

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

SEP 18 2024

Rec'd \$ 4675

In the Matter of the Real Property Appraiser License of Annie Jo Henderson
License No. 40022409

CONSENT ORDER

TO: Annie Jo Henderson
609 4th St NW
Rochester, MN 55901

Commissioner of Commerce Grace Arnold (Commissioner) has determined as follows:

1. The Commissioner has advised Annie Jo Henderson (Respondent) that she is prepared to commence formal action pursuant to Minn. Stat. § 45.027 (2022), and other applicable law, based on the following allegations pertaining to an appraisal report completed for a property in Blooming Prairie, Minnesota:

- a. Respondent failed to disclose that the appraisal report was a reevaluation and failed to identify the areas of difference or the reason for the changes. Respondent provided a single version of the appraisal report to the Department. The appraisal management company provided two additional versions of the report that had been submitted. Differences were noted between the three versions of the report. In the second and third versions of the report, there was no notation that changes had been made or any reasoning for making those changes in violation of the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule (SR) 2-1 (a) (2020) and Minn. Stat. § 82B.195 Subd. 2 (5) (2024).
- b. Respondent failed to accurately report the characteristics of the subject and comparable properties. Respondent inaccurately reported the special assessment amount for the subject property. Respondent inaccurately reported bathroom counts for two comparables, the fireplace count for one comparable, and inaccurately

reported the garage for one comparable. Failure to accurately report the characteristics of the subject and comparable properties is a violation of USPAP SR 1-1 (c), SR 1-4 (a) (2020), Minn. Stat. §§ 82B.195 Subd. 3(1)(i), 82B.20 Subd. 2 (5), and 82B.20 Subd. 2 (6) (2024).

- c. Respondent failed to accurately apply adjustments to the comparable properties. As a result of inaccurately reported property characteristics, three of the six comparables had adjustments applied inaccurately. In addition, the basement adjustment for one of the comparables was applied as an upward adjustment when it should have been downward as the room count was superior to the subject property. Failure to exercise reasonable diligence in the preparation and reporting of an appraisal is a violation of USPAP SR 1-1 (a)(c), SR 2-1 (a) (2020), Minn. Stat. §§ 82B.20 Subd. 2 (5), and 82B.20 Subd. 2 (6) (2024).
- d. Respondent failed to maintain a workfile that supported the opinions and conclusions stated in the report. The workfile did not contain data, analysis, or reference to the location of the data relating to the cost approach, opinion of site value, or site size adjustment. Respondent failed to include all copies of the appraisal report that had been submitted to the appraisal management company. Failure to maintain a complete workfile is a violation of USPAP Record Keeping Rule (2020) and Minn. Stat. § 82B.071 Subd. 2 (2024).

2. Respondent acknowledges that they have been advised of the right to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing. Respondent hereby expressly waives those rights. Respondent further acknowledges that they have been represented by legal counsel throughout these proceedings or has waived that right.

3. Respondent has agreed to informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2022) and Minn. R. 1400.5900 (2021).

4. For purposes of Minn. Stat. § 16D.17 (2022), Respondent expressly waives the right to any notice or opportunity for a hearing on any civil penalty imposed by the Commissioner. Further, Minn. Stat. § 16D.17 (2022) allows the Commissioner to file and enforce the civil penalty imposed by this Order as a judgment against Respondent in district court without further notice or additional proceedings.

5. The civil penalty and/or any resulting judgment arising from this Order will be non-dischargeable in any bankruptcy proceeding. *See* 11 U.S.C. 523 (a)(7) ("A discharge under section 727, 1141, 1228(a), 1228(b) or 1328(b) of this title does not discharge an individual debtor from any debt... to the extent such debt is for a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit, and is not compensation for actual pecuniary loss, other than a tax penalty...").

6. The following Order is in the public interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Minn. Stat. Ch. 45 (2022) that:

A. Respondent shall pay a civil penalty in the amount of \$4,000 to the State of Minnesota and the time the Consent to Entry of Order is signed.

B. Respondent shall complete the following corrective education courses provided by the Appraisal Foundation. The courses must be completed within 90 days of the effective date of this order:

- a. Appraiser Self Protection: Documentation and Record Keeping; and
- b. Sales Comparison Approach and Reconciliation.

These courses cannot be used toward Respondent's continuing education credits. Course completion certificates must be supplied to the Department within 30 days of completing and passing course requirements;

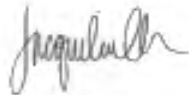
C. Respondent shall cease and desist from violating any laws, rules, or orders related to the duties and responsibilities entrusted to the Commissioner under Minnesota Statute Chapters 82B and 45.027; and

D. Respondent shall pay all investigative costs in the amount of \$675 at the time the Consent to Entry of Order is signed pursuant to Minn. Stat. § 45.027, subd. 1(8) (2022).

This Order shall be effective upon signature by or on behalf of the Commissioner.

Date: September 20, 2024

GRACE ARNOLD
Commissioner



JACQUELINE OLSON
Assistant Commissioner of Enforcement
Minnesota Department of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

CONSENT TO ENTRY OF ORDER

The undersigned states that they have read this Consent Order; that the undersigned knows and fully understands its contents and effect; that the undersigned has been advised of the right to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing and expressly waives those rights. Respondent further acknowledges that Respondent has been represented by legal counsel throughout these proceedings, or has been advised of the right to be represented by legal counsel, which right Respondent hereby expressly waives; and that Respondent consents to entry of this Order by the Commissioner. It is further understood that this Consent Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either express or implied.

Annie Jo Henderson

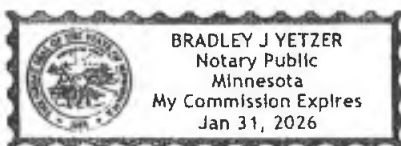
Date: 9/17/24

By: Annie Jo Henderson
Signature

STATE OF Minnesota
COUNTY OF Olmsted

Signed or attested before me on 09/17/2024 (Date).

(Notary stamp)



Brad Yetzer
(Signature of Notary)

My Commission expires:

01/31/2026