearing regarding Strable's appraisal of property in Kalispell, Montana. That case was identified as docket number CC-11-0131-REA. On December 17, 2010, Strable requested a hearing regarding this complaint. On that same date, the matter was transferred to the Hearings Bureau for a hearing, and assigned Case No. 1021-2011. The Hearings Bureau issued a notice of hearing and telephone conference on December 20, 2010.

Then on December 6, 2010, the MBREA issued a notice of proposed board action and opportunity for hearing regarding an appraisal Strable conducted on a

property in Great Falls, Montana. The docket number for that complaint is CC-11-0076-REA. On December 17, 2010, Strable requested a hearing. On December 22, 2010, the Hearings Bureau assigned this as Case No. 1033-2011 and issued a notice of hearing and telephone conference setting a January 4, 2011 scheduling conference date.

The conference was subsequently rescheduled for January 10, then January 13. At the scheduling conference, the parties agreed that Case No. 2018-2010 would be heard first and that Case Nos. 1021-2011 and Case No. 1033-2011 would be consolidated for purposes of hearing and the hearing would begin on May 25 and continue until May 27, if necessary. The hearing officer's January 14, 2011 scheduling order set an April 11, 2011 deadline for discovery and a May 13, 2011 deadline for disclosure of witnesses.

On March 18, 2011, Strable filed a motion and brief to extend the deadline to disclose his expert witness in case No. 2018-2011 by an additional two weeks. The department opposed the motion. The caption on Strable's motion did, however include all three cases. On that same date Strable made an incomplete disclosure of his expert witness, Donald Heppner. On March 21, 2011, the hearing officer held a conference on Strable's motion and expert witness issues involved in all three cases. On March 31, 2011, the hearing officer issued an order denying Strable's motion for extension of time to disclose his expert in Case No. 2018-2010, but granted an extension in the other two Strable cases: 1021-2011 and 1033-2011 provided he timely filed the expert disclosure consistent with Rule 26(b)(4) no later than April 8, 2011.

On April 15, 2011, the department filed a motion involving Case Nos. 1021-2011 and 1033-2011. It filed a motion to strike Strable's first discovery request, to bar further discovery, including depositions, to bar Strable from offering or presenting any expert testimony because Strable filed his discovery requests at such a time that left the department little time to respond to it and still comply with this hearing officer's previous order requiring the parties to complete discovery by April 11, 2011. Strable conceded the expert testimony issue and stated that he believed he had all the documents from the department's file thereby obviating the need for further discovery. Accordingly, the hearing officer gave Strable until May 6, 2011 to request any other documents it believed it did not have and then for the department to produce them to Strable no later than May 13, 2011.

The hearings proceeded on May 25-27, 2011. On October 28, 2011, the department filed a motion to take additional testimony, arguing that Strable offered false testimony at the original hearing in this matter in May 2011.

The department's motion was granted and on December 5, 2011, additional testimony was taken. The hearing officer took judicial notice of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 USC Sec. 3347 and ASC Policy Statement 10G.

Exhibits 1, 2, 5, 6a-d, 10-20, G (Veerkamp's deposition transcript), J, and K were admitted into the record.

## II. FINDINGS OF FACT

### A. Introductory

1. Strable was licensed as a certified residential appraiser by the State of Montana in September 2004. He holds license number 750. Strable became licensed in the state of Washington in June of 2004. Strable became licensed in Washington so he could apply for licensure in Montana by reciprocity. Strable had previously been licensed as an appraiser in Wisconsin in April 2004 believing that he could use his licensure in Wisconsin to become licensed by reciprocity in Montana. That did not turn out to be the case. Strable had three times been denied a license by the state of Montana due to deficiencies in his work product. Strable also became licensed in the state of Wyoming on January 10, 2005. None of the other states where Strable obtained licensure required a review of his work product. Strable never lived in Washington, Wyoming, or Wisconsin. He never conducted appraisals in Wisconsin or Washington. Strable is not a licensed mentor.

Strable offered the following testimony at hearing:

Q. Since you've been a realtor, are you actively involved in improving your professionalism by taking courses?

A. I am. The first few classes here were taken to satisfy the requirements in Montana last time around. I have a Mortgage Fraud, Protect Yourself, Appraising FHA Today. I also have the seven-hour USPAP class, the seven-hour Introduction to Expert Witness Testimony, and that was all done last March.

Q. Are these in-person conferences?

A. No. Those, I believe, were all on line, maybe other than the USPAP class that had to be in person. Yes. I took it in Eugene, Oregon because I missed the Great Falls class. More recently, I've taken some classes that I think are more pertinent. This was completed on 4/25, this is on line supervising of appraisal trainees. This one is the 15-hour National USPAP course taken on 4/4. Taken on 1/27, this was the Most Common USPAP Violations in the URAR, and 10/25, Form Reports. And then I also have -- this is taken on

1/14, this is Thinking Outside the Form, Tools, Techniques and Opportunities for Residential appraising.

Q. Does it cost money and effort and work and materials to do all of those things?

A. Many of those were taken out of the state. The only one that was taken on line in state was the Supervising Appraisal Trainees through their presence, too.

Q. Like lawyers, we have a minimum number of hours to keep our accreditation; is that the same with appraisers?

A. Yes, but these four far exceeded any expectation.

The hearing officer finds this some of the most self-serving and misleading testimony he has ever heard. To have Strable tell it he is the most ardent student of the appraisal practice known to humanity. What Strable failed to inform the hearing officer is that the classes Strable mentioned as far exceeding any expectation were required by the Wyoming Appraisal Board as part of a settlement of three disciplinary matters that are discussed in Findings of Fact 45-51. Strable also failed to mention that the courses Wyoming required were specifically not to count toward any continuing education requirements.

2. Veerkamp was qualified as an expert in the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP). She holds a bachelor of arts degree in business administration and was licensed by MBREA as an appraiser with a general certification. She was hired by the Department of Labor and Industry in 1998. Veerkamp has conducted approximately 1200 work product reviews.

3. Strable admitted he was bound by USPAP and the parties stipulated that the 2008-2009 edition of the USPAP standards applied to these three cases. Strable also admitted that a USPAP violation was a violation of Montana law.

4. Strable asserted that Veerkamp was biased against him, but provided no evidence that Veerkamp was actually biased against him or that her testimony was driven by bias.

#### **B. Case No. 2018-2010 - 184 High Road, Kalispell**

5. This case results from an appraisal Strable conducted to estimate the market value of the real property located at 184 High Road in Kalispell, Montana. The intended use of the appraisal was to assess the property identified in this report to obtain mortgage financing through "JP Morgan Chase Bank, NA." This was a federally related transaction. The effective date of Strable's appraisal and the date of the report was December 29, 2008.

6. Chase Home Lending ordered a field review of Strable's appraisal report (appraisal). The field review indicated violations of the USPAP. Larry Handley of Chase Home Lending referred the appraisal to the MBREA. Veerkamp conducted a USPAP Standard 3 review of Strable's appraisal, but did not review the field review conducted by Rick Horton as that was not part of her assignment. Strable did not deny that there were USPAP violations associated with the 184 High Road appraisal but he did not feel they were as significant or as large in number as Veerkamp pointed out.

7. Veerkamp's review is based primarily on USPAP, not the complaint. Horton's appraisal was not reviewed by her because it did not have any bearing on Strable's appraisal. Her Standard 3 review is not a reappraisal of the subject property, but rather a review of the appraisal report and workfile documents provided by Strable, according to USPAP.

8. The property appraised was a single-family residence with 1884 square feet above grade and 1020 square feet below grade. The above grade area has three bedrooms, two baths, living room, and kitchen/dining area. The report identifies that the below grade area is mostly finished but does not identify a room count. There is a two-car garage/shop and a barn/shop (60' x 48') that has a guest apartment in the loft area. The improvements are located on 9.33 acres on the southwest side of Kalispell, Montana.

9. Strable was asked numerous times for his workfile beginning in June 11, 2009. Strable faxed the documents to Veerkamp on July 22, 2009.

10. Strable's appraisal identified a neighborhood that encompasses all of the city of Kalispell with a predominant value of \$300,000. Strable went to Whitefish and Somers to select comparable sales. This is outside the reported market of the subject. Strable identified all of the city of Kalispell as the boundaries for the subject neighborhood. No sales information is found in the report or any workfile documents about the actual neighborhood boundaries.

Strable identified the area as an active town market, but failed to identify any comparables in the neighborhood in the last 12 months. He also provided a range of sales from \$40,000 to \$1.5 million but stated that there were zero comparables listed or sold in the preceding 12 months.

11. Strable checked the box "present use" when identifying the "highest and best use" of the property. Strable's appraisal was a summary appraisal report which requires summarizing the rationale of his opinion of highest and best use. Strable indicated that the highest and best use of the properties was residential, but provided

no supporting information or analysis. Strable used a URAR form for the appraisal which only asked for more information if “no” is checked. However, USPAP requires more analysis of why the highest and best use is residential or any other status. Strable indicated that the URAR form drives his appraisal process more than the USPAP and that if the form didn’t ask for it, he should not have to explain any further. USPAP requires more. Strable and his counsel also seemed to believe that if his client got a final market value that the customer was comfortable with, that was somehow the ultimate test of whether the appraisal was USPAP compliant. It is not.

12. Strable’s appraisal stated, “the cost approach is not adequate for the subject,” but he provided no reasoning or rationale to support this statement. The cost approach was developed and reported. The subject has nearly new improvements; the cost approach is most applicable when the improvements are new or nearly new. The conclusions reached on the cost approach for this nearly new house is approximately \$190,000 less than the conclusion of the sales comparison approach. Why the cost approach is inadequate is not explained in Strable’s appraisal or workfile.

13. Strable’s cost approach section of his appraisal fails to give the reader sufficient information to understand how the conclusions were reached. His workfile further confounds his conclusions. Strable’s appraisal allocates \$72,000 for the “cv por, dk, ws, therm wind, gst qtrs, ht tub, 2+/shop.” The workfile notes identify a 2+/shop barn with a 36 x 36 apartment. There is simply not enough information to understand how Strable arrived at a \$72,000 conclusion. Strable’s appraisal values a built-in garage at \$62,525. However, the file notes show the built-in garage as being 952 square feet, not 2880 square feet. The 2880 square feet structure is the barn (60 x 48). This error results in a \$51,332 overstatement of value for the garage. (Garage 952 sf x 21.71 = \$20,668, not the \$62,525)

The cost approach section does not contain enough information to allow the intended users to replicate the data. The form specifically demands “Provide adequate information for the lender/client to replicate the below cost figures and calculations.”

14. Strable’s cost approach also failed to employ any accepted appraisal methodology to arrive at the conclusion stated. The workfile does not contain any vacant land sales, summary of the sales, data sheets, or any analysis to support the conclusions. This analysis would also be used to arrive at adjustments for the differences in site sizes for the sales comparison approach. Strable argued that he is prevented from providing MLS data with his appraisals due to the terms of his agreement with MLS. While Strable or any other appraiser is prohibited from providing the MLS data sheets with his appraisal report, there is no restriction on

taking that same data, and just like in the sales comparison approach, summarizing the information in the data sheet and completing an analysis. An appraiser could not perform the sales comparison approach without the data from the MLS data sheet. Strable did just that in his sales comparison approach, but not in his cost approach.

15. There is no information in the report that explains or summarizes how the “other amenities” were adjusted for. The sales comparison grid shows the subject as having a garage of 4+/-shop. The workfile notes show this to be a two car built-in garage/shop and a barn. How the adjustment was determined is not found in the report or in the workfile notes.

16. Strable selected three multiple listing sites for his site value and determined the value by averaging the price per acre of those three properties. Averaging is not an acceptable appraisal method. Based on the average of \$18,647 per acre, Strable valued the land at \$174,000. There is no basis in the workfile documents or anywhere else in the appraisal report of how this number was determined other than by averaging. Strable admitted that he did not delineate the property acreages from his comparables.

17. Each of the comparable sales used in Strable’s sales comparison approach are outside the subject neighborhood. No support was provided to show that these different towns are equal to Kalispell. The report fails to contain a summary of analysis for the adjustments made for land/site differences in the sales comparison approach. The adjustments are made in the report without any support or summary of analysis. Strable’s conclusion in the cost approach was that each acre was worth \$18,647, but in the sales comparison approach he used \$3,984 per acre for comparable #1, \$4,074 per acre for comparable # 2, and \$3,995 per acre for comparable #3 to adjust for the differences in site sizes between these properties and the subject property.

18. Comparable sale #1 had 5 acres of land as opposed to the 9.33 acres of the subject property and Strable adjusted the site value \$17,250, or \$3,984 per acre. However, in his cost approach, he found the average price per acre in the subject area to be \$18,647. Strable similarly adjusted comparable #2 which had 7.98 acres by adjusting positively \$5,500 and adjusted comparable #3 which was a 20-acre site by \$42,750. Had Strable applied the average price per acre that he developed in the cost approach, the adjustment would have been \$198,777 for comparable #3, a \$156,000 difference in the land value for this comparable. Strable did not provide a reason for the different valuations in his appraisal.



Strable also identified the subject property as having a good view, but failed to mention that it was a lake view, a distinct aspect of the property that can significantly affect value.

19. Strable also adjusted the price for the comparables based on their condition without any explanation. He adjusted comparable #1 and #2 by \$21,000, comparable #3 by \$29,000, and comparable #4 by \$18,500 but provided an insufficient explanation for where those figures came from.

### **C. Case No. 1021-2011 - 1187 Farm Road, Kalispell**

20. This case results from an appraisal Strable conducted at 1187 Farm Road in Kalispell, Montana. The property is a single-family residence with 1296 square feet of living area. The house has two bedrooms, two bathrooms, a living room, and kitchen. The house is reported as being built in 1999.

21. The written complaint received from the homeowners, Fred and Carol Fisher, stated that they hired Strable to do an appraisal on their house, but Catherine Galbraith is the one who made the appointment and who actually inspected the house. Ms. Fisher called Strable who admitted that Galbraith was not a licensed trainee in the state of Montana but was trying to be licensed in the state of Wyoming.

The Fishers filed a complaint regarding the appraisal with the MBREA. The Fisher complaint was not instigated by the MBREA or the Department of Labor and Industry.

22. Subsequent to the complaint, a review and investigation were conducted on Strable's appraisal. Veerkamp made her initial attempt to obtain a clear copy of Strable's appraisal report, any file documentation, and contact information for Galbraith on December 3, 2009. Although Veerkamp made multiple attempts to obtain the information from Strable, he failed to provide any of the requested information. Strable insisted he sent it by certified mail and that he had the receipts to prove he sent them, but he never produced those receipts.

23. The intended user of the appraisal report is identified as Am Trust. No address or contact information is identified in the appraisal report. The intended use of the report is for a federally related transaction.

24. Galbraith was not a registered trainee in Montana or Wyoming. Strable admitted he had not inspected the property.

25. Strable certified that he performed a complete visual inspection of the interior and exterior areas of the subject property. That was not true. Galbraith inspected the inside and outside of the property.

26. Strable's appraisal report fails to summarize information to allow the reader to understand the process of collecting, confirming, and reporting the data used to arrive at a value conclusion for the vacant land value in the cost approach. The report used an "average" to arrive at a value for the land. USPAP does not identify "averaging" as an acceptable methodology. The report provides 4 Multiple Listing numbers, but fails to include any information regarding site sizes, locations, financing concessions, topography, or zoning.

27. Strable also averaged the price per acre in his opinion of site value, an unacceptable practice. Strable did not use the average price per acre of \$54,892 to reach a value on the comparable sales.

28. Strable's appraisal identifies stable market conditions with supply and demand in balance. The "Market Conditions" section of his appraisal contradicts this conclusion. Strable indicated that the median comparable sales price declined from \$192,500 to \$162,000. Strable further confuses the appraisal when he indicated that the median comparable list price declined from \$201,250 to \$184,500. Strable indicates that the median sales price as a percent of list price declined from 95% to 88%.

Strable's appraisal indicates that the predominant value of single-family homes in the subject's neighborhood is \$300,000, but without any supporting data, indicates that the subject's reported market value is \$108,000 less. The appraisal further identified that the subject property was an "average quality home in ave-gd condition" and that the subject has "typical amenities and average curb appeal." Nothing in the report identifies that the subject is anything less than average.

29. The report identifies "this is an active town market" under the Market Conditions section of the URAR report form. Strable contradicts and undermines his conclusion statement by identifying a total of three closed sales on the Market Conditions Addendum. USPAP requires credible evidence and logic to be present in the report to support the conclusions reached. No conclusions are supported with credible evidence or logic.

30. Strable checked the box "present use" as identifying the "highest and best use" analysis. Strable's appraisal was a summary appraisal report which requires summarizing the rationale of his opinion of highest and best use. Strable indicated that the highest best use of the properties was residential, but provided no supporting

information or analysis. Strable used a URAR form for the appraisal which only asked for more information if “no” is checked. However, USPAP requires more analysis of why the highest and best use is residential or any other status.

31. The report fails to summarize any methodology to support the adjustments in the sales comparison approach. The report makes adjustments for differences in site value without support from any methodology. The appraisal includes a \$2,000 adjustment for the three comparable sales which are listed as being from 1.0 to 1.04 acres in size. The subject property is shown to be a 1.53 acre property. Strable identified the land value as \$54,892 per acre, which would compute to an approximate \$27,000 difference in site value, not the \$2,000 adjustment Strable made. There may be a reason for the difference, but Strable failed to provide it in either his appraisal or his workfile.

32. Strable’s appraisal report failed to disclose how he reconciled the values assigned to the comparable sales to his value conclusion of \$192,000 for the subject property. Comparable sale #1 was valued at \$172,040; comparable sale #2 was valued at \$193,840; and comparable sale #3 was valued at \$209,500. The report is a summary report and must contain sufficient information to allow the intended users the ability to understand the appraisal. This report contains canned statements that do nothing to assist the reader in understanding the analysis performed or the adjustments made to the data in the report.

#### **D. Case No. 1033-2010 - 1429 27<sup>th</sup> Avenue South, Great Falls**

33. This case results from an appraisal Strable conducted to estimate the market value of the real property located at 1429 27<sup>th</sup> Avenue South in Great Falls, Montana. The property appraised is a single-family residence built in 2008 and appraised in July 2009. The improvements consist of a reported 1,368 square feet home with 4 bedrooms, two baths, living room, kitchen/dining room, and laundry located on a 7,535 square foot city lot. The residence has an attached two-car garage, paved driveway, walkways, and sidewalks. The residence was purchased by Megan Lee in December of 2008 for \$125,000.

34. The homeowner filed a complaint with the Montana Board of Real Estate Appraisers. The screening panel read the appraisal, complaint, and response and requested a review in conformance with Standard 3 of USPAP.

35. The intended use of the appraisal was to assess the property identified in this report to obtain mortgage financing through “MetLife Home Loans.” This is a federally related transaction and is required to meet the minimum requirements of the USPAP.

36. Strable's appraisal states "there are a lack of suitable comparables in the subject market area." However, the report also identifies "this is an active town market." This is a contradiction. The report identified the subject boundaries/market area as the entire city of Great Falls. Then the report contradicts this by stating, "boundaries/market area are not limited to the attached maps." The reader is left to wonder exactly what information is researched for this appraisal. Strable must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results. The report identifies "there are 1 comparable sales in the subject neighborhood in the past 12 months ranging in sale price from \$149,900 to \$149,900." The problem is the one property identified at \$149,900 is not a sale, it is an open listing. The market conditions report sheet does not identify how many comparable sales within the past 12 months have occurred in this report. This demonstrates a lack of understanding as to the information required for this section of the report and a "Scope of Work" decision to exclude it. The appropriate scope of work requires support by relevant evidence and logic. The market conditions report identified the total number of sales as zero, and zero in the last six months and zero in the current time.

37. The subject is identified as being built in 2008 and having an effective age of one year. The report states "Typical depreciation was noted, based on some updating." No updating was identified in the report. This is a contradiction in description of the residence that was purchased new just seven months prior to the effective date of the appraisal. The subject property was identified as having been built in 2008 with an effective age of one year and that typical depreciation was factored in. Strable failed to identify or summarize what the updating included in his appraisal or his workfile.

38. Strable's report is a summary appraisal report. The report checks the box in the highest and best use section, but fails to meet the minimum requirement of reporting for a summary report. No support or rationale is provided for the conclusion in the check box of highest and best use.

39. The URAR form does not provide specific instruction of what description is necessary if the appraiser just checks the box marked "yes." However, USPAP controls what Strable must do, and despite what the form says, Strable must provide a basis and analysis for his conclusions.

40. In the cost approach section of the appraisal, Strable identifies a value of \$17,500 for a vacant lot but there is no analysis of how he came to that conclusion other than his own knowledge of the market, which is not a sufficient basis under USPAP.

41. Strable identified the estimated remaining economic life of the house as 79 years and that he identified Marshall and Swift Residential Cost Handbook as the source of his conclusions. However, Marshall and Swift actually identifies a home with average quality, site-built or modular, frame construction, single family detached housing as having a typical building life of 55 to 60 years. Strable's use of 79 years of remaining economic life would skew the depreciation rate.

This inconsistent use of data undermines the credibility of Strable's report. The report also fails to identify a cost approach analysis on a 7-month old home.

42. The sales comparison approach uses two sales located in Black Eagle that the report admittedly states were outside the subject's immediate market area. The report makes a negative \$7,500 locational adjustment to one comparable sales listed in the report without support, summary of analysis, or any credible relevant data. The comparable is identified on the map as being across the river from the subject (comparable #3).

43. Strable's appraisal included photographs of sale #1 and sale #2 located in Black Eagle, which indicate that the sites did not have porch steps, sidewalks, or walkways. No adjustments were made for these elements of comparison, no reason or rationale is present for why this would not affect value. At hearing, Strable testified that when he conducted his appraisal the site had been finished, however, his use of photographs of an unfinished site contributed to the misleading effect of his appraisal.

Nothing in the report supports that the lot value in Black Eagle is similar to lot values in the subject neighborhood. Credible evidence and logic is required to meet the minimum requirements of USPAP.

The sales sheets provided by Strable as part of his workfile documents identify that financing may be as low as 1%. No financing concessions were identified. The sales sheets identified sold as "other." Nothing in the report identifies that Strable researched this information or attempted to find out what the financing concessions were. This is a weakness which could affect the conclusions reached and it undermines the overall credibility of the appraisal.

44. The report fails to reconcile the two approaches to value developed and reported within the report. The reconciliation does not even mention the cost approach to value on this 7-month old home in the final reconciliation.

## **E. Strable's disciplinary record and conduct during these proceedings**

45. Veerkamp asserted that Strable's appraisals did not contain an adequate scope of work. Strable countered that by pointing to Page 52 of Exhibit 1 which contains a section called Scope of Work. This is a form definition not specifically tailored to any particular assignment. It would also appear that Strable did not comply with that definition because he did not inspect the 184 High Road property and because in all three appraisals he failed to properly analyze and report his opinions and conclusions.

46. On or about April 6, 2009, the Wyoming Certified Appraiser Board received a complaint about Strable's appraisal of property in Riverton, Wyoming. This complaint was denominated A-09-006.

47. On or about December 2, 2009, the Wyoming Certified Appraiser Board received a complaint about Strable's appraisal of property in Dubois, Wyoming. This complaint was denominated A-10-004.

48. On or about January 11, 2010, the Wyoming Certified Appraiser Board received a complaint about Strable's appraisal of property in Encampment, Wyoming. This complaint was denominated A-10-006.

49. Complaints A-09-006, A-10-004, and A-10-006 all involved Strable's certification that he had physically inspected the interiors and exteriors of the subject properties, when in fact, he had not. Strable had also failed to disclose to the Wyoming Board that he was using trainees and had failed to maintain an appraisal log with the trainee. The Wyoming Board alleged that Strable had violated its rules regarding the use of trainees and had violated the USPAP ethics standards, USPAP Standard Rule 2-2 regarding use of assistants, and USPAP Standard Rule 2-3 regarding an appraiser's certification.

50. On October 26, 2010, Strable decided that rather than go to hearing on the complaints, he would execute a settlement agreement with the Wyoming Board that included:

- A one-year probation;

- Suspension from practice for 30 days which would be suspended if:

  - Strable paid a \$5000 fine;

  - Strable attended an in-person Supervisor/Trainee course or seminar approved by the Board which would not count toward his renewal education requirements;

  - Strable notified the Wyoming Board of each trainee under his supervision within 10 days;

Strable had the trainees comply with Wyoming Law;  
Strable attended one in-person USPAP class of 15 hours duration on March 28-29, 2011 in Tigard, Oregon;  
Strable attended one in-person ethics class (Appraisal Institute Class of Business Ethics) of 7 hours duration on February 11, 2011 in Tukwila, WA; and  
Strable attended either the 7 hour Whatever Happened to Quality Assurance in Residential Appraisals class or the Most Common USPAP Violations in the URAR and 1025 Farm reports.

51. None of these classes were to count toward his renewal education requirements. The Settlement Agreement also provides that it constitutes a disciplinary action which shall be reported to the Appraisal Subcommittee.

52. On or about February 2, 2010, the Wyoming Certified Appraiser Board received a complaint about Strable's appraisal of property in Edgerton, Wyoming. This complaint was denominated A-10-007.

53. On or about October 29, 2010, the Wyoming Certified Appraiser Board received a complaint about Strable's appraisal of property in Riverton, Wyoming. This complaint was denominated A-11-006.

54. On or about February 11, 2011, the Wyoming Certified Appraiser Board received a complaint about Strable's appraisal of property in Riverton, Wyoming. This complaint was denominated A-11-009.

55. On or after June 20, 2011, the Wyoming Certified Appraiser Board received two complaints about Strable's appraisal of property in Thermopolis, Wyoming. These complaints were denominated A-11-013 and A-12-001.

56. These violations also involved Strable's undocumented use of trainees, his certification that he had inspected the property, and other USPAP violations. Wyoming alleged that Strable violated its laws governing use of reasonable diligence when developing an appraisal, was negligent and incompetent. Wyoming also alleged that Strable violated USPAP Standard Rule 1-1(c), USPAP Standard Rule 2-1(a), and USPAP Standard Rule 2-2(b)(vii).

57. On August 24, 2011, Strable settled these complaints with the Wyoming Board which determined that Strable's license would be suspended for six months, which would be stayed providing Strable fulfilled the terms and conditions of a one-year probation. Those terms and conditions included:

Strable providing a log on a quarterly basis to the Wyoming Board of all residential properties he performs an appraisal on beginning August 1, 2011; Strable providing a complete workfile of properties selected by the Wyoming Board from the quarterly logs Strable provided; and Strable was required to formally request reinstatement of his permit.

58. The August 24, 2011 Settlement Agreement also provides that it constitutes a disciplinary action which shall be reported to the Appraisal Subcommittee.

59. Strable did not report any of these Wyoming complaints or disciplinary actions to the Montana Board of Real Estate Appraisers.

60. During the discovery phase of Case No. 2018-2010, Strable was asked in the Department's Interrogatory #10 to "identify every adverse or disciplinary action against each professional or occupational license you now hold or formerly held." On July 1, 2010, Strable replied to Interrogatory #10: "See Exhibit "C" attached - Appraisal Subcommittee National Registry Appraisal Report." Relying on that report Strable indicated that he had no adverse or disciplinary actions against his appraiser licenses in four states. Strable's answer was not truthful. While it might have seemed clever to attempt to rely on the ASC report, it was misleading at best and Strable knew he had at least three disciplinary actions filed against him in Wyoming. FOF 45-48.

61. On April 4, 2011, Strable replied to the department's discovery in Case Nos. 1021-2011 and 1033-2011. The department asked the same question as quoted above. Strable's response was "Object. Relevance and not likely to lead to the discovery of relevant evidence. The board already has these files." By this date Strable had settled the first three Wyoming complaints against his license and had been served notice of three more, but Strable failed to disclose those facts even though he was obligated to do so under the Montana Rules of Civil Procedure 26(e) and under Mont. Code Ann. §§ 37-1-316(14) and 37-1-405. If Strable had reported his disciplinary action in Wyoming to ASC as he was required under the terms of his settlement with the Wyoming Board, the ASC report would have shown that Strable had three disciplinary actions against him in Wyoming. But Strable didn't provide that document in his answers in these cases, he simply dodged the question by raising improper objections.

62. Strable applied for renewal of this Montana appraiser license on-line on February 1, 2011. As part of the renewal process Strable was asked:



Have any legal or disciplinary actions been instituted against you or any of your professional licenses since either your initial licensure in Montana or since you renewed your license, whichever occurred latest? Montana Code Ann. Sec. 37-1-105 requires that you report this information. Failure to accurately furnish this information is grounds for denial or revocation of your license.

Strable answered “Yes” to the question. In response to Strable’s answer, the Board sent Strable a letter asking him to:

provide a *detailed* explanation as to the nature of the legal or disciplinary action. All court, or legal documents such as charges, sentencing requirements or recommendations, final outcome, and any information regarding any disciplinary procedures that have taken place [sic] should be forwarded to this office. . . . If the discipline you are reporting has been reviewed by the Montana Board or is already on record with the board and documents have already been sent to the board office, please indicate. It is not necessary to send further documentation. (Emphasis added).

Strable’s May 2, 2011 response to the Board’s letter stated:

Montana has taken no disciplinary action against me. A court date has been set for May. All of the information has already been sent to the board. You will need to contact my attorney Patrick Flaherty for more detailed information as he has all of the records and correspondence. His phone # is 406-727-8494.

At that time, Strable knew about at least six of the eight complaints filed against him in Wyoming. Strable’s response was misleading at best. Additionally, it was Strable’s obligation to provide the detailed information, not the Board’s. At the May hearing in this matter, when asked whether he had any other disciplinary action against him in any other state, Strable disclosed only the three Wyoming complaints that he settled in October 2010. He failed to disclose the other three Wyoming complaints that he was served with before the hearing in this matter. At hearing, Strable would not admit that the first three Wyoming complaints constituted three separate disciplinary actions even after reading the specific language of his settlement agreement concerning those three complaints.

Strable did not consider complaints filed against him in Wyoming as proceedings against his license. Strable’s belief is not reasonable. Strable testified that he understood what a pending action was – one which had not yet reached a final resolution.

Strable testified at hearing that he was confused and thought that the MBREA's inquiry letter was only asking about Montana disciplinary actions. The hearing officer does not find this testimony credible as the MBREA would be well aware of disciplinary actions it has instituted against his appraiser's license and would not need to inquire further about them.

63. Strable also failed to disclose a Montana Independent Contractor Central Unit decision that determined he had violated the Workers' Compensation Act when he coerced an employee into fraudulently obtaining an independent contractor exemption certificate in an attempt to avoid his obligation to provide workers' compensation coverage.

64. The State of Montana, through the MBREA, is required to enforce the standards, requirements, and procedures prescribed pursuant to Financial Institutions Reform, Recovery, and Enforcement Act of 1989. 12 USC Sec. 3347. If the state fails to properly enforce those standards and requirements, its appraiser licensing program may be decertified by the Appraisal Subcommittee. *Id.* Should the Appraisal Subcommittee decertify MBREA's appraiser licensing program, it would seriously impede federally-related real estate transactions in this state and would put the livelihood of its licensed appraisers at serious risk.

ASC Policy Statement 10 G provides that:

Dismissal of an alleged USPAP violation due to an "absence of harm to the public" is inconsistent with Title XI's purpose. That purpose "is to provide that Federal financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision."

Financial loss or the lack thereof is not an element in determining whether there is a USPAP violation; the extent of such loss, however, should be a factor in determining the appropriate level of discipline. It is critical that State agencies investigate allegations of USPAP violations, and, if allegations are proven, take appropriate disciplinary or remedial action.

## **F. Appraisal Standards**

65. Mont. Code Ann. 37-54-403 is entitled Standards of Professional Appraisal Practice and provides that:

(1) A licensed or certified real estate appraiser shall comply with generally accepted standards of professional appraisal practice, evidenced by the Uniform Standards of Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation. A licensed or certified real estate appraiser shall comply with these standards regardless of whether the appraisal is a federally related transaction or is capable of being performed by an unlicensed person under 37-54-201(3).

66. The Preamble to the Uniform Standards of Professional Appraisal Practice (USPAP) provides:

The purpose of the Uniform Standards of Professional Appraisal Practice (USPAP) is to promote and maintain a high level of public trust in appraisal practice by establishing requirements for appraisers. It is essential that appraisers develop and communicate their analyses, opinions, and conclusions to intended users of their services in a manner that is meaningful and not misleading.

67. The conduct section of the USPAP Ethics rule provides:

An appraiser must perform assignments ethically and competently, in accordance with USPAP. An appraiser must not communicate assignment results in a misleading or fraudulent manner. An appraiser must not use or communicate a misleading or fraudulent report or knowingly permit an employee or other person to communicate a misleading or fraudulent report.

68. The USPAP Competency rule provides:

Prior 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.

69. The USPAP Scope of Work rule provides:

For each appraisal, appraisal review and appraisal consulting assignment, an appraiser must:

1. identify the problem to be solved;
2. determine and perform the scope for 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.

#### Problem Identification

An appraiser must gather and analyze information about those assignment elements that are necessary to properly identify the appraisal, appraisal review or appraisal consulting problem to be solved.

#### Scope of Work Acceptability

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

Comment: The scope of work is acceptable when it meets or exceeds:

1. The expectations of parties who are regularly intended users for similar assignments; and
2. What an appraiser's peers' actions would be in performing the same or a similar assignment.

An appraiser must be prepared to support the decision to exclude any investigation, information, method, or technique that would appear relevant to the client, another intended user or appraiser's peers.

70. USPAP Standards Rule 1-1(a) provides:

In developing a real property appraisal, an appraiser must: be aware of, understand, and correctly employ those recognized techniques necessary to produce a credible appraisal.

71. USPAP Standards Rule 1-1(c) provides:

In 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 affects the credibility of those results.

72. USPAP Standards Rule 1-3 provides:

When necessary for credible assignment results in developing a market value opinion, an appraiser must:

(b) develop an opinion of the highest and best use of the real estate.

73. USPAP Standards Rule 1-4(b)(ii) provides:

In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results.

When a cost approach is necessary for credible assignment results, an appraiser must: analyze such comparable cost data as are available to estimate the cost new of the improvements.

74. USPAP Standards Rule 1-6(a) provides:

In developing a real property appraisal, an appraiser must:

Reconcile the quality and quantity of data available and analyzed.

75. USPAP Standards Rule 1-6(b) provides:

In developing a real property appraisal, an appraiser must:

Reconcile the applicability and relevance of the approaches, methods and techniques used to arrive at the value conclusion(s).

76. USPAP Standard 2 provides:

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

77. USPAP Standards Rule 2-1(b) provides:

Each written or oral real property appraisal report must contain:

Sufficient information to enable the intended users of the appraisal to understand the report properly.

78. USPAP Standards Rule 2-2b(viii) provides:

The contents of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:

Summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that support the analyses, opinions and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;

Comment: A summary appraisal report must include sufficient information to indicate that the appraiser complied with the requirements of STANDARD 1. The amount of detail required will vary with the significance of the information to the appraisal.

The appraiser must provide sufficient information to enable the client and intended users to understand the rationale for the opinions and conclusions including reconciliation of the data and approaches, in accordance with Standards Rule 1-6.

79. USPAP Standards Rule 2-2b(ix) provides:

State the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal; and, when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion.

80. Mont Code Ann. § 37-1-316 Unprofessional Conduct provides:

The following is unprofessional conduct for a licensee or license applicant governed by this part:

...

(3) fraud, misrepresentation, deception, or concealment of a material fact in applying for or assisting in securing a license or license renewal or in taking an examination required for licensure;

(4) signing or issuing, in the licensee's professional capacity, a document or statement that the licensee knows or reasonably ought to know contains a false or misleading statement;

...

(7) denial, suspension, revocation, probation, fine, or other license restriction or discipline against a licensee by a state, province, territory, or Indian tribal government or the federal government if the action is not on appeal, under judicial review, or has been satisfied;

...

(14) interference with an investigation or disciplinary proceeding by willful misrepresentation of facts, by the use of threats or harassment against or inducement to a client or witness to prevent them from providing evidence in a disciplinary proceeding or other legal action, or by use of threats or harassment against or inducement to a person to prevent or attempt to prevent a disciplinary proceeding or other legal action from being filed, prosecuted, or completed;

...

(18) conduct that does not meet the generally accepted standards of practice.

...

### III. DISCUSSION

The three appraisals at issue in these three cases indicate that Strable lacks the requisite knowledge and competency to avoid conducting appraisals in a manner which demonstrate carelessness and negligence. He fails to employ proper reasoning, recognized techniques, and to comply with the generally accepted standards of practice. As a result, his appraisals contain conflicting and misleading results that he fails to reconcile or explain. Strable's appraisal practices make it difficult for an intended user to understand his appraisal reports and to replicate his conclusions. These appraisal practices do not fulfill the purposes of USPAP to promote and maintain a high level of public trust.

While some of the problems with Strable's appraisals indicate sloppiness and negligence rather than an intentional act, his overall conduct is that of an appraiser who is trying to get by and do what he thinks needs to be done despite the rules or laws that govern the appraisal area. While none of the people whose property was appraised by Strable suffered any direct harm, those appraisals undermined the soundness and reliability of the appraisal system. Strable's conduct and attitude also

cause considerable concern about the soundness of the thousands of other appraisals he has conducted.<sup>1</sup>

He knowingly used other people's work without identifying that in his appraisals. He repeatedly failed to identify the basis for his valuation and seems to lack an understanding that the appraisal practice is governed by USPAP and Montana law and not simply a URAR form or some other document that he may use in his appraisal practice.

Worse yet was Strable's conduct during these proceedings and his testimony at hearing which demonstrates that he is not inclined to be truthful when doing so might not result in an outcome he desires. That trait is not one that is suitable for a real estate appraiser. The public and this nation rely on the honesty and professionalism of real estate appraisers to ensure that buyers, sellers, and lenders can have faith in the transactions they are involved in. While not charged with violations of Mont. Code Ann. §§ 37-1-316(3)(4)(7) and (14) which define various types of unprofessional conduct, the evidence presented in this case shows that Strable concealed material facts in renewing his license, that he signed a document knowing that it contained false or misleading information, that he concealed the fact of and failed to disclose disciplinary actions in other states, and that he interfered with this proceeding by willfully misrepresenting facts. Such conduct can be taken into account when determining the appropriate sanction.

The hearing officer does not know if Strable can be rehabilitated. It would seem that many hours of in-person training and mentoring by a highly regarded appraiser could remold this hard-working man into an appraiser we could count on to do a thorough appraisal. However, the hearing officer is less sure that Strable's character issues can be corrected. His lack of candor, his willingness to mislead or to outright lie may be deep-seated traits that remedial training may not be able to correct.

Based on the violations enumerated below and Strable's conduct during these proceedings, it is the hearing officer's recommendation that Strable be sanctioned as described in the Recommended Order.

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<sup>1</sup> It is the hearing officer's hope that the lending institutions that have relied on Strable's appraisals have sufficient safeguards in place to be sure we do not have a widespread problem here in Montana.



#### IV. CONCLUSIONS OF LAW<sup>2</sup>

1. The Board of Real Estate Appraisers has jurisdiction over these matters. Mont. Code Ann. § 37-54-105.

2. The Department bears the burden of proof to show by a preponderance of the evidence that the licensee committed an act of unprofessional conduct. Mont. Code Ann. § 37-3-311; *Ulrich v. State ex rel. Board of Funeral Service*, 1998 MT 196, 289 Mont. 407, 961 P.2d 126. The Department must also show that any sanction which it seeks is appropriate under the circumstances of the case.

3. Montana licensed appraisers must “comply with generally accepted standards of professional appraisal practice” as evidenced by USPAP. Mont. Code Ann. § 39-54-403(1). In addition, Admin. R. Mont. 24.207.402 provides that the Board adopts by reference USPAP standards.

4. Montana licensed appraisers, like all Montana licensed professionals, must not engage in conduct that fails to meet generally accepted standards of practice. Mont. Code Ann. § 37-1-316(18).

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5. Based on FINDINGS OF FACT 8 through 10, Strable violated the following minimum requirements of USPAP: the Preamble, the Ethics rule-conduct section, the Competency rule, and the Scope of Work rule.

6. Based on FINDING OF FACT 11, Strable violated the following minimum requirements of USPAP: the Scope of Work rule, Standards Rule 1-3(b), and Standards Rule 2-2(b)(ix).

7. Based on FINDING OF FACT 12, Strable violated the following minimum requirements of USPAP: Ethics rule-conduct section, the Scope of Work rule, Standards Rule 1-1(a), Standards Rule 1-4(b)(i), and Standards Rule 2-2b(viii).

8. Based on FINDING OF FACT 13, Strable violated the following minimum requirements of USPAP: the Ethics rule-conduct section, the Scope of Work rule, Standards Rule 1-1(a), Standards Rule 1-4(b)(ii), and Standards Rule 2-2b(viii).

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<sup>2</sup>Statements of fact in the conclusions of law are incorporated by reference to supplement the findings of fact. *Coffman v. Niece* (1940), 110 Mont. 541, 105 P.2d 661.

9. Based on FINDINGS OF FACT 14 and 15, Strable violated the following minimum requirements of USPAP: the Scope of Work rule, Standards Rule 1-1(a), Standards Rule 1-4(b)(ii), and Standards Rule 2-2b(viii).

10. Based on FINDING OF FACT 16, Strable violated the following minimum requirements of USPAP: the Ethics rule-conduct section, the Competency rule and the Scope of Work rule, Standards Rule 1-1(a), Standards Rule 1-4(a), and Standards Rule 2-2b(viii).

11. Based on FINDINGS OF FACT 17, 18, and 19, Strable violated the following minimum requirements of USPAP: the Ethics rule-conduct section, the Competency rule and the Scope of Work rule, Standards Rule 1-1(a), Standards Rule 1-4(a), and Standards Rule 2-2b(viii).

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12. Based on FINDINGS OF FACT 20 through 25, Strable violated the minimum requirements of the USPAP Ethics rule.

13. Based on FINDING OF FACT 26, Strable violated the following minimum requirements of USPAP: the Scope of Work rule, Standards Rule 1-1(a), Standards Rule 1-4(b)(i), and Standards Rule 2-2b(viii).

14. Based on FINDINGS OF FACT 27 through 29, Strable violated the following minimum requirements of USPAP: the Scope of Work rule, Standards Rule 1-3(a), and Standards Rule 2-2b(viii).

15. Based on FINDING OF FACT 30, Strable violated the following minimum requirements of USPAP: the Scope of Work rule, Standards Rule 1-3(b), and Standards Rule 2-2b(ix).

16. Based on FINDINGS OF FACT 31 and 32, Strable violated the following minimum requirements of USPAP: the Scope of Work rule, the Competency rule, Standards Rule 1-1(a), Standards Rule 1-4(a), and Standards Rule 2-2b(viii).

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17. Based on FINDING OF FACT 33 through 36, Strable violated the following minimum requirements of USPAP: the Scope of Work rule, Standards Rule 1-1(a), and Standards Rule 2-2(b)(viii).

18. Based on FINDING OF FACT 37, Strable violated the following minimum requirements of USPAP: Standards Rule 1-1(c), Standard Rule 1-2, and Standards Rule 2-2(b)(iii).

19. Based on FINDINGS OF FACT 38 and 39, Strable violated the following minimum requirements of USPAP: Standards Rule 1-3(b), Standard Rule 2-1(b), and Rule 2-2(b)(ix).

20. Based on FINDING OF FACT 40, Strable violated the following minimum requirements of USPAP: Standards Rule 1-4(b)(i), Standard Rule 2-1(b), and Standards Rule 2-2(b)(viii).

21. Based on FINDING OF FACT 41, Strable violated the following minimum requirements of USPAP: Standards Rule 1-4(b)(iii) and Standards Rule 2-2(b)(viii).

22. Based on FINDINGS OF FACT 42 and 43, Strable violated the following minimum requirements of USPAP: the Scope of Work rule, Standards Rule 1-4(a), Standards Rule 2-2(b)(vii), and Standards Rule 2-2(b)(viii).

23. Based on FINDING OF FACT 44, Strable violated the following minimum requirements of USPAP: Standards Rule 1-6(a), Standard Rule 1-6(b), and Rule 2-1(b).

24. Strable violated the requirements of Mont. Code Ann. § 37-54-403(1).

25. The department proved that Strable committed 69 separate USPAP violations. Those USPAP violations constitute unprofessional conduct as defined by Mont Code Ann. § 37-1-316 (18).

26. In order to protect and compensate the public, it is necessary to sanction the real estate appraisal license of Gregory J. Strable.

## **V. RECOMMENDED ORDER**

1. Strable should be suspended for 3 years.
2. That he immediately surrender his license by sending it by certified mail return receipt required to:

Montana Board of Real Estate Appraisers  
301 S. Park  
P.O. Box 200513  
Helena, MT 59620-0513.

3. That he be placed on probation for a period of 6 years and that during that probation period he must:

a. Submit a monthly log of any appraisal work he performs himself or undertakes on behalf of any other appraiser licensed in Montana.

b. Submit at least 3 appraisals per quarter that are chosen by the MBREA or its designee for review.

c. That within 9 months of the Board's final order he undertake such in-person training as the Board shall designate in order to fully understand the requirements of USPAP and the ethical responsibilities of the appraisal practice.

d. That any such training required by the Board not count toward his annual certification requirements in this state or in any other jurisdiction.

e. That within 30 days of the final disposition in this matter he notify each and every state in which he is a licensed appraiser that he has been disciplined in Montana as the result of three separate complaints filed against him. He must provide a copy of all these notices to the MBREA within the same time frame.

4. That based on the 69 USPAP and statutory violations identified above, he pay a penalty in the amount of \$13,800.00.

DATED this 10th day of May, 2012.

DEPARTMENT OF LABOR & INDUSTRY  
HEARINGS BUREAU

By: /s/ DAVID A. SCRIMM  
DAVID A. SCRIMM  
Hearing Officer

## NOTICE

Mont. Code Ann. § 2-4-621 provides that the proposed order in this matter, being adverse to the licensee, may not be made final by the regulatory board until this proposed order is served upon each of the parties and the party adversely affected by the proposed order is given an opportunity to file exceptions and present briefs and oral argument to the regulatory board.