

WISCONSIN DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES



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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY :
PROCEEDINGS AGAINST : **FINAL DECISION AND ORDER**
STEPHAN A. TADEVICH, : **LS0805215APP**
RESPONDENT. :

Division of Enforcement case file 08 APP 024

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

Stephan A. Tadevich
2775 Osmundsen Road
Fitchburg, WI 53711

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

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 Wisconsin Real Estate Appraisers Board (“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. Stephan A. Tadevich is licensed in the State of Wisconsin as a Real Estate Appraiser having license # 24-9, first issued on July 12, 1991.
2. Mr. Tadevich’s most recent address on file with the Department of Regulation and Licensing (“Department”) is 2775 Osmundsen Road, Fitchburg, WI 53711
3. In early December of 2006, an official at M&I Bank contacted Mr. Tadevich with a request to update an appraisal that had been completed approximately 7 months earlier for property at 5688 Lovick Road in Fitchburg by [REDACTED], whom M&I had been unable to locate. M&I was facing a deadline to get the update completed.
4. Mr. Tadevich had helped [REDACTED] get into the Real Estate Appraisal profession, they used the same software, and lenders knew that Mr. [REDACTED] had started his appraisal business with Mr. Tadevich.
5. Mr. Tadevich told M&I that he did not have the original appraisal or any of the field notes and that he could not do an update for an appraisal that he did not originally do. However, M&I agreed to send a copy of the original appraisal to Mr. Tadevich and Mr. Tadevich agreed that he would look at it to see if it was possible to do the update, “meaning that the property was not so unique that, without an actual inspection, an update would be difficult.”
6. After reviewing the appraisal and the current market conditions at that time Mr. Tadevich concluded that an

update was reasonable.

7. Mr. Tadevich did not inspect the property.

8. Mr. Tadevich completed and filed a 1-page Fannie Mae "Appraisal Update and/or Completion Report" as of 12-13-06 and stated that the market value of the subject property had not declined since the effective date of the prior appraisal. Included with the 1-page report was 1 page of Additional Comments that say "Scope of Appraisal: Note that [REDACTED], the original appraiser, is not currently in the appraisal business at this time. A copy of the original appraisal was reviewed by the current appraiser Steve Tadevich." The report contains the following certification statement: "I certify that I have examined the appraisal report and inspected the accessible interior and exterior areas of the subject property."

9. M&I also contacted Mr. Tadevich for a similar assignment related to an appraisal by Mr. [REDACTED] of property at 5633 Kinsale Drive in Fitchburg. Mr. Tadevich followed the same procedure and filed a 1-page Fannie Mae "Appraisal Update and/or Completion Report" as of 12-18-06 and stated that the market value of the subject property had not declined since the effective date of the prior appraisal. Included with the 1-page report was 1 page of Additional Comments that say "Scope of Appraisal: The original appraiser, [REDACTED], is no longer appraising real estate. I, Steve Tadevich, have reviewed the original appraisal and found it to be acceptable as of the date noted on the original appraisal. I do not have the original appraisal on file and therefore could not include it with this update." This report also contains the certification statement that says "I certify that I have examined the appraisal report and inspected the accessible interior and exterior areas of the subject property."

10. Although the Fannie Mae form used by Mr. Tadevich identifies itself as a summary report, it does not meet the requirements in USPAP Standards Rule (SR) 2 for a summary report, and it should be considered a restricted report. In order to qualify as a summary report, the form would need extensive supplementation:

- the form does not have a proper and complete certification as required by SR 2.
- the form does not include a definition of market value or its source.
- the form does not adequately describe the property, in particular whether there have there been any changes since the original report.
- the form does not indicate the use of an extraordinary assumption that the updating appraiser is assuming that condition of the property is comparable to that as of the original appraisal effective date.
- the form does not have an adequate scope of work statement. The scope statement should include, at a minimum, (1) that the updating appraiser reviewed the original appraiser's report and either accepts it and incorporates its contents or that there are some differences, (2) the extent of physical inspection of the subject, (3) the extent of the use of the three approaches to value, and what the updating appraiser did to determine whether or not the original appraiser's opinion of value is reasonable as of the new date.
- the form does not address SR 1-3 and SR 2-2b (viii) or c (viii), which could be accomplished by incorporating the original report, but the reader must be told what was done to meet these rules.
- the form does not contain the specific sales used and support for the analysis, and similarly for the income and the cost approaches.
- the form does not permit the appraiser to analyze the sales history, any listings, etc.
- the form does not permit the appraiser to clearly credit the original appraiser's work.

11. After being told by another appraiser that he may have violated appraisal standards, Mr. Tadevich reported the potential violation to the Department.

12. USPAP Advisory Opinion 3 states that one appraiser may update another appraiser's work.

13. An Administrative Warning was issued by the Board to Mr. Tadevich in case 04 APP 053 in March of 2006.

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. Mr. Tadevich did not violate USPAP merely by updating another appraiser's work.
3. Mr. Tadevich filed a Fannie Mae form that incorrectly identifies itself as a summary report. Mr. Tadevich did not file a summary report, but no violation is found.
4. Mr. Tadevich is subject to discipline for the following violations:
 - a. By signing a document with a certification that he inspected a property when he did not, he violated the Conduct portion of the Ethics rule of the Uniform Standards of Professional Appraisal Practice (USPAP), and thereby violated section RL 86.01 (1) and (2) of the Wisconsin Administrative Code and section 458.26 (3) (b) and (c) of the Wisconsin Statutes.
5. Having already received one Administrative Warning issued by the Real Estate Appraisers Board, Mr. Tadevich is not eligible for another Administrative Warning.

ORDER

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

IT IS FURTHER ORDERED that STEPHAN A. TADEVICH is hereby REPRIMANDED.

IT IS FURTHER ORDERED that Mr. Tadevich pay the Department's costs of this matter in the amount of **\$140.34** within 60 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 following address:

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

In the event Mr. Tadevich 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 file 08 APP 024 be closed.

Dated this 21st day of May, 2008.

WISCONSIN REAL ESTATE APPRAISERS BOARD

By: Marla Britton
A member of the Board