

# WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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STATE OF WISCONSIN  
BEFORE THE REAL ESTATE APPRAISERS BOARD

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IN THE MATTER OF :  
DISCIPLINARY PROCEEDINGS : **FINAL DECISION AND**  
AGAINST : **ORDER**  
**MICHAEL L. DAVIS,** :  
RESPONDENT. : LS0710121APP

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Division of Enforcement Case File # 06 APP 072

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

Michael L. Davis  
2036 N. 34<sup>th</sup> St.  
Milwaukee, WI 53208.

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

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

### **PROCEDURAL HISTORY**

A disciplinary proceeding was commenced in this matter by the filing of a Notice of Hearing and Complaint with the Real Estate Appraisers Board on October 12, 2007. Prior to the hearing on the Complaint, the parties in this matter agreed 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 adopts the attached Stipulation in this matter and makes the following Findings of Fact, Conclusions of Law, and Order:

### **FINDINGS OF FACT**

1. Michael L. Davis is a licensed real estate appraiser in the State of Wisconsin, license # 4-1384, which was first granted on 10/15/2001. Mr. Davis's most recent address on file with the Department of Regulation and Licensing is 2036 N. 34<sup>th</sup> St., Milwaukee, WI 53208.
2. On February 7, 2006, Mr. Davis prepared an appraisal report for property at 238 E. Townsend Street in Milwaukee as of 1-10-06. His estimate of value was \$120,000.
3. Mr. Davis misidentified the owner of the property as Ranz Long, because the City of Milwaukee's Assessor's database was temporarily unavailable and he relied on information from the mortgage company, when in fact Ranz Long was the pending buyer.
4. Mr. Davis overvalued the property by approximately \$30,000, because he relied in part on an offer to purchase for the property of \$120,000 dated 1-9-06 which was later amended on 3-8-06 to \$90,000.

5. The income approach to value was incomplete and its conclusions not adequately explained.
6. The prior sale history of the subject property and comparable property was left blank, with an explanation that “The subject has not sold in the past three years, the comparables have not resold in the past year.” There was no explanation or source of data.
7. The sales comparison analysis grid and conclusions are inaccurate and unclear.
8. The reconciliation section states “sale no. 2 is considered the most reliable indicator of the subject market value, yet the adjusted sale price for comp 2 is \$107,000 while the final opinion of market value is \$120,000.
9. Page 4 of 7 of the report has a number of updates and/or repairs indicated with dollar values, but there is no indication what these refer to and what effect they have on the property and the overall condition of the property. In all condition sections of the report the condition of the property is indicated to be “average”.
10. Based on the supplied photos and the sketches included in the report, the floorplan, the overall living area, and the accuracy of the “gross building area” aer unclear.
11. As part of a negotiated settlement in this case, Mr. Davis completed the Appraisal Education Academy’s class “Certified Residential Class 2: Small Residential Appraisals” in August of 2007, which satisfies the portion of the Order below that he complete a course in residential appraisals. Mr. Davis agrees that he will not be able to use this course to satisfy continuing education requirements.

## **CONCLUSIONS OF LAW**

1. The Wisconsin Real Estate Appraisers Board has jurisdiction to act in this matter pursuant to section 458.26 (3) of the Wisconsin Statutes and is authorized to enter into the attached Stipulation pursuant to sec. 227.44(5), Wis. Stats.
2. Respondent Michael L. Davis is subject to discipline for violating USPAP Standards Rule 1-2 (a) (b) and (c), USPAP Standards Rule 2-1 (a), the USPAP Competency Rule, the USPAP Ethics Rule, Wis. Stats. section 458.26 (3) (b) and Wis. Adm. Code section RL 86.01 (2).

## **ORDER**

NOW, THEREFORE, IT IS ORDERED that the attached Stipulation is hereby accepted.

IT IS FURTHER ORDERED that the Respondent Michael L. Davis is hereby REPRIMANDED.

IT IS FURTHER ORDERED that within six months of the date of this Order, Michael L. Davis must successfully complete a course in basic appraisal principles and procedures, and a course in residential appraisals at an educational institution approved by the Department of Regulation and Licensing. The “Certified Residential Class 2: Small Residential Appraisals” which Mr. Davis took from the Appraisal Education Academy and completed in August of 2007 shall be considered to satisfy the required residential appraisal class. Mr. Davis shall submit proof of successful completion of the basic appraisal principles and procedures class in the form of verification from the institution providing the education to the following address:

Department Monitor  
Department of Regulation and Licensing,  
PO Box 8935, Madison, WI 53708-8935.  
Fax (608) 266-2264  
Tel. (608) 261-7904

None of the education completed pursuant to this order may be used to satisfy any continuing education requirements that are or may be instituted by the Board or the Department of Regulation and Licensing. In the event Mr. Davis fails to successfully complete the educational requirements in the manner set forth, his Real Estate Appraisers license shall be suspended without further hearing and without further Order of the Board, and said suspension shall continue until further Order of the Board or

until he provides to the Department proof of completion of all said educational requirements.

IT IS FURTHER ORDERED that Michael L. Davis pay the Department's costs of this matter in the amount of **\$361.48** within 90 days of the date of this Order. Payment shall be made by certified check or money order, payable to the Wisconsin Department of Regulation and Licensing and sent to the Department Monitor. In the event Mr. Davis fails to pay the costs within the time and in the manner as set forth above, his Real Estate Appraisers license shall be suspended without further notice, without further hearing, and without further Order of the Board, and said suspension shall continue until the full amount of said costs have been paid to the Department of Regulation and Licensing.

IT IS FURTHER ORDERED that the violation of any of the terms of this Order shall be construed as conduct imperiling public health, safety and welfare and may result in a summary suspension of Respondent's license; the Board in its discretion may in the alternative impose additional conditions and limitations or other discipline.

IT IS FURTHER ORDERED that file 06 APP 072 be closed.

Dated this 27<sup>th</sup> day of February, 2008.

**WISCONSIN REAL ESTATE APPRAISERS BOARD**

By: Marla L. Britton  
A member of the Board