

September 24, 2009

RECEIVED  
SEP 25 2009

Mr. Frank Manzer, Chief Investigator  
Arkansas Appraiser Licensing and Certification Board  
101 East Capitol, Suite 403  
Little Rock, Ar 72201

RE: Compliant against Mr. Adam Guthrie, Jr. State Licensed Appraiser #SL 0596

Dear Mr. Manzer,

I've had the opportunity to view a real estate appraisal conducted by Mr. Guthrie on a property located in Prescott, Arkansas. The client of the report was Pro Public, Inc. which is not the owner. Pro Public, Inc. released this report in regards to a news article relating to the past owners Michael and Holiday Ross. Mr. Ross currently serves as a Representative for Arkansas's Fourth Congressional District.

In my opinion the initial critique of the appraisal report show numerous deficiencies. I question Mr. Guthrie's professional behavior, competency, being an advocate for the client and the appraisal report documentation including, but not limited to the following issues:

1. A quote (or miss-quote) in the news article from Mr. Guthrie "You can buy half the town for \$420,000" (I believe this constitutes a verbal appraisal according to USPAP guidelines). I assume the dollar amount stated is in reference to the property that is the basis for the appraisal. The subject property for this report is located at 1430 West First Street North in Prescott, Arkansas. According to applicable public records the real estate portion of the property was sold by the Ross's on June 1, 2007 for \$420,000 to Stephen L. LaFrance Pharmacy, Inc.

To make a comment of this nature is an extremely bold comment to make unless an analysis of the entire city of Prescott has been completed and documented by Mr. Guthrie.

2. The report is flawed concerning the reporting process; USPAP Standard 2-2 (b) (ii), (v), viii) and (xi).
3. The report is questionable concerning the development process; USPAP Standard 1-1 (b0); (1-2 (b); 1-3 (b); 1-4 (a).

RECEIVED

SEP 25 2009

4. In the sales comparison approach, the comparable sales utilized are not very well documented, nor was any adjustment process shown. Mr. Guthrie appears to want the reader to just assume he knows what he is talking about. Looks to me he grabbed a dollar amount out of the air for use in the final determination of value for this property. The way Mr. Guthrie conducted the analysis in the Sales Comparison approach is inconsistent with good appraisal practice technics.
5. Mr. Guthrie states in the report in the top paragraph of the page with a heading of "Sales Comparison Approach", "By verbal agreement with the Client, the Sales Comparison Approach is the sole approach used in this appraisal". Also that "The Income Approach was not applicable because there was no financial data available to make the income comparison".

In my opinion I find that comment to be a misleading statement. The Income Approach could and should have been completed.

Also, in this same paragraph, Mr. Guthrie indicates "The Cost Approach was not considered to be relevant, because of the increased cost of reconstruction as compared to the market value". In my opinion, the Cost Approach could and should have been considered and completed.
6. In the copy of the report I have, the certification has no Appraiser Stamp as required by State Law under Section I of the Arkansas Appraiser Licensing and Certification Act 541 of 1991 (A. C. A. 17-14-101 et. Seq.)

In my opinion, I feel Mr. Guthrie is incompetent to complete real estate appraisals of this complexity. This real estate appraisal conducted by Mr. Guthrie is a bad reflection on the appraisal profession.

Once you have reviewed the attached appraisal report, you may see other deficiencies within this report. I realize there are two sides to every story, and Mr. Guthrie must be allowed to responded to these charges.

Through further appraisal education and maybe someone to mentor Mr. Guthrie on any complex appraisal assignments, the work product of Mr. Guthrie can be improved.

Respectfully submitted,



Dwight L. Brown