

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



Wisconsin Department of Regulation & Licensing Access to the Public Records of the Reports of Decisions

This Reports of Decisions document was retrieved from the Wisconsin Department of Regulation & Licensing website. These records are open to public view under Wisconsin's Open Records law, sections 19.31-19.39 Wisconsin Statutes.

Please read this agreement prior to viewing the Decision:

- The Reports of Decisions is designed to contain copies of all orders issued by credentialing authorities within the Department of Regulation and Licensing from November, 1998 to the present. In addition, many but not all orders for the time period between 1977 and November, 1998 are posted. Not all orders issued by a credentialing authority constitute a formal disciplinary action.
- Reports of Decisions contains information as it exists at a specific point in time in the Department of Regulation and Licensing data base. Because this data base changes constantly, the Department is not responsible for subsequent entries that update, correct or delete data. The Department is not responsible for notifying prior requesters of updates, modifications, corrections or deletions. All users have the responsibility to determine whether information obtained from this site is still accurate, current and complete.
- There may be discrepancies between the online copies and the original document. Original documents should be consulted as the definitive representation of the order's content. Copies of original orders may be obtained by mailing requests to the Department of Regulation and Licensing, PO Box 8935, Madison, WI 53708-8935. The Department charges copying fees. *All requests must cite the case number, the date of the order, and respondent's name as it appears on the order.*
- Reported decisions may have an appeal pending, and discipline may be stayed during the appeal. Information about the current status of a credential issued by the Department of Regulation and Licensing is shown on the Department's Web Site under "License Lookup." The status of an appeal may be found on court access websites at: <http://ccap.courts.state.wi.us/InternetCourtAccess> and <http://www.courts.state.wi.us/wscqa>.
- Records not open to public inspection by statute are not contained on this website.

By viewing this document, you have read the above and agree to the use of the Reports of Decisions subject to the above terms, and that you understand the limitations of this on-line database.

Correcting information on the DRL website: An individual who believes that information on the website is inaccurate may contact the webmaster at web@drl.state.wi.gov

**STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD**

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST
SHAWN R. SEEWALD,
RESPONDENT.

:
:
:
:
:
:
:

FINAL DECISION AND ORDER

LS07091215APP

Division of Enforcement Case File # 06 APP 089

The parties to this action for the purpose of Wis. Stats. sec. 227.53 are:

Shawn R. Seewald
3413 328th Ave.
Burlington, WI 53105

Wisconsin Real Estate Appraisers Board
P.O. Box 8935
Madison, WI 53708

Department of Regulation and Licensing
Division of Enforcement
P.O. Box 8935
Madison, WI 53708-8935

PROCEDURAL HISTORY

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the Board. The Board has reviewed this Stipulation and considers it acceptable. Accordingly, the Board in this matter adopts the attached Stipulation and makes the following:

FINDINGS OF FACT

1. Shawn R. Seewald is a Licensed Appraiser in the State of Wisconsin, license # 4-1749, which was first granted on 03/04/04. Mr. Seewald's most recent address on file with the Department of Regulation and Licensing is 3413 328th Ave., Burlington, WI 53105.

2. In November, 2005, Brenda Hannula submitted to the Department of Regulation and Licensing an application for an Appraiser license.

3. As part of the process to obtain an Appraiser license the Department requires the applicant to submit copies of three sample appraisal reports that they have completed. Ms. Hannula submitted three reports which were reviewed by the Department, and it was determined that the appraisal reports did not meet the Uniform Standards of Professional Appraisal Practice (USPAP).

4. The reports that Ms. Hannula forwarded to the Department were completed under the supervision of Mr. Seewald. The three appraisals are: 100 Wisconsin Ave., # 701, Madison, WI; 3524 E. Thomas St., Madison WI; and 3102 Portage Rd., Madison, WI. As the Supervising Appraiser, Mr. Seewald was responsible for their content, as explained in the Comment to Standards Rule 2-3.

5. With regard to the appraisal of property at 100 Wisconsin Ave., Ms. Hannula failed to satisfy:

Standards Rule 1-1 Developing an Appraisal

The combination of the concerns referenced below leads to the conclusion that this standards rule has been violated.

Standards Rule 1-2f Scope of Work

Scope of work statement is inadequate. Refer to the definition of “scope” in USPAP for the required elements to be included in a scope of work statement.

Standards Rule 1-4a Sales Comparison Approach

The appraisers state that view is “more important” than GLA (Gross Living Adjustments), without providing any empirical support for this statement. The sales selected are 221%, 556%, 317% 283%, 226% and 344% the size of the subject with adjustments made at only \$30 per square foot. The units sold for \$262-\$377 per sq. ft. By making adjustments at only ~10% of the average sales price per square foot of the units and by not providing a smaller size bracket (or even a single sale which is less than double the subject’s size), the value opinion is significantly overstated. Sale 2 sold for \$1,013,400 more than the price for the subject’s last sale, and Sale 6 sold for \$643, 417 more than the subject’s last sale. These sales do not meet the principle of substitution. The following information is misstated regarding the individual sales.

Sale 1- The MLS shows it to be on the 9th floor, not the first floor (city assessment records confirm that this unit is on the 9th floor).

Sale 4- The MLS shows it to be a penthouse on the 14th floor, not the 2nd. Floor. This sale also has Cherry floors and trim and home theater with plasma TV; both are value adding features, not referenced in the report. This unit had never been lived in; effective age was new.

Sale 5- The MLS shows this to be a townhouse unit on Lake Monona: it is not on floor 2. The adjustment for boat slip is made +\$25,000 which means the appraisers are stating the having a boat slip is \$25,000 inferior to not having a boat slip. This adjustment is made in the wrong direction.

Sale 6- The MLS shows this to be on the 10th floor, not the 2nd floor. This sale also appears to have a custom kitchen, something not referenced for the subject.

These mis-statements of fact, combined with adjustments in the wrong direction, and exceedingly low square footage adjustments, lead to a substantial over-statement of value.

Standards Rule 1-5 Subject Listing and Sale Information

Provide no analysis. There is no discussion or analysis provided to indicate why the unit is now allegedly worth 22 % more than its relatively recent sale.

6. With regard to the appraisal of property at 3524 E. Thomas St., Ms. Hannula failed to satisfy:

Standards Rule 1-4a Sales Comparison Approach

Omits the following value adding features which the sales possess (per MLS):

Sale 1- Says the property is in “average” condition; MLS says “remodeled 2 bdrm home.” The house has a cathedral/vaulted ceiling with skylight (s) and lake access rights, per MLS: no mention of this in the report.

Sale 2- this house also has lake access. Per the MLS, it is across the street from the lake with “waterfront pier with bench included.” No mention of this in the report.

Sale 3- this house also has lake access, a new roof, new siding, and heated porch, per MLS. The heated porch may be included in the square footage, but this should have been addressed in some form.

The adjustments for gross living area and garage stalls are far too low.

The combination of omitting value adding features and making adjustments far below what is supported by the market, lead to an over-statement of value for the subject property.

7. With regard to the appraisal of property at 3102 Portage Rd. Ms. Hannula failed to satisfy:

Standards Rule 1-4a Sales Comparison Approach

Omits the following value adding features which the sales possess (per MLS):

Sale 1- Exposed, walk-out basement, jetted bathtub, storage building, and wet bar;

Sale 2- Exposed, walk-out basement, upgraded hickory kitchen cabinets and new roof;

Sale 3- Updated kitchen with new countertops.

The adjustments for baths, gross lining area, and fireplace are also far too low.

The combination of omitting value, adding features, and making adjustments far below what is supported by the market, lead to an over-statement of value for the subject property.

8. Because the appraisals provided by Ms. Hannula failed to meet USPAP, the Department of Regulation and Licensing denied her application for an Appraiser license.

9. Ms. Hannula was eventually granted an appraiser license on January 20, 2006.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraiser's Board has jurisdiction to act in this matter pursuant to Wis. Stat. sec. 458.26, and is authorized to enter in the attached Stipulation pursuant to Wis. Stat. sec. 227.44 (5).

2. Mr. Seewald's inadequate supervision of Ms. Hanula's appraisals constitutes a violation of Wis. Admin. Code 86.01 (1) and Wis. Stat. § 458.26 (3)(b).

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The license as a Real Estate Appraiser issued to Shawn R. Seewald is limited as follows:

a. Commencing 5 business days after the date on which this order is signed, Mr. Seewald shall not supervise any appraisal activities until he has completed all of the following education.

b. Mr. Seewald shall successfully complete, within one year from the date of this Order, the following education, all of which is offered by the Appraisal Institute:

- USPAP 15-hour course (15 hours)
- Residential Sales Comparison and Income Approaches (30 hours)
- Advanced Sales Comparison and Cost Approaches (40 hours)
- Quality Assurance in Residential Appraisals: Risky Appraisals = Risky Loans (7 hours)
- Condominiums, Co-ops, and PUDs (7 hours)
- Advanced Residential Applications and Case Studies, Part 1 (15 hours),

none of which shall count or be credited toward his required continuing education. Verification of the ordered education shall be mailed to the Wisconsin Department of Regulation and Licensing, to: Department Monitor

Division of Enforcement
Department of Regulation and Licensing
P.O. Box 8935, Madison, WI 53708-8935
Telephone (608) 261-7904, Fax (608) 266-2264

c. Following successful completion of the Board ordered education, the limitation regarding supervision shall be lifted, Mr. Seewald's license shall be restored to unlimited status, and Mr. Seewald may supervise appraisal activities without further order of the Board.

2. Within 60 days of the date of this order, Mr. Seewald shall pay costs in this matter in the amount of \$900.33. Payment shall be made to the Department of Regulation and Licensing and sent to the Department Monitor.

3. Violation of any term or condition of this Order may constitute grounds for suspension or revocation of Respondent's real estate appraiser's license in Wisconsin. Should the Board determine that there is probable cause to believe that Respondent has violated the terms of this Order; the Board may order that Respondent's license be summarily suspended pending investigation of and hearing on the alleged violation.

WISCONSIN REAL ESTATE APPRAISERS BOARD

By: Marla L. Britton
A Member of the Board

9/12/07
Date