

Presentation on the Denton Central Appraisal District Violations

Opening:

Denton County Appraisal District is Lawless! Ignoring a multitude of laws, then covering up their actions, using taxpayer's money, is a directly correlation to Ponzi schemes. Theft at any level and any value is nondiscriminatory. Theft of your money and my money is illegal and unforgivable. Theft of billions is criminal. DCAD has engaged in a criminal conspiracy to defraud Real Estate Taxpayers. The Evidence of what was done, how and by whom, is irrefutable.

If you own property in Texas, this video may save you thousands, if not tens of thousands of dollars.

In this short video, what you are about to see is a series of graphics containing evidence of how DCAD is committing fraud on a mass scale against the taxpayers of Denton County.

The Aerials and Photos throughout this video are being presented to show you that all types of real estate have a high probability of being impacted by the fraud by the Denton Central Appraisal District with regard to the annual Notices of Appraisal issued.

The Press has written over 80 articles about the Denton Central Appraisal District since December 2020. Many from the past year can be seen at www.mockingbirdproperties.com/dcad.

My Company has been enormously affected by this fraud, and as a result, we have spent thousands of hours in research in order to quantify and prove how the fraud is committed.

Although we are preparing for upcoming litigation, we are opening our research and files to the real estate taxpayers of Texas, all of which is available at www.mockingbirdproperties.com/dcad.

Section 2 - Uniform Standards of Professional Appraisal Practice and Standards 5 & 6 for Standards in Mass Appraisal

We'd like to provide an overview of real estate appraisal. Let's start with the Uniform Standards of Professional Appraisal Practice, or USPAP. USPAP is the recognized ethical and performance standards for the appraisal profession, from which both international and national appraisals are derived. Its purpose is to promote and maintain a high level of public trust in the appraisal practice.

Licensing and educational bodies exist to train, regulate and support appraisers & the appraisal profession in following USPAP. Organizations such as TDLR, TALCB, IAAO, and TAAO exist for this purpose, and could not exist without USPAP.

The Texas Property Code mandates that all appraisers and appraisal districts adhere to USPAP, as does the Texas Department of Licensing and Regulation (TDLR), the Texas Appraisers Licensing and Certification Board (TALCB), the International Association of Assessing Officers (IAAO), and the Texas Association of Assessing Officers (TAAO).

In fact, the Texas Property Tax Code specifically identifies the Texas Department of Licensing and Regulation (TDLR) as the agency responsible for certifying property tax professionals in Texas and for providing training curricula and materials for appraisers and assessor-collectors.

With regard to appraisals and the appraisal districts, part of the Texas Property Tax Code, Chapter 23, Sec 23.01(b), states that “the market value of property shall be determined by the application of generally accepted appraisal methods and techniques” and that “if the appraisal district determines the appraised value of a property using mass appraisal standards, the mass appraisal standards must comply with the Uniform Standards of Professional Appraisal Practice.”

The Texas Constitution Article 8 contains very specific language that “taxation shall be equal and uniform” as is also required in USPAP and the Property Tax Code.

The point here is that the Law relies on, and requires USPAP, and USPAP relies on the law. They are co-dependent; they are NOT INDEPENDENT. Violation of USPAP is a violation of law. Under no circumstance, does an appraiser licensed in the State of Texas, nor does any Appraisal District in Texas, have the option to NOT comply with USPAP and generally accepted appraisal practices.

The direct evidence that we are about to review can also be found on mockingbirdproperties.com/dcad.

Many violations of USPAP by the Denton Central Appraisal District have been identified, all of which are violations of law, all are at the hands of DCAD, it's employees, Board of Directors, and their enablers.

Let's briefly discuss some of the violations in Mass Appraisal USPAP Standards here. **(show Graphic 2 to viewer)**

They violated the Records Keeping Rule. From the deposition of Chuck Saling, it is clear DCAD has a pattern and practice of destroying records and spreadsheets from their analysis. From well documented personal experience, DCAD has destroyed subpoenaed evidence. DCAD has also destroyed recordings of ARB hearings.

By not keeping proper records, you can easily see how this is a Violation of the Ethics Rule.

By falsifying income and expenses of income property and by not using legitimate comparisons on income property and residential property, DCAD and its employees have violated Rule 5-1 by not correctly employing recognized techniques to produce a credible mass appraisal.

From this same falsifying of income and expense on income property, and by not using legitimate comparisons on either income property or residential property, flows a list of intertwined Violations, for example:

Committing substantial errors of omission and commission

Rendering mass appraisals in a careless and negligent manner

Failing to consider location & economic characteristics

Failing to determine the scope of work to produce credible results

Failing to develop math models that lead to reasonable certainty

Failing to employ recognized techniques for calibrating the mass appraisal models used. We will re-visit this failure with regard to additional fraud of the sub-categories, shortly.

Failing to reconcile the quality and quantity of data available

Failing to use appraisal testing procedures and techniques to ensure that standards of accuracy are maintained for mass appraisal

Graphic 2

Violations of USPAP Mass Appraisal Standards (USPAP Standards 5 & 6)

1. **Violated** **Records Keeping** Rule when conducting mass appraisal.
2. **Violated** **Ethics** Rule **by violating Records Keeping Rule.**
3. **Violated** Rule 5-1(a) by **not correctly employing recognized techniques to produce a credible mass appraisal.**
4. **Violated** Rule 5-1(b) by **committing substantial errors of omission and commission** that significantly affected mass appraisal conducted by DCAD.
5. **Violated** Rule 5-1(c) by **rendering mass appraisal in careless or negligent manner.**
6. **Violated** Rule 5-2 (e)(iii) by **failing to consider location & economic characteristics** when conducting mass appraisal.
7. **Violated** Rule 5-2 (k) by **failing to determine scope of work to produce credible assignment results** (values).
8. **Violated** Rule 5-4(b) by **failing to develop mathematical models that w/ reasonable certainty**, represent relationship between property value and supply and demand factors as represented by quantitative & qualitative approaches to value for mass appraisal.
9. **Violated** Rule 5-4(b) by **failing to employ recognized techniques for specifying property valuation models used.**
10. **Violated** Rule 5-4(c) by **failing to employ recognized techniques for calibrating the mass appraisal models used.**
11. **Violated** Rule 5-7(a) by **failing to reconcile the quality and quantity of data available** and analyze within the approaches used and the applicability and relevance of the approaches, methods & techniques used in mass appraisal.
12. **Violated** Rule 5-7(b) by **failing to use or implement appraisal testing procedures and techniques** to ensure that standards of accuracy are maintained for mass appraisal.
13. **Violated** Rule 6 by **reporting the results of DCAD mass appraisal in a manner that is misleading.**

Section 3 - Violations of USPAP, Standards 1 & 2

Next let us review violations of USPAP Standard Rules 1 & 2, which are rules for real property appraisal development and reporting.

(show Graphic 3 to viewer)

DCAD and their appraisers... Fail to employ USPAP methods to produce credible appraisals, commit substantial errors that significantly affect appraisals, fail to identify characteristics of property that are relevant, fail to use relevant information that is physically in their possession as it has been provided year after year, ignore comparable properties, fail to test proposed values against like kind properties, lie to the ARB panel by presenting comparables that are not mathematically quantified as comparables, lie to and mislead the real estate taxpayer and ARB panel about comparables that are not in fact comparables.

The net result of this behavior, of these violations, is intentional fraud by falsifying records, and thus falsifying the property values... falsifying values on the initial Notices of Appraisal, in protest hearings, and on certified rolls provided to the public, taxing entities, and State Comptroller.

What would you do, if one day you received an Appraisal Notice with value of \$1,200,000 when the prior year was \$400,000? This may be an extreme example, but it has happened. Your taxes would go from roughly \$8,000 to \$24,000 on that 300% value increase. Now, file your protest, file your appeal or lawsuit, pay the taxes, and then after many delays, DCAD will negotiate a settlement outside the prevue of the public and the courts, using taxpayer funds. They falsify a value, extort funds, then settle, all of which is illegal under multiple State and Federal laws. Just in case you think this can't happen, it did to my property in Flower Mound and the evidence is on the mockingbirdproperties.com/dcad website. The falsification of values, occurred year after year, causing multiple lawsuits.

You see, DCAD is literally making up the initial property values out of thin air, from which there is no possible justification in law or appraisal standards. When challenged by a taxpayer filing a protest, they attempt to justify...lie...cover-up their fraudulent value, their fraudulent appraisal. DCAD presents comparisons that are in fact not comparisons, and the taxpayers can't respond on the spot fast enough because they don't understand, or cannot believe, what just happened. As for the ARB panel, it is often just an illusion of an "Independent" body, as the ARB is controlled by DCAD. It is abundantly clear that both criminal and civil prosecution is warranted for DCAD and those employees who have violated their licensing requirements.

Graphic 3

Violations of USPAP, Standard Rules 1 & 2 (Real Property Appraisal: Development & Reporting)

1. **Standards Rule 1-1, General Development Requirements, violated:**
 - Fail to employ methods or techniques to produce credible appraisals
 - Committed substantial errors that significantly affect appraisals
 - Rendered appraisal in a negligent manner, affecting results of values across Denton County
2. **Standards Rule 1-2, Problem Identification, subsections e & h, violated:**
 - Did not identify characteristics of property that are relevant to type & definition of value
 - Failed to use reliable information when available (even when in physical possession of it)
 - Did not determine scope of work to produce credible assignment results
3. **Standards Rule 1-4, Approaches to Value, violated:**
 - Have not analyzed or utilized actual data provided year after year to produce a credible assignment result (appraisal) on the Income Approach for commercial property valuations
 - Have not consistently used comparable properties for sales comparison approach or the equity (equal & uniform) approach
4. **Standards Rule 1-6, Reconciliation, Subsection a violated:**
 - Have not used all the “quality” data (all the actual data) in analysis or valuation approaches
 - Have not reviewed or tested proposed values & data to verify accuracy for values on Notices of Appraisal
5. **Standards Rule 2-1, General Reporting Requirements, Subsections a & c violated:**
 - Failed by misleading taxpayers on Notices of Appraisal (evidenced by volume of protests & appeals)
 - Claimed extraordinary assumptions for most, or all, taxpayers, by issuing high values on Notices of Appraisal without proper comparable (uniform & equal) evidence, or proper support of increased value due to higher/enhanced “economic characteristics.” (SPECIFIC VIOLATION, sec 23.01(e) of Property Tax Code)
6. **Standards Rule 2-2, Content of Real Property Appraisal Report, violated:**
 - Violated content rule by misleading taxpayers with the value issued on the Notice of Appraisal.
7. **Standards Rule 2-3, Certification, violated:**
 - Provided values based on inaccurate analysis, manipulation & bias; completed appraisals contingent on predetermined results
 - Failed to conform with USPAP throughout appraisal process, resulting in the issuance of inflated values on Appraisal Notices
8. **Standards Rule 2-4, Oral Appraisal Report, violated:**
 - DCAD is in violation of USPAP rules with Notice of Appraisal issued and reports provided in protest hearing, making their verbal testimony of value with the taxpayer, the ARB panel members, or any other informal communication also a violation.

Section 4 – Texas Property Tax Code Sec 23.012 (show Graphic 4 to viewer)

DCAD has Violated the Texas Property Tax Code, Chapter 23, Appraisal Methods & Procedures, Sec 23.012 for the Income Method of Appraisal. Let's do a quick review of this method & the data that should be utilized in valuing a shopping center.

This section of property tax code states that DCAD (appraiser) **shall use comparable income & expense data and the property's own historical data** in valuing commercial property under the income approach, after identifying the trends and averages of the property and its comparables. A comparison of like kind income producing properties should include age, location, income by line item, expenses by line item, extraordinary situations, functional obsolescence, demographic profile, etc. etc. By examining these inputs, one can run a standard deviation and or linear regression looking for outliers. Removing the outliers from the list of potential comparables helps to further define what is a legitimate comparable.

In light of how data is supposed to be evaluated and utilized, DCAD does not just get to pull an expense figure out of thin air.

In 2022, DCAD used an annual operating expense number of \$24,910 (or \$2/sf) in preparing an Income Calculation Worksheet, a tool used to do an income approach appraisal for Mavex Shops of Flower Mound (MSFM). MSFM's prior year operating expenses were \$71,821 (\$5.76/sf), nearly three times higher than the figure DCAD employed. **By inserting a lower expense figure, DCAD increases the net income. With net income increasing, they can increase the appraisal value.**

Now let's dig deeper and review the following:

DCAD has in their possession the Operating Statements for the MSFM property going back over 10 years. And in fact, they collect this information annually from commercial properties in the protest process. Meaning, they have other comparable properties' data as well. So, they have the historical expenses and trends that could (and should) be utilized, but they did not.

Why then, if this information has been collected, is it not used in appraisal process, or on the worksheet tool?

Because... the actual data does not support their narrative for their predetermined value, a fraudulently inflated value.

The Appraisal District's expense figure utilized was low-balled for the specific purpose of affecting the calculation of Net Operating Income (NOI) that is then used to derive an appraisal value. Again, lowering expenses, increases net income and increasing income, increases appraisal valuation. The figure they used was not comparable or appropriate and did not represent the trend or average of other similar properties or subject property (MSFM).

They manipulated the Income Calculation Worksheet (income approach) valuation. In the next section we will look at our Exhibit L.

Graphic 4

Chapter 23, Appraisal Methods & Procedures, Sec 23.012 for Income Method of Appraisal

Summary of rules for using the income method of appraisal, the chief appraiser shall:

- Analyze comparable **rental data available** or potential earning capacity, or both
- Analyze comparable **operating expense data available**
- Analyze comparable **data available to estimate capitalization rates**
- **Base projections** of rent or income potential & expenses **on reasonably clear & appropriate evidence**
- **In developing income & expense statements** and cash flow statements, shall consider
 - **historical information**
 - current supply & demand factors affecting trends
 - anticipated events, such as competitors and similar new construction

**DCAD violated this section of the law when they inserted
improper data on the Income Calculation Worksheet,
a report format they use to perform an income approach appraisal.**

Section 5 – Exhibit L or Tab L as presented in Protest Hearing (show Graphic 5 to viewer)

We often refer to this Exhibit as Exhibit L or Schedule L. It was presented on TAB L in Mavex Shops of Flower Mound's 2022 Protest Hearing Presentation Booklet.

As mentioned before, DCAD presented an Income Calculation Worksheet for the 2022 hearing, placing value on Mavex Shops of Flower Mound at approx. 2.8 mil, or \$2,724,929. The 2022 Notice of Appraisal was also issued at this exact value. Surprisingly, this was the first time DCAD presented an Income Calculation Worksheet that matched the Notice of Appraisal. Usually, the Income Calculation Worksheet presented at the hearing has a higher value than the value put on the Notice. Again, always questions with DCAD's values.

Anyhow, we re-created their worksheet to do a comparison to other worksheets where actual data was inserted and more appropriate cap rates were applied. On this Exhibit, each time you move 1 column to left, away from DCAD's original worksheet, we replace their figures with actual figures, figures that correct DCAD's computation. The effect on the property valuation by inserting actual data is HUGE.

Here, the far-right column **(arrow points to column)** represents the data & figures that DCAD inserted to their Income Calculation Worksheet for the 2.8 mil valuation **(arrow points to 2,734,929)**.

The first adjustment to review is with the property operating expenses. In the column just to the left of DCAD's original worksheet we replaced and corrected the property operating expenses with actual figures **(arrow points to 71,821, then to 62,586 & 11,010)** We left the property tax expense figure alone for now. This update lowers NOI (net operating income) from \$198,417 to \$77,910. **(arrow points to 198,417)** This is a \$120,000 reduction to NOI and this lowers the property value calculation by approx. \$1.7 mil, bringing the \$2,734,929 valuation down to \$1,003,404. **(arrow points to 1,003,404)**

The next column to the left, or next adjustment, corrects the property tax expense for tax on a \$1.2 mil value. **(arrow points to 23,359 & 1.2 mil)**. With this correction, NOI is calculated at \$109,728. **(arrow points to 109,728)** A more appropriate cap rate is then applied, and the valuation proofs itself up, as the \$1,181,319, or approx. \$1.2 mil **(arrow points to 1,181,319)**, is the same value used to calculate property tax expense.

Finally, the first column on left, the furthest from the original DCAD worksheet column, uses actual income, actual expenses, and actual capital repairs. **(arrow points to 19,466 & 1 mil)** It assumes property will pay taxes on a value of \$1 mil and applies the most

appropriate cap rate, a 10 cap. Note, this is a cap rate we found in our “DCAD Cap Rate Survey.” And again, with these adjustments, these corrections, using actual data, this valuation work-up also proofed itself, **(arrow points to 978,279)** as the indicated value of \$978,279, or approx. \$1 mil, resulted, and the tax expense deducted was based on a \$1 mil value. Note, this is the most appropriate column calculation, as a cap rate of 10 is more appropriate based on this property’s operating performance history.

Now to be crystal clear on what this has demonstrated. DCAD has fraudulently, and intentionally, with zero legitimate comparisons, and with years of historical income and expense information in its possession, created a fake income and expense statement. DCAD reduced the operating expenses from \$71,821 (\$5.76/sq.ft.) to \$24,910 (\$2/sq.ft.) to manipulate the worksheet results. There is zero mathematical, legal or appraisal standards that allow the arbitrary and capricious creation of the initial notice of value and create a fake income statement.

(point arrow in between 1,003,404 and 2,724,929)

In fact, if I walked into a bank, and presented that bank, with the exact same fake income/expense statement created by DCAD and then drew down on a loan for an extra \$1.7 million based on that fraudulent valuation, I would be put in jail, and justifiably so.

Graphic 5

Mavex Shops of Flower Mound 2022 ICW Indicated Value	Prior Year Inc & Exps as seen on 2016 ICW with cap rate per our DCAD Cap Rate Survey	Prior Year Actual Expenses with 1.2 mil value & cap rate as seen on 2016 ICW	Simply Inserted Prior Year Actual Expenses (excluding prop tax)	DCAD Estimates Current Year Income w/ Under-Estimated Expenses, Inappropriate Cap Rate, Ignores Actual Data			
	12 months ended 12/31/2021	DCAD ICW 2022 Adjustd	DCAD ICW 2022 Adjustd	DCAD ICW 2022			
		224,208 (22,421)	224,208 (22,421)	224,208 (22,421)	Gross Potential Rent less: 10% Vacancy		
RENT (Rents Collected)	176,880	201,787	201,787	201,787	Net Rent		
Reimbursed Expenses (as collected)							
RENTAL - FIRE SPRINKLER	987						
PASS THRU - PROP TAX	33,733						
PASS THRU - PY PROP TAX	1,646						
PASS THRU - INSURANCE	5,321						
PASS THRU - PY INSURANCE	3,594	80,958	80,958	80,958	plus: Reimbursed exps (NNN)		
PASS THRU - MAINT & MGMT	41,614				CAM items		
PASS THRU - PY MAINT & MGMT	(1,024)				Insurance		
PASS THRU - WATER	4,020				Prop Tax		
PASS THRU - SEWER	3,310						
OTHER INCOME	2,002						
Reimbursed Expenses	95,203	80,958	80,958	80,958	Total Reimbursed Expenses		
Total Income	272,083	2021 Actual 282,745	282,745	282,745	Effective Gross Income		
Property Operating Expenses					<div>NOTE</div> <div>Even after separating out the additional costs to property for tax suits, DCAD is extremely under-estimating expenses.</div> <div>NOTE24,910vs71,82135%100%71,82173,59624,910vs145,41717%100%</div>		
ELECTRIC	3,172						
INSURANCE	12,455						
LANDSCAPE MAINTENANCE	8,079						
LEGAL & ACCOUNTING	827						
MANAGEMENT FEES	15,000						
MISCELLANEOUS EXPENSE	258						
NON-PASS THRU REPAIRS & MAINT	7,188	71,821	71,821	24,910			
REPAIRS & MAINTENANCE	6,125						
SECURITY	1,936						
TELEPHONE	440						
TRASH	4,773						
VACANCY: SHOW & MAINTAIN	1,608						
WATER, IRRIGATION	2,604						
WATER & SEWER, TENANT/BLDG	7,356						
Operating Expenses	71,821	2021 Actual 71,821	2021 Actual 71,821	2021 Actual 71,821	24,910	Operating Expenses	
Other Property Expenses							
PROPERTY TAX LEGAL	Note 62,586	2021 Actual 62,586	2021 Actual 62,586	2021 Actual 62,586	0		
PROFESSIONAL FEES	Note 11,010	2021 Actual 11,010	2021 Actual 11,010	2021 Actual 11,010	0		
TAXES - PROPERTY (2021 rate)	19,466	1 mil 23,359	1.2 mil 55,177	2.8 mil 55,177	55,177	2.8 mil	
NON-PASS THRU CAPITAL REPAIRS	8,785	2021 Actual 4,241	4,241	4,241	4,241		
Other Property Exp	101,847	101,196	133,014	59,418			
Net Operating Income (before DS)	98,416	109,728	77,910	198,417	Net Operating Income		
Cap Rate	10.00%	8.50%	7.00%	7.00%			
Valuation before Lease-up Costs	984,159	1,290,919	1,113,004	2,834,529	Valuation before Lease-up Costs		
LEASE ACQUISITION COSTS	5,880	2021 Actual 109,600	109,600	109,600	less: Lease-up Costs		
Indicated Value	978,279	1,181,319	1,003,404	2,724,929	Indicated Value		
Indicated Value, per sq ft	78.55	94.85	80.56	218.78			
	These 2 columns are more appropriate because the tax expense on the assessed value proofs to the valuation itself			Demonstrates effect of manipulated or non-actual data used on worksheet before addressing proper cap rate.		DCAD's value is aggressively inflated by... 1. using current year estimated rents 2. severely under-estimating expenses 3. 1 & 2 lead to higher NOI to apply cap rate 4. cap rate is not appropriate for property with history of low occ until 1/1/22, with low or no cash flow, with rent/sf trending downward, etc.	
	1 mil tax value = 1 mil 10-cap valuation			Insert correct data and worksheet will lead to more appropriate valuation.			
	1.2 mil tax value = 1.2 mil 8.5 cap valuation						
Note:	Additional costs to property for tax suits are separated out from above for analysis & demonstration purposes.						

Section 6 – Texas Property Tax Code, Section 23.01(e) (show Graphic 6 to viewer)

Let's review another example of a violation of the property tax code. Under Chapter 23 Section 23.01(e), section for Appraisal Methods and Procedures, it states:

....“if property value was reduced by Subtitle F (protest, appeal, etc.), then “in the next tax year in which the property is appraised, the chief appraiser may not increase the appraisal value of the property unless the increase by the chief appraiser is reasonably supported by clear and convincing evidence when all of the reliable and probative evidence in the record is considered as a whole.”

As you can see in the graphic, DCAD has violated this **law** year after year with the Mavex Shops of Flower Mound property.

It does not matter whether you are a home-owner taxpayer or income property taxpayer, when the initial notices of property values are fraudulent, the law has clearly been broken, and the ramifications of that are extremely serious. If the property value on your home goes up 300% in one year, can you afford to pay the taxes? If the income property has less income, say due to covid, and its property value goes up by 300%, where is that money going to come from to pay the taxes? Again, the ramifications of fraud run deep.

Graphic 6

Violation of Texas Property Tax Code, Chapter 23, Appraisal Methods & Procedures, Sec 23.01(e)

... if property value was reduced by Subtitle F (protest, appeal, etc.), then “in the next tax year in which the property is appraised, the chief appraiser may not increase the appraisal value of the property unless the increase by the chief appraiser is reasonably supported by clear and convincing evidence when all of the reliable and probative evidence in the record is considered as a whole.”

DCAD has **violated** this rule, this law, multiple times (almost annually) with MSFM, and with many others. Here are MSFM values by tax year & document date starting in year 2015. There are more records & examples prior to 2015... but let's start at 2015...

2015 value raised	notice of appraisal	4/30/15	2,587,200	
2015 value reduced	protest reduction	6/26/15	1,066,000	
2016 value raised	notice of appraisal	4/29/16	3,053,871	(286% increase)
2016 value reduced	protest reduction	6/30/16	1,000,000	
2017 value raised	notice of appraisal	5/1/17	3,181,873	(318% increase)
2017 value reduced	protest reduction	6/15/17	2,350,000	
2017 appeal filed		7/17/17		
2018 value raised	notice of appraisal	4/18/18	3,827,809	(163% increase)
2018 value reduced	protest reduction	6/7/18	2,522,000	
2017 value reduced	appeal tax suit reduction	6/12/18	1,350,000	
2018 value reduced	appeal tax suit reduction	6/12/18	1,350,000	
2019 value raised	notice of appraisal	4/17/19	3,894,467	(288% increase)
2019 value reduced	protest reduction	6/5/19	2,350,000	
2019 appeal filed		6/14/19		
2020 value raised	corrected notice of appraisal	6/5/20	3,880,472	(165% increase)
2020 value reduced	protest (top-line) reduction	2/12/21	2,100,000	
2020 appeal filed		4/12/21		
*2021 value “held”	notice of appraisal	5/14/21	2,100,000	
2021 value reduced	protest reduction	7/20/21	1,600,000	
2019 value reduced	appeal tax suit reduction	8/4/21	925,000	
2021 appeal filed		9/7/21		
2022 value raised	notice of appraisal	4/18/22	2,724,929	(295% increase)

* 1st record of notice value not going up; many in sample of 140 also had value held; 2020 protest process was affected by covid-19.

Section 7- Analysis on Sample of 140 (show Graphic 7 to viewer)

Analysis was performed on a sample of 140 commercial shopping center properties to review values before and after protest, and as compared to the prior year. The sample group represented 6 class codes of shopping centers in Denton County in 2020. These 6 class codes were selected because they included comparable shopping center properties to the Mavex Shops of Flower Mound property.

Let's look at just a few of the main points of this analysis, that was done over several years, with the most recent update completed in November 2022.

In 2020, the initial Appraisal Values were increased by 77.05% **(arrow)** above the prior year. 93% **(arrow)** of the group had their values reduced after protesting, appealing, etc.

In 2022, the initial Appraisal Notice Values were **(arrow)** 80.86% higher than the prior year. Then, much like before, 92% **(arrow)** of this group ended up with their values being reduced.

With a large percentage of this 140 protesting in each of the 3 years reviewed, there are many many examples within this group that have also experienced a violation of the Texas Property Tax Code, 23.01(e). Under this section of the law, it states that the chief appraiser must have "clear and convincing" evidence to increase value of a property for the current year if the prior had been reduced by the protest and or appeal process.

This analysis demonstrates that this violation in law is occurring throughout Denton County; the incident is not isolated to Mavex Shops of Flower Mound.

Back to reviewing the analysis, the comparison of values before and after protest also identified that not only were there a large number of values reduced, but that reductions were a large percentage value below the initial value; average reduction in value was around 32% for 2020 & 2022. **(arrow on -32.75 and then move arrow to -31.54)**

There is no appraisal law or method in which can create such gyrations of annual increases, followed by subsequent substantial decreases, but for falsifying the Initial Property Values. To be clear, in the past 6 years, Mavex Shops of Flower Mound has had initial Appraisal Notices issued with their value increasing between 160% to 320% from the prior year. Under either scenario, in mass or individually, this is a violation of law. The taxpayers should ask, show me the legitimate math and appraisal law, along with the legitimate comparisons that allows for a mass increase of 77.05%, or an individual increase of 300%. There is no such thing, and this is the proof that DCAD is corrupt and in fact extorting the taxpayers by using the process as a negotiating tool (i.e. racketeering). Look at all the money, time, and effort, spent by taxpayers fighting fraudulent initial property values, which are completely irrefutably, made up. Look at all the taxpayer money being wasted by DCAD because they create fraudulent values, and then, pay attorneys to help negotiate away over 500 lawsuits per year.

Graphic 7

Analysis of 140 Commercial Shopping Properties demonstrated the following:									
77.05%		2020 Appraisal Notice Values were 77.05% higher than prior year 2019 value.							
-32.75%		2020 Appraisal Notice Values were reduced by 32.75%.							
		Protesting shopping centers in sample received, on avg, a 33% reduction in value.							
8.74%		2020 Current Values, after protests, are just 8.74% higher than prior year 2019.							
93.57%		131 of 140, or 93.57% of group had their values reduced; 93.57% protested.							
13.86%		2021 Appraisal Notice Values were 13.86% higher than prior year 2020 value.							
-11.50%		2021 Appraisal Notice Values for the group averaged an 11.5% reduction.							
-2.59%		2021 Current Values, after protests, were 2.59% below prior year 2020.							
62.59%		87 of 139, or 62.59%, of group had values reduced; 62.59% protested.							
		Remaining 52 of 139 did not protest, as notice value was kept the same as prior year.							
80.86%		2022 Appraisal Notice Values were 80.86% higher than prior year 2021 value.							
-31.54%		2022 Appraisal Notice Values for the group averaged an 31.54% reduction.							
17.78%		2022 Current Values, after protests, are only 17.78% higher than prior year 2021.							
92.09%		128 of 139, or 92.09% of group had values reduced; 92.09% protested.							
Look at all the money, time, and effort, spent by taxpayers fighting fraudulent initial property values, which are completely irrefutably, made up !									

Section 8 - Texas Property Tax Code, Section 23.01(b), Section 23.01(f) & Section 23.013 (show & read Graphic 8 to viewer)

DCAD violated Texas Property Tax Code, Chapter 23, Appraisal Methods & Procedures, Sec 23.01(b)

In the 2nd clause of Chapter 23 there are 4 procedural directives...

- market value of property shall be determined by application of generally accepted appraisal methods & techniques **(USPAP Professional Standards and Standards 1 & 2)**
- if appraisal district determines appraised value of property using mass appraisal standards, the mass appraisal standards must comply with USPAP **(USPAP Professional Standards, Standards 1 & 2, & Standards 5 & 6)**
- same or similar appraisal methods & techniques shall be used in appraising the same or similar kinds of property **(USPAP)**
- **however, each property shall be appraised based on the individual characteristics that affect the property's market value, and all available evidence that is specific to the value of property shall be taken into account in determining the property's market value (USPAP)**

For Mavex Shops of Flower Mound, **DCAD has also violated this basic and general rule** (along with others), as they ignored actual property performance data (income, expenses, lease occupancy, location, etc.) that was provided year after year when applying it to the Income Calculation Worksheets. **This was very clearly evident on the 2022 Income Calculation Worksheet DCAD prepared.**

DCAD violated Texas Property Tax Code, Chapter 23, Appraisal Methods & Procedures, Sec 23.01(f) & Sec 23.013

DCAD violates Sec 23.01(f) and Sec 23.013(a) **by NOT using true comparable properties in analysis to render value** based on how a property compares with local like-kind properties' equitable value (uniform and equal) or how it compares with like-kind properties' sales value.

Mavex Shops of Flower Mound can demonstrate that improper comp analysis was reflected on Notice of Appraisals issued. Please refer to these reports provided on website.

- Standard Deviation Analysis of Mavex Shops of Flower Mound with its Comparables
- History of MSFM and Comps from 2011 to 2022, Tab A 2022 Hearing Booklet (see note)

(note) This 2022 update includes analysis demonstrating that from 2011-2019 these 11 are the comps, as Mavex Shops of Flower Mound's value/sf on average was within 7% of the groups median value/sf. After the protest/appeal process is complete, Mavex Shops of Flower Mound is valued within range of its comps.

- Justin Road Area Comparables, 2016-2022, (Tab C 2022 Hearing Booklet)
- MSFM value comparison for 2019, 2020 & 2021 on 4 separate dates for each tax year

Section 9 – Texas Property Code, Chapter 42, Section 42.26

Under the Texas Property Code, Chapter 42, Sec 42.26, DCAD violated the law, by issuing values that are not within 10% of the median value of a group of comparable properties. **(show Graphic 9-1 to viewer, text of law)**

In Section 42.26 it states...

(a) The district court shall grant relief on the ground that a property is appraised unequally if:

(1) the appraisal ratio of the property exceeds by at least 10 percent the median level of appraisal of a reasonable and representative sample of other properties in the appraisal district;

(2) the appraisal ratio of the property exceeds by at least 10 percent the median level of appraisal of a sample of properties in the appraisal district consisting of a reasonable number of other properties similarly situated to, or of the same general kind or character as, the property subject to the appeal; or

(3) the appraised value of the property exceeds the median appraised value of a reasonable number of comparable properties appropriately adjusted.

It goes on to state:

If a property owner is entitled to relief under Subsection (a)(1), the court shall order the property's appraised value changed to the value as calculated on the basis of the median level of appraisal according to Subsection (a)(1)

What is so interesting about Uniform and Equal is that it is also the law under the Texas Constitution, Article 8, and as such the Judge must enforce it. This begs the question, why would DCAD fraudulently create the initial notice of value, when DCAD has the evidence of value in their files, and knowing full well that a Judge must enforce the law under the Texas Constitution? The answer is extortion!

Let's look at Bias and or Extortion **(show Graphic 9-2 to viewer)**

If the shoe was on the other foot, how could the actions of DCAD and its employees not be bias? Assuming Mr. Posey an appraiser working for DCAD lives in a \$400,000 home, he would certainly not appraise his home for \$1.2 million, now, would he?

Appraisers are entitled to their opinion based on the confines of law and USPAP, but what they are not entitled to do is invent their own data or manipulate the data. Data is what it is. No appraiser in law has the right to make up data, pick and choose what they want and then apply it to meet their intended outcome. This is illegal and is in fact the definition of extortion. "Pay me or I will take the property," and thus, a taking. "Pay me or sue to prove me wrong." "It is a NNN property, make the Tenants pay." Under any of these premises, DCAD and its employees have broken the law.

Linear Regression, Standard Deviation, Direct Comparisons, Comparison Grids, the entire appraisal process, the requirements under TDLR, TAAO, TALCB, Texas Property Code, Texas Constitution, USPAP, all of this, would have no meaning if DCAD and its employees have the right to make up data.

There is not one single paragraph in law, USPAP, Mass Appraisal Standards, TAAO or anywhere, that allows an appraiser to make up data. Just the opposite.

The tenacles of fraud (from DCAD its employees and DCAD's co-conspirators) and the ramifications from falsifying the initial property values run deep and all because DCAD has intentionally invalidated and made meaningless USPAP, Texas Constitution, Texas Property Code, IAAO, TAAO, TALCB. They are even making a mockery of the Texas Comptroller who is responsible for performing Ratio Studies on Appraisal Districts. The State Comptroller's Ratio Studies are flawed, given that the data created by DCAD is dirty, which means their published Ratio Studies are proof of the statement in data science "garbage in and garbage out". **All these violations in, of and by multiple governing bodies cannot exist, but for the intent to defraud.**

Graphics 9-1 & 9-2

Violation of Texas Property Code Chapter 42, Sec 42.26, Remedy for Unequal Appraisal

DCAD violated Sec 42.26 **by issuing value(s), and or not reducing value(s) in protest hearing, to a taxable value within 10% of the median value/sf of a group of comparable properties.**

Here is some of the text from Section 42.26:

(a) The district court shall grant relief on the ground that a property is appraised unequally if:

- (1) the appraisal ratio of the property exceeds by at least 10 percent the median level of appraisal of a reasonable and representative sample of other properties in the appraisal district;
- (2) the appraisal ratio of the property exceeds by at least 10 percent the median level of appraisal of a sample of properties in the appraisal district consisting of a reasonable number of other properties similarly situated to, or of the same general kind or character as, the property subject to the appeal; or
- (3) the appraised value of the property exceeds the median appraised value of a reasonable number of comparable properties appropriately adjusted.

(b) If a property owner is entitled to relief under Subsection (a)(1), the court shall order the property's appraised value changed to the value as calculated on the basis of the median level of appraisal according to Subsection (a)(1). If a property owner is entitled to relief under Subsection (a)(2), the court shall order the property's appraised value changed to the value calculated on the basis of the median level of appraisal according to Subsection (a)(2). If a property owner is entitled to relief under Subsection (a)(3), the court shall order the property's appraised value changed to the value calculated on the basis of the median appraised value according to Subsection (a)(3). If a property owner is entitled to relief under more than one subdivision of Subsection (a), the court shall order the property's appraised value changed to the value that results in the lowest appraised value. The court shall determine each applicable median level of appraisal or median appraised value according to law and is not required to adopt the median level of appraisal or median appraised value proposed by a party to the appeal. The court may not limit or deny relief to the property owner entitled to relief under a subdivision of Subsection (a) because the appraised value determined according to another subdivision of Subsection (a) results in a higher appraised value.

If the shoe was on the other foot, how could the actions of DCAD and its employees not be bias?

Assuming Mr. Posey an appraiser working for DCAD lives in a \$400,000 home, he would certainly not appraise his home for \$1.2 million, now would he?

***BIAS AND
OR
EXTORTION***

**All these violations in, of,
and by multiple governing**

bodies cannot exist, but for, the intent to defraud.

Appraisers are entitled to their opinion based on the confines of law and USPAP, but what they are not entitled to do is invent their own data or manipulate the data. Data is what it is. No appraiser in law has the right to make up data, pick and choose what they want and then apply it to meet their intended outcome. This is illegal and is in fact the definition of extortion. "Pay me or I will take the property," and thus, a taking. "Pay me, or sue, to prove me wrong." "It is a NNN property, make the Tenants pay." Under any of these premises, DCAD and its employees have broken the law.

Linear Regression, Standard Deviation, Direct Comparisons, Comparison Grids, the entire appraisal process, the requirements under TDLR, TAAO, TALCB, Texas Property Code, Texas Constitution, USPAP, all of this, would have no meaning if DCAD and its employees have the right to make up data.

There is not one single paragraph in law, USPAP, Mass Appraisal Standards, TAAO or anywhere, that allows an appraiser to make up data. Just the opposite.

Section 10 – Violation of USPAP Professional Practice Rules (show Graphic 10 to viewer)

Violations of USPAP Professional Appraisal Practice Rules were made by Individual Appraisers and by DCAD itself.

Not only is DCAD liable for the violations of USPAP and Law but so are the individuals who have perpetrated the violations and thus the fraud.

The individuals / employees violated the Record Keeping Rule.

They did not perform their assignments with impartiality, objectivity, and independence.

They did not act in good faith, by not employing proper research, methods & techniques, that resulted in falsifying the value on the Notices of Appraisal.

It is a violation of Ethics not to promote and preserve the public trust, and therefore the individuals are jointly and severally liable as they have violated their licensing requirements wherein the net the result is fraud on a mass scale.

Graphic 10

Violations of USPAP's Professional Appraisal Practice Rules by Individual Appraisers & DCAD itself

<u>Records Keeping Rule:</u>	Did not retain/archive analysis and data documents utilized while working values.
<u>Ethics General Rule:</u>	Have not promoted & preserved public trust inherent in appraisal practice.
<u>Ethics Rule of Conduct:</u>	Have willfully & knowingly violating Record Keeping Rule . Have not performed assignments with impartial, objective, & independence or without accommodation of personal interests.
<u>Rule of Management:</u>	Failure to comply with appraisal rules leads to this question... Have the individual appraisers (and DCAD) received, and not disclosed, a fee, commission or thing of value awarded in connection with appraisal/assignment? Performed an assignment & issued Notices of Appraisal where the opinion of value was based on a predetermined result .
<u>Rule of Confidentiality:</u>	Have not acted in good faith with regard to the legitimate interests of the client(s) (taxpayers & tax jurisdictions) in use of confidential information and in communication of assignment results. Did not take reasonable steps to safeguard access to confidential information and assignment (appraisal) results that was in electronic form.
<u>Competency Rule:</u>	Do not possess the knowledge & experience to complete appraisal competently , or they are willfully not using proper appraisal knowledge & skills to complete appraisals. Have not recognized or complied with laws & regulations that apply to appraisal practice
<u>Scope of Work Rule:</u>	Have not demonstrated that scope of work is sufficient to produce credible result (value) Have used improper research, applied improper research & techniques, used improper analysis applied to arrive at opinion or conclusion (value)

Section 11 – TDLR, Texas Department of Licensing & Regulation (show Graphic 11 to viewer)

Next, we want to talk about the Violations under TDLR.

TDLR is a licensing & regulation agency empowered by the Texas Property Tax Code, in code section 5.04, to certify tax professionals and provide training and education to appraisers and assessor-collectors, which includes the Uniform Standards of Professional Appraisal Practice (USPAP).

DCAD and its employees have FAILED many, if not all, requirements under the Texas Department of Licensing and Regulation aka TDLR!

On the mockingbirdproperties/dcad website there are over 50 documents that back up the **Violations Summary document titled “DCAD Violations in Appraisal, Licensing & Property Tax Code. This Violations Log** provides 34 pages of direct reference to all the exhibits and to all the violations of USPAP, Texas Property Code, Texas Constitution, IAAO, TAAO, TDLR, and TALCB, all of which are a direct result of the fraudulent behavior and actions of DCAD and its employees. We have also outlined the Potential Damages Model for the last 3 years as a result of the fraud. These damages range between \$822 million and \$1 Billion dollars, dollars charged and collected above any justification in law and USPAP, and these damages do not count the damages at the municipal entities and school districts including their bond holders.

With regard to DCAD, its employees, and the Board of Directors at DCAD, we can summarize what they have done with:

- Ignored data collected
- Ignored prior year(s) protest/appeal value reductions
- Inserted improper data on Income Calculation Worksheets (on commercial property valuations)
- Failed to identify or use actual/proper comparable properties
- Issued improper Notices of Appraisal
- Created high volume of protests (over 107,000 in 2022)
- Created high volume of lawsuits
(nearly 500 lawsuits each year since 2018) (on 11/14/22, court record, showed 594 active cases)
- Created unnecessary protests & appeals, resulting in large reductions (w/ high percentage values... 30%, 50%, 70%, etc.)
(See our analysis on a sample of 140 shopping centers.)

Every one of these items is a violation of USPAP and Law. If DCAD was adhering to USPAP and not fraudulently creating the initial notice of value, none of the above would have occurred.

The end result of their actions is that the Appraisal process ends up being a sham or a scam.

Speaking of a scam, DCAD has employed subterfuge in the creation of Class Codes. Class Codes allegedly further define the elements of a property such as stone wall vs brick wall, shingle roof vs clay tile roof, excellent condition vs poor, etc. And for commercial property the codes are supposed to be used to not only describe quality and type of construction, but also to identify the purpose of building, quality of location, and the potential and or actual income.

With the 2022 appraisal year, DCAD made major changes to the class codes for shopping center properties; they went from using just 6 class codes to describe our sample of 140 shopping center properties to using 28. In this sample, we found cases where properties were re-categorized & given a new code that dropped them from class A2 to class A5, and they still had their value increase by 29% to 98% on the 2022 Appraisal Notice.

There are several problems with their coding:

1. Many of the properties we looked at, being residential or commercial, had an improper class code assignment and or a coding that was different than the same like-kind properties in the same geographic vicinity.
2. Uniformity of the coding application is non-existent.
3. Most people don't even know the class codes exist and how those codes are being used against them.
4. Who verifies the proper application of the class codes to the property and into the data base? The only conclusion is subterfuge for the purpose of stealing money...just another scam perpetrated by DCAD.

Let's go back to Texas Dept of Licensing & Regulation and discussion of scams. We now have questions about this government agency. With TDLR sited in the Property Tax Code as providing education, licensing & regulation of tax appraiser professionals, we filed a complaint with them regarding DCAD's appraisal practices. The complaint was filed in November 2022. In February 2023, we received correspondence from a Senior Investigator, and despite all the information provided when complaint was filed, his response was that he needed to inform DCAD of the complaint and get feedback from DCAD before he would know which steps to take next in the case.

He admitted to not reviewing everything we submitted, which was 4 documents, and he suggested we file complaints with State Comptroller and or the Office of Attorney General. Funny, or rather, not so funny, it was state officials who we contacted first, and they suggested that we seek local and or other remedies. This TDLR representative also went further to state, that while section 94.100 exists in TDLR's rules & regulations, that TDLR may not have actual authority to take action on the violations.

It appears TDLR will not provide any real help in this matter. They have pointed the finger elsewhere & confess to not having authority in their own regulations that are part of the Texas Administrative Code. So, what is TDLR's real purpose? Do they have one?

Graphic 11

TDLR Violations (Texas Admin. Code, Title 16 - Economic Reg., Part 4 - Texas Dept of Licensing & Reg., Chap. 94 – Property Tax Professionals)

94.70 – responsibilities of a registrant – general

- Registrants cannot violate any provision. **(FAILED)**
- Registrants must not violate property tax professional code of ethics. **(FAILED)**
- Registrants must not engage in any practices that constitute improper influence, conflict of interest, unfair treatment, discrimination, abuse of power or misuse of titles. **(FAILED)**

94.71 – responsibilities of a registrant – equal & fair treatment

- Registrants must apply equally & fairly any appraisal or assessment according to USPAP & generally accepted appraisal or assessment practices applicable. **(FAILED)**
- Registrant must not knowingly testify falsely or withhold any information, or influence someone to do so, in any investigation or proceeding. **(FAILED)**
- Registrant must not knowingly mislead any member of the public who makes reasonable inquiry or request on tax matters. **(FAILED)**
- Registrant must not predetermine the value or value range of a property or properties and then manipulate data to arrive to a predetermined conclusion (value). **(FAILED)**

94.72 – responsibilities of a registrant – conflicts of interest

- Registrant must disclose in writing to appraisal district or taxing entity any financial interest in any private business or real property subject to appraisal district or taxing entity where he/she is employed. **(FAILED)**
- Registrant must not use any agency resources for personal benefit. **(FAILED)**

94.100 – code of ethics [\(This is the section of regulations that TDLR Sr Investigator said TDLR may not have authority to enforce.\)](#)

- Registrant must be guided by principal that property taxation **should be fair and uniform, and apply all laws, rules, methods, procedures, in a uniform manner, to all taxpayers.** **(FAILED)**
- Registrant must not accept or solicit any gift, favor or service that might reasonably tend to influence registrant in the discharge of official duties. **(FAILED)**
- Registrant **must not engage in an official act that is dishonest, misleading, fraudulent, deceptive, or in violation of law.** **(FAILED)**
- Registrant must not conduct their professional duties in a manner that could reasonably be expected to create the appearance of impropriety. **(FAILED)**

Section 12 – TALCB, Texas Appraiser Licensing & Certification Board (show Graphic 12 to viewer)

Let's review the Texas Appraiser Licensing and Certification Board (AKA TALCB), the licensing division responsible for licensing Appraisers.

Per their website, the Texas Legislature established the Texas Appraiser Licensing & Certification Board (TALCB) to safeguard consumers in matters of real property appraisal services. TALCB provides education and licensing services, as well as regulation and enforcement of state and federal laws and requirements that govern real property appraisals.

Chapter 153 contains the Rules relating to Provisions of the Texas Appraiser Licensing and Certification Act.

Under section 153.8, DCAD and its employees can't get past the very first sentence which states "License holders are bound by the USPAP edition in effect at the time of the appraisal." As you can see in the graphic, they failed to adhere to this simple requirement.

Section 153.15 goes on to detail additional licensing requirements, all of which, DCAD and its employees involved in the fraud have failed. As we discussed earlier, they have failed to follow USPAP Professional Standards, Standards 1 & 2, and Standards 5 & 6 in Mass Appraisals. TALCB requires experience and adherence to USPAP.

We filed a formal complaint with TALCB, naming the Denton Central Appraisal District, the Chief Appraiser (former & present) along with other appraisal staff members. In TALCB's response, was that they did not have jurisdiction over an appraisal district or property tax professionals, and they suggested we take our complaint to TDLR. Which, as we mentioned earlier, we already have. It should be noted that a TALCB licensed appraiser prepared an appraisal on behalf of DCAD, and the report issued contained similar violations in appraisal law, that lead to the same improper valuation made by DCAD.

Further, we tried to get help with this property tax appraisal matter by contacting several state representatives and officials; they told us to seek remedy at the district level. We have been discussing these issues over many tax appraisal cycles, since 2016. I spoke directly to the Board of Directors, the public, and the press in a Denton Central Appraisal District meeting, and I presented them with a binder of information regarding the appraisal violations. None of these interactions with the Appraisal District or the Board has resulted in an acknowledgement of the appraisal problems nor a change in their appraisal practices. Next, we filed a complaint with the Texas Department of Licensing & Regulation (TDLR), and their response included a statement saying that they may not have

authority to take action. Which leads us to TALCB, the more recent complaint filed. And as we just discussed, they say they do not have jurisdiction.

So, how do we get resolution? How do we get the appraisal process corrected? How do we stop DCAD from violating the appraisal law, and the rules and guidelines that are mandated by THE LAW itself, the Texas Property Tax Code & Texas Constitution?

We have followed up with TALCB with this question, telling them about our interaction with TDLR prior to contacting them, and asked them for suggestions and guidance in this matter. With none of the regulating agencies including the Property Tax Assistance Division of the State Comptroller's office, providing assistance in holding DCAD, the Chief Appraiser, and their appraisal staff accountable to appraisal standards (USPAP) and legal standards, it does appear that the only course of action remaining is by filing suit at both the state and or federal levels.

Falsifying income/expense statements, falsifying government reports, creating comparisons that are not comparisons for a purpose of creating higher values, are criminal actions. Given what the evidence has shown, if TALCB or TDLR or the State Comptroller were legitimate enforcement organizations, then step 1 would be to pull and bar licenses of those that have violated their licensing requirement as well as the law. Step 2 would be to put proper additional education in place that includes linear regression, standard deviation, how not to commit fraud, and how to adhere to USPAP. Step 3 would be to create a series of education hurdles to ensure that a person working on residential houses is not allowed to value income properties or industrial properties until such time as they have at least verification of 2 or more years of experience in that particular area under the supervision of a proven professional.

If TALCB, TDLR and the State Comptroller fail to pull the licenses of those defrauding the taxpayers, that would clearly show lack of credibility on their part, and therefore their very existence should be called into question. Are each of them just another entity that provides lack of training, churning out compromised individuals for the sole purpose of having their hand out for fees? We have deposition testimony from Chuck Saling stating that an RPA with as little as 50 hours of training can determine property value. This statement is astonishing and explains exactly how creating fraudulent initial property values occur at the demand of the administration of DCAD. If you want a job that pays and provides early retirement, do as you are told! "We need higher valuations".

What we have uncovered is fraud on a mass scale, and what appears to be a cover-up by multiple governmental entities, which in the last 3 years has cost taxpayers between \$822 million and \$1 Billion dollars conservatively. There is plenty of blame to go around and

from what I have seen, TALCB, TDLR and the State Comptroller need to take a good look in the mirror and take action. If not, getting a license from TALCB or TDLR is nothing more than paying for an expensive box of Cracker Jacks, and getting a prize. One hopes that one of these regulating agencies, TALCB, TDLR or the State Comptroller, will be honorable and stand up for this situation, but if those administering education, and in the case of the Comptroller overseeing DCAD, don't understand USPAP, the Texas Property Code, and the Texas Constitution, and just pay lip service to USPAP, then they may also be an enabler or co-conspirator. Time will tell.

Graphic 12

TALCB & TALCB Violations

Texas Appraiser Licensing and Certification Board is the licensing division responsible for licensing Appraisers. The Texas Legislature established the Texas Appraiser Licensing & Certification Board (TALCB) to safeguard consumers in matters of real property appraisal services. TALCB provides education and licensing services, as well as regulation and enforcement of state and federal laws and requirements that govern real property appraisals.

Section 153.8 Scope of Practice

- (a) License holders are bound by the USPAP edition in effect at the time of the appraisal. **(FAILED)**

Section 153.15 Experience (and Adherence) Required for Licensing

Any one or a combination of the following categories may be acceptable for satisfying the applicable experience requirement:

1. An appraisal or appraisal analysis when performed in accordance with Standards 1 and 2 and other provisions of the USPAP edition in effect at the time of the appraisal or appraisal analysis. **(FAILED)**
2. Mass appraisal, including ad valorem tax appraisal that:
 - a. conforms to USPAP Standards 5 and 6; **(FAILED)** and
 - b. demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. **(FAILED)**
3. Appraisal review that:
 - a. conforms to USPAP Standards 3 and 4; **(FAILED)** and
 - b. demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standard 1. **(FAILED)**
4. Appraisal consulting services, including market analysis, cash flow and/or investment analysis, highest and best use analysis, and feasibility analysis when it demonstrates proficiency in appraisal principles, techniques, or skills used by appraisers practicing under USPAP Standards 1 and 2 and using appropriate methods and techniques applicable to appraisal consulting. **(FAILED)**
5. "Practical Applications of Real Estate Appraisal" (PAREA) programs approved by the AQB. **(FAILED)**

Section 13 - DCAD, Regulators, & Politicians vs Appraisal Skills & “The Con” (show Graphic 13 to viewer)

It is frustrating that when trying to engage the RPA, Chief Appraiser, and DCAD’s attorney, with the evidence in an income and expense statement, true comparisons, linear regression and standard deviation, their eyeballs glaze over. It is clear, that they A.) have been caught, B.) are clueless of their responsibilities, C.) don’t understand math, and as a result D.) are committing fraud. There is no defense for their ignorance, as it is their job and their responsibility. Anything less is fraud on a mass scale. To this point, we will go one step further and point out that there is not 1 single person in DCAD who can provide the necessary checks and balances to make sure the math is tied to the law. The Open Letter posted at mockingbirdproperties.com/dcad discusses this topic further.

And what about the governmental agencies, like TDLR and TALCB, that so far, have not acted on complaints filed and the violations we have identified and documented. When those entities are responsible for education, licensing, regulating and removing licenses for violations, and an entity (TDLR) chooses to do nothing, regardless of overwhelming evidence, then for what legitimate reason should that entity exist? Could that entity be part of the scam? Telling unsuspecting individuals they are getting an education, take their money, put them in a position to be indoctrinated into the scam at DCAD, and then steal the publics’ money. We have gone out of our way to give these entities the benefit of the doubt. However, the way we look at it, if you have been told and shown multiple times that the law is being broken, and so far they have chosen to do nothing about it, then they are complicit and as such perhaps the entire operation of TDLR should be shut down for failure to enforce what they profess in writing is their rules and regulations. At the moment TDLR appears to be an enabler of DCAD. Why.... DCAD is a cash cow that steals taxpayer money by committing fraud in the initial notice of value, then transfers the overcharged receipts to local entities, with a pass the buck, turn a blind eye, no enforcement policy by the regulating authorities such as TDLR, and TALCB to keep the cash cow mooing. Without enforcement, then there is no reason for these entities to exist as they are also taking taxpayer money.

So, the next question is, how can your state, local, and municipal politicians make a change when they are as clueless on the facts and math as DCAD (the appraisal district) and the district’s employees? Let’s leave aside the probable intentional cluelessness and realize that the politicians in Austin prance around stating, “we are lowering property taxes,” when in reality this is an empty meaningless statement because property values, by virtue of fraud, are going up. If the state places limits and rules for tax rates, exemption types, or exemption amounts, etc., the appraisal districts response will simply be to increase the values further, which again is outside of

appraisal standards, which is a violation of THE LAW. The left hand giveth and the right hand taketh away, leaving the victims in their wake.

There were several articles in the Cross Timbers Gazette in 2022 that were basically congratulating and or patting the backs of several taxing entities in the Denton Central Appraisal District, including Denton ISD, Northwest ISD, Lewisville ISD, Argyle ISD, Town of Flower Mound, Highland Village, Lantana, and Denton County, because they did not increase their tax rate in 2022 or because they reduced their tax rate for 2022. With property values being increased so dramatically, over the last few years, with no actual basis for doing so in appraisal law, the cities, schools, and county have more funds than they should have. Keeping the rate static or reducing the tax rate is just a gesture, and the problem of fraudulent values remains.

When you explain and show the facts as outlined in this video, there simply is no defense for DCAD or the politicians. Facts and math matter, and in this case, it irrefutably proves fraud. Politicians routinely talk about things they know nothing about, and this video will give them the knowledge and facts, so the only question is, what are they going to do about it!! One would hope they are not going to be complicit in theft of taxpayer's money.

Graphic 13

Summary list of the violations presented:

VIOLATED USPAP Standards 5 & 6, Mass Appraisal Standards

VIOLATED USPAP Standards 1 & 2, Real Property Appraisal Development & Reporting

VIOLATED USPAP Standard Appraisal Professional Rules

VIOLATED Texas Property Tax Code, 23.01(b), 4 basic & general directives for appraising value

VIOLATED Texas Property Tax Code, 23.01(e), guideline for increasing value if prior year was reduced

VIOLATED Texas Property Tax Code, 23.01(f), selection of comparable properties

VIOLATED Texas Property Tax Code, 23.012, Income Method of Appraisal

VIOLATED Texas Property Tax Code, 23.013, selection on comparable sales

VIOLATED Texas Property Tax Code, 42.26, remedy for unequal appraisal

VIOLATED Texas Constitution, Section 8, equal & uniform taxation of property in proportion to value

VIOLATED TDLR, Texas Administrative Code, Chapter 94, Regulations for Property Tax Professionals

VIOLATED TALCB, Texas Appraiser Licensing & Certification Act, Chapter 153

VIOLATED Oath of Profession

VIOLATED Oath of Office

This is a summary of the violations we have discussed; there are more.

Section 14 – The Board, Oaths Taken, & Final Summary (show Graphic 14 to viewer)

I want to take a moment, here towards the end, to discuss the co-conspirators of DCAD which is the Board of Directors.

DCAD causes hundreds of lawsuits and tens of thousands of protests each year. There were over 500 lawsuits filed in the last 12 months and over 107,000 protests filed for 2022. If they were adhering to their legal requirements, the number of protests & lawsuits would easily drop by 80%. DCAD causes the problems, hires attorneys to fix the problems (using taxpayer's money), then holds their hand out for more taxpayer's money only to create more problems by hiring more employees, none of which have proper training, yet do the bidding of the leadership, which is clearly corrupt. All because they intentionally refuse to follow the law. As you have seen throughout this video, their actions are not by mistake.

The Board has also been shown and told multiple times about the problems and refuses to take corrective action of any kind. Therefore, by law, as seen in the graphic, the Board is as corrupt as DCAD, and also in violation of the law and their signed Oath. Each Board Member and Chief Appraiser signed an **Oath to protect and abide by the Laws of the State of Texas and the United States**. With the violations in law that have occurred throughout the DCAD appraisal process and practice, they have clearly broken their oath which is grounds for immediate termination, followed by prosecution.

Above and beyond the Oath of Office taken, **any elected or appointed official or Attorney refusing to honor an acceptance of their Oath is simply impersonating a public official violating the Texas Penal Code 37.11 law regarding Impersonating a Public Servant, which is a 3rd degree felony**. So, by defaulting in their duties and obligations of their office, they have broken the law.

And under Title 42 of Unites States Code, Section 1986 it provides that **every person who has knowledge** that a wrongful act is about to be committed and having the power to prevent the commission of such wrong, neglects or refuses so to do, is liable to the party injured for **all** damages caused by the wrongful act. Defendant in a section 1986 action need not have participated in the conspiracy or

the commission of the act, just having knowledge of it implies guilt. Any number of persons guilty of wrongful neglect or refusal may be joined as defendants in a § 1986 action.

It is also imperative to understand that the Appraisal District Board's first and primary duty is to hire or appoint a chief appraiser, meaning the chief appraiser is their responsibility. And while the Chief Appraiser is the chief administrator of the Central Appraisal District, they serve at the pleasure of the Appraisal District's Board of Directors.

With regard to the Chief Appraiser and the appraisal district staff, in addition to any oath of office or oath of a professional taken, the Appraisal District representatives in ARB protest hearings take an oath to tell the truth before presenting evidence to support appraisal value, as does the taxpayer and or their representative. The Chief Appraiser certifies the tax roll & property values under oath to the Public, to the Tax Collector-Assessor, to the cities, schools, and county Taxing Entities, to the State Comptroller, and to the Board with which he or she reports. If the District's appraisal work has not been completed in compliance with the law, they also committing perjury in each of these settings.

There are several sections of law that pertain to perjury. Perjury, in a dictionary, is defined as "the act or crime of knowingly making a false statement (about a material matter) while under oath or bound by an affirmation or other officially prescribe declaration."

Title 18 is the main criminal code of the US federal government. In section 1621 of this code, perjury is summarized as anyone, in any case in which the United States authorizes an oath to be administered, that he after having taken oath will testify, declare, depose, or certify truly, or that any written testimony, declaration, deposition, or certificate made is true. Any testimony, declaration, deposition or certification to the contrary (that is not true) is perjury, making that person guilty of perjury.

It is clear with all that has been discussed and demonstrated, the Board is a co-conspirator with the Appraisal District, in a conspiracy to defraud the public, and as such, should be removed and then prosecuted.

This OATH exists for a very specific reason. Given the evidence we are providing, an action not taken by the rightful Authority would make that Authority complicit and aiding and abetting in a criminal conspiracy to defraud. Again, USPAP, TDLR, Texas Constitution, all exist for a reason, as does the OATH. Why does DCAD and its enablers refuse to adhere to the OATH and laws under which they exist? The only answer is extortion.

In Summary:

There is no way around the evidence against DCAD. It is DCAD's forms, DCAD's numbers, DCAD's dirty data and DCAD's fraud. Add into this equation DCAD's Annual Reports, which do not proof and which do not have notes, it is irrefutable that this organization is systemically corrupt to the bone. DCAD paints a picture of legitimacy going as far as to use TAAO's certifications of DCAD in their presentations, yet the evidence gained from DCAD's own numbers, as shown in this video and available on the mockingbird website, is the exact opposite.

This video is a short view of thousands of hours of research by my Company. On the website is a 10-page Open Letter to Taxpayers which goes into further detail than this video, without having to review all the documents on the website. The Open Letter outlines solutions which can be enforced through the State Legislature and quickly. The intent of this video is to provide full exposure of DCAD, its employees, Board of Directors and any co-conspirator in the chain.

I thought you would find it interesting that so much money is being stolen, and the public does not know how. They just know there is a problem. We were able to quantify the issues and tie all those issues back to the law, and now it is time to take what we know and ask the Government Officials, including the State Legislature, FBI, Texas Rangers, SEC and DA to get involved by bringing criminal and civil charges, create the enforcement mechanisms, and also ask the Property Owners to do their job by getting involved and notify the Authorities and other Government Officials about DCAD's effect on their property values, in a concerted effort to put a stop to this nonsense. The more Citizens and Press helping to inform the Authorities, the better. As I stated in the beginning of this presentation,

understanding the fraud being committed by DCAD and taking action, may save you thousands if not tens of thousands of dollars. I suspect that many other appraisal districts in Texas suffer from the same fraud as once you understand what is happening, it is easy to replicate because there is no enforcement.

We are in tough times, and they are about to get much tougher. The arrogance and criminality of those who steal, can only be stopped by the community in which the crime has occurred and continues to occur. We invest in real estate and businesses in the community, and we are doing everything we can to bring this issue into the sunlight. Sunlight is a good disinfectant.

If you like the video, please send an email to me, mitch@mockingbirdprop.com, and I will add you to my private email list to keep you informed on this topic.

If you have questions, please contact me at mitch@mockingbirdprop.com.

Please forward the link of this email to those who can use your help... real estate taxpayers of Texas, friends, family, business associates, local, State and Federal representatives.

Thank you.

Graphic 14

Oath of Office (State of Texas Form 2204)

- solemnly swear to faithfully execute duties of their elected or appointed office & to preserve, protect and defend the Constitution & laws of U.S. and State of Texas

Defaulting on Oath (Texas Penal Code 37.11)

- defaulting of duties & obligations is equivalent to impersonating a public officer.... any elected or appointed official or Attorney refusing to honor an acceptance of their Oath is simply impersonating a public official, thus violating the Texas Penal Code 37.11 law regarding Impersonating a Public Servant, which is a 3rd degree felony.

Knowledge of Wrongful Act & Power to Prevent (Title 42 U.S. Code Section 1986)

- Person with knowledge that a wrongful act is about to be committed and having the power to prevent the commission of such wrong neglects or refuses so to do, is liable to the party injured for all damages caused by the wrongful act.
- Person need not have participated in the conspiracy or the commission of the act, just having knowledge of it implies guilt.
- Any number of persons guilty of wrongful neglect or refusal may be joined as defendants in a § 1986 action

Appraisal District Board of Director's Primary Duty & Responsibility

- Primary Duty to appoint Chief Appraiser, the chief administrator of Appraisal District
- Chief Appraiser serves at pleasure of the Board
- Board is responsible for Chief Appraiser's performance of Appraisal Duties

ARB Hearings (Value Protest Hearings)

- Appraisal District representatives & Taxpayer take an oath immediately before protest hearing starts, sworn to tell the truth when presenting evidence to support appraisal value

Perjury Defined, Under Title 18 for criminal code, U.S. Code Section 1621

- Perjury can be summarized as any untrue testimony, declaration, deposition or certification that is made under oath

Co-Conspirator

- Person who is engaged in a conspiracy with another, or others; an associate, collaborator, accomplice, supporter, etc.