



Case Summary: 2023-19

Sanction Consent Agreement Implementation Date: January 2, 2024

General Summary:

File Opened: July 8, 2019

The Member holds a CRA designation with the AIC and a designation from another valuation organization. The Member completed three reports that were outside of the scope of a CRA designation and did not have to reports co-signed by an AACI-designated Member.

Report 1

- An appraisal report on a vacant agricultural property;
- The report was signed by the Member using their CRA designation;
- The report was not co-signed by an AACI Member of the AIC;
- The report is subject to CUSPAP 2014.

Report 2

- An appraisal report on several vacant agricultural properties (one included a residence but was ignored in the appraisal which valued only the land);
- The report was signed by the Member using their designation from another valuation organization;
- The Member did not include their CRA designation in the signature throughout the report;
- The report was not co-signed by an AACI Member of the AIC;
- The report is subject to CUSPAP 2014.

Report 3

- An appraisal report on several vacant agricultural properties (one included a residence but was ignored in the appraisal which valued only the land);
- The report was signed by the Member using their designation from another valuation organization;
- The Member did not include their CRA designation in the signature throughout the report;

- The report was not co-signed by an AACI Member of the AIC;
- Report is subject to CUSPAP 2016.

The Member dropped their CRA designation to complete the appraisals using a designation from another valuation organization. The Member did not meet the prevailing minimum standards, which in this instance would be CUSPAP. Therefore, based on CUSPAP, and despite what designation the reports are signed with, the Member would be qualified only to appraise those property types within the scope of the CRA designation.

The Member completed appraisals on agricultural properties which is beyond the scope of the CRA designation.

The Member indirectly did with their designation from another valuation organization what they were not permitted to do using their CRA designation.

Report Details:

Property Type: vacant agricultural properties

Purpose: to estimate market value

Use: Financing and division of matrimonial assets

Certification: signed by: CRA Designated Member

Complainant Allegations:

The CRA designated Member completed a report outside of the scope of the CRA designation and did not obtain the co-signature of an AACI.

Issues Arising from the Complaint Review:

None

Sanction Consent Agreement Terms

Agreed Breaches of CUSPAP 2014 and 2016:

CUSPAP 2014 (Reports 1&2):

Ethics Standard Rule 4.2.2: It is unethical for a Member to knowingly engage in conduct that would prejudice his/her professional status, the reputation of the Institute, the appraisal profession, or any other Member.

Ethics Standard Comment 5.2 Conduct

5.2.3: Members cannot avoid their ethical responsibilities and obligations by doing indirectly what they cannot do directly.

Ethics Standard Rule 4.2.6: It is unethical for a Member to claim qualifications, including Continuing Professional Development credits, improperly.

Ethics Standard Comment 5.5 Qualifications

5.5.1: Members must identify their status with the Institute in a report. An associate, retired, honorary AACI or student Member shall not hold themselves out in any way as a practicing Member of the Institute.

5.5.2: Any AIC Member who signs any report and all related correspondence must identify their designation or Membership status (AACI, CRA or AIC Candidate Member).

5.5.5: CRA Members must use that designation in connection with the appraisal, review or consulting on individual undeveloped residential dwelling sites and of dwellings containing not more than four (4) self-contained family housing units. For clarity, CRA Members must include their designation wherever signatures appear in any appraisal, consulting or review report and related correspondence.

5.5.6: Where a CRA Member signs a report beyond the scope set out in 5.5.5, it must be co-signed by an AACI Member of the AIC. In determining the scope of practice for a CRA Member in undertaking an assignment, the test lies in the highest and best use - actual or assumed - of the property being appraised.

CUSPAP 2016 (Report 3):

CUSPAP Introduction: The Member who is qualified under more than one valuation organization and whose work is required to comply with more than one standard of practice must ensure that adherence is to the highest minimum standard.

Where two standards conflict, Members must comply with CUSPAP - it is the Member's responsibility to determine their obligations to comply with any other standard.

Ethics Standard Rule 4.3.2: It is unethical for a Member to knowingly engage in conduct that would prejudice his/her professional status, the reputation of the Institute, the appraisal profession, or any other Member.

Ethics Standard Comment 5.2 Conduct

5.2.3: Members cannot avoid their ethical responsibilities and obligations by doing indirectly what they cannot do directly.

Ethics Standard Rule 4.3.6: It is unethical for a Member to claim qualifications and Continuing Professional Development credits, improperly.

Ethics Standard Comment 5.5 Qualifications

- 5.5.1:** Members must identify their designation or Membership status (AACI, CRA or AIC Candidate Member) with the Institute in a report and all related correspondence (e.g., letter of transmittal, letter of engagement, reliance letter, progress report, email correspondence).
- 5.5.3:** CRA Members must use that designation in connection with the appraisal, review or consulting on individual undeveloped residential dwelling sites and of dwellings containing not more than four (4) self-contained family housing units. For clarity, CRA Members must include their designation wherever name appear in any appraisal, consulting or review report and related correspondence.
- 5.5.4:** Where a CRA Member signs a report beyond the scope set out in 5.5.3, it must be co-signed by an AACI Member of the AIC. The highest and best use - actual or assumed - of the property that is the subject of the assignment will determine whether an assignment falls within the scope of practice for a CRA Member.

Agreed Discipline:

1. **Section 5.35.1:** Reprimand: entered into the Institute's National Professional Practice Record for a period of five (5) years.
2. **Section 5.35.2:** Education: CPD 105: Highest and Best Use Analysis and Professional Practice Seminar to be completed successfully at the Member's expense and must include the successful completion of the final exam not later than 6 months after the date of implementation of the Sanction Consent Agreement.

Costs (Section 5.38):

No costs were sought.