

# 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 AGAINST : **FINAL DECISION AND ORDER**  
**DAVID R. HEIDEL,** : LS-0909294-APP  
RESPONDENT. :

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Division of Enforcement case file 08 APP 079

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

David Heidel  
814 N. Bel-Ayr Drive  
Waukesha, WI 53188

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 September 29, 2009. Following a hearing on a Motion for Default on November 13, 2009, at which the Respondent failed to appear, 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. David R. Heidel is licensed in Wisconsin as a Real Estate Appraiser with license number 1901-4, first issued on April 21, 2005.
2. Mr. Heidel's most recent address on file with the Department of Regulation and Licensing ("Department") is 814 N. Bel-Ayr Drive, Waukesha, WI 53188.

3. Mr. Heidel performed an appraisal and prepared an appraisal report for property at 5425 West Lincoln Creek Drive in Milwaukee, Wisconsin as of May 10, 2007. His estimate of value was \$145,000.

4. In his appraisal and appraisal report, Mr. Heidel failed to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (S.R.) in the following ways:

- The neighborhood description describes the block rather than the neighborhood. This is a violation of SR 1-2 (e) Identify the characteristics of the property.

- The zoning description should read Residential Single Family rather than "8810 Single Private Household". This is a violation of SR 1-2 (e) Identify the characteristics of the property.

- The subject is a two-bedroom home. Mr. Heidel chose one two-bedroom and two three-bedroom homes as comparable sales, with only a minimal adjustment of \$1,000 for the extra bedrooms. This caused the value of the subject property to be inflated and it is a violation of SR 1-4(a) Sales Comparison Approach.

- The summary of the sales comparison approach does not provide any reconciliation or reasoning that supports the analyses, opinions, and conclusions. There is no explanation as to why the income approach was not developed or considered. This is a violation of SR 2-2 (b) (viii) Summarize the information analyzed.

- The "Request for Appraisal", from the client indicates an estimated value of \$145,000. The value conclusion of the appraisal report matches this predetermined value exactly. The conduct portion of the USPAP Ethics Rule states "an appraiser must not accept an assignment that includes the reporting of predetermined opinions and conclusions." The fact the two values matched, along with the choice of three-bedroom comparable sales with minimal adjustments, strongly suggests that the report was directed to a predetermined value. Mr. Heidel utilized three sales to compare to the subject property. The subject is a modest 2 bedroom ranch, built in 1949. Sale #1 was new construction with three bedrooms; besides having a third bedroom, sale #2 appears to have been in superior condition, with extensive professional basement finishing including a family room, bedroom, and half bath; sale #3 with 2 bedrooms appears to be the most similar, but it was given the least weight in the sales comparison approach reconciliation without explanation. The adjusted indicated values from the presented sales were \$152,000, \$157,500, and \$116,400 respectively. Although an arithmetic average would have been \$141,967, Mr. Heidel increased the value to \$145,000. This is a violation of the USPAP Ethics Rule.

5. David R. Heidel voluntarily offers to surrender the Real Estate Appraiser's license issued to him in resolution of this matter.

**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. By failing to comply with USPAP in his appraisal and appraisal report for property at 5425 West Lincoln Creek Drive in Milwaukee, Wisconsin, Respondent David R. Heidel violated sections RL 86.01 (1) and (2) of the Wisconsin Administrative Code, and is subject to discipline under section 458.26 (3), Wis. Stats.

**ORDER**

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

IT IS FURTHER ORDERED that the voluntary surrender of the Real Estate Appraiser license issued to David R. Heidel be accepted, effective on the date of this order.

IT IS FURTHER ORDERED that file 08 APP 079 be closed.

Dated this 24 day of FEBRUARY, 2010.

**WISCONSIN REAL ESTATE APPRAISERS BOARD**

By: , CHAIR  
Marla Britton, Board Chair, or another member of the Board