

# WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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BEFORE THE REAL ESTATE APPRAISERS BOARD

RESPONDENT. :

1. Respondent Olson, whose last address of record with the Department is 56356 County Road East, Eastman, WI 54626, was at all time material to the complaint, issued a certificate of licensure and certification as a Certified Residential Appraiser (#1004 9), and had been so licensed/certified under the provisions of ch. 458, Wis. Stats., since December 20, 1995.

- a. Respondent's certificate of license/certification are presently expired, but because she has a right of renewal, the Department still retains jurisdiction over her.

2. The Department received this complaint referral from the Federal Deposit Insurance Corporation (FDIC) pursuant to requirement of section 1119(c) of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), which advised the Department in pertinent part that:

"An examination of Farmers State Bank, 726 Water Avenue, Hillsboro, Wisconsin, on March 23, 1998, disclosed an action of ... Cheryl E. Olson ... that may be contrary to the purpose of the title. The state licensed appraiser appears not to have complied with USPAP numbers 1 and 2.

Ms. Olson prepared three separate property appraisals on developed lots and vacant land. These properties are owned by a developer, and the appraisals were ordered by the developer for the bank. The appraisals only include direct sales comparisons of lots or vacant land owned by the same developer (or its affiliate); however, the appraisals do not disclose this limited pool. The short estimated marketing periods do not appear reasonable for the subject lots. The appraiser does not explain adjustments to comparable sales prices. Additionally, the appraiser does not prepare a discounted case flow analysis of the developed properties."

3. A Wisconsin Certified General, expert appraiser, with MAI & SRA designations from the Appraisal Institute, one time chairperson of the Wisconsin Real Estate Appraisers Board, and 1998 & 1999 chairperson of the Appraiser Qualification Board of the Appraisal Foundation Board, was hired to review the subject appraisals for conformity with USPAP and other related appraisal laws.

4. The expert reviewed six (6) subject appraisals, including two (2) supplied by FDIC, four (4) additional ones supplied by lender, Farmers State Bank, Hillsboro, Wisconsin; and ten (10) additional appraisals supplied by Respondent Olson. The expert determined that:

"The FDIC complaint alleges that the appraisal reports performed by Cheryl Olson do not meet USPAP standards in a number of areas as follows:

The appraisals were ordered and paid for by American Investment Company, but the appraiser did not disclose that fact in the appraisal reports since they are addressed to Farmers State Bank.

The appraiser only used comparables of lots and vacant land owned by the same developer or its affiliates and the appraiser did not disclose this limited pool of data.

The appraiser did not properly explain the adjustments she used.

The appraiser did not prepare a discounted cash flow analysis for appraising multiple developed lots in the same appraisal. A related allegation is that the short estimated marketing period did not seem reasonable for the subject lots".

5. By way of background, the expert noted that:

"According to a 1992 newspaper account, Woodland Farms Real Estate Company billed itself as "the

Midwest's largest land company". A state complaint noted that the company also does business as American Investment Company. It developed and sold rural residential lots in recreational areas. It would typically buy a large tract of land, subdivide it, and sell the lots – frequently to recreational users from out of the area. Woodland Farms Real Estate was co-owned by Thomas J. White and James W. Smith and has its headquarters near the Mississippi River in De Soto, Wisconsin. It has branch offices in other areas.

According to the newspaper account, there were multiple allegations of fraud and sharp dealing against the company. Some buyers had filed lawsuits and there were a number of complaints filed against Woodland Farms Real Estate with the Department of Regulation and Licensing.

It is alleged that the developer (American Investment Company) hired appraiser Cheryl Olson (formerly known as Cheryl Pforr) of Prairie Du Chien, Wisconsin to appraise various parcels of land including vacant lots that were owned by American Investment Company. The allegation is that American Investment Company intended to take the appraisals to various banks including Farmers State Bank in Hillsboro, Wisconsin where they would be used as collateral for loans. The appraiser was directed by American Investment Company to address the appraisals to Farmers State Bank.

Farmers State Bank went ahead and made the loans. The bank used the appraisals as a basis for the loans. The FDIC, as part of its examination function, discovered the appraisals and sent in a complaint against Cheryl Olson to the Wisconsin Department of Regulation and Licensing."

6. The expert indicated that there were common issues found in all of the reviewed appraisals, including:

### **"Misrepresentation of Client**

The FDIC alleges that the borrower/developer ordered the appraisals and not the bank. This is not supposed to happen and there are federal rules to prevent it from happening. Normally, a bank is not supposed to use an appraisal as a basis for a mortgage if the appraisal was prepared for the owner or the owner's representative. This was done to prevent shopping for appraised values by property owners.

Appraisers are or should be aware of the general rules regarding the ordering of appraisals for lending purposes (and USPAP Advisory Opinion 10). If Ms. Olson was told by American Investment Company that she should make an appraisal for them but address it to Banner Bank, this would be misleading conduct that would be in violation of the conduct section of the Ethics Provision of USPAP.

There is no question that the appraisals are addressed to Farmers State Bank so the only question is whether the appraisals were ordered by Bob Ortloff of American Investment and paid for by American Investment, these appraisals were then assigned to Farmers State Bank. I have never had any contact with Mr. Richardson of Farmers State Bank."

This is misleading and is a violation of the Conduct section of the Ethic Provision of USPAP.

### **Internal Contradictions on Value Definition**

All of the appraisals reviewed are on what could be called Market Value forms. The forms are set up to estimate Market Value and there is a definition of Market Value contained in the standard attachments.

While these forms and attachments are used in all of the appraisals, in most of the appraisals Market Value is not what is actually estimated. Usually, the appraiser typed in that instructions to the appraiser were to determine Market Value.

Many of these reports value multiple lots – sometimes within the same subdivision and sometimes in multiple subdivisions. In this case the appraiser, elsewhere in the report, also talks about estimating “composition value”, “accumulative value”, or “value of combined lots”. What the appraiser has actually done in all cases where multiple lots are valued is to estimate the expected total gross retail sales of individual lot sales over the entire sell out period rather than Market Value of the combined lots to one individual purchaser as called for in the Market Value definition.

The definition of Market Value in the appraisal report talks about a “buyer” (singular) and a sale “as of a specified date”. The Market Value definition does not include sales to multiple buyers on multiple dates. It is well established within appraisal education and appraisal theory that total expected gross retail sales over the entire sell out period (in effect what was appraised in most of the subject reports) is not Market Value. This is misleading and therefore a violation of the conduct section of the Ethics Provisions of USPAP.

Other USPAP violations include SR1 1(a), SR1 2(b), SR1 2(d), SR1 4(e), SR2 1(a), and SR2 2(b)(iv). These are very serious and significant violations.

The FDIC complaint alleges that the appraiser should have prepared a discounted cash flow analysis. That is true if Market Value was being estimated, (which it should have been). Instead, however, the appraiser chose to estimate total expected gross retail sales over the sell out period. For this reason, I have elected to view the appraiser’s USPAP violation as more one of misrepresentation. If one takes the other viewpoint, the USPAP violation would be primarily for improper valuation procedure.

## **Short Marketing Time**

On all of the appraisals reviewed, marketing time is marked “4 – 6 months” in the Neighborhood check box. As was discussed above, the forms the appraiser used are set up for single parcel valuation. They can only be used for multi parcel valuations by the appraiser adding significant additional information and support. With regard to marketing time, that additional information and support is not there.

Ordinarily, a 4 – 6 month marketing time for a single parcel would be reasonable. In a newly developed rural residential/recreational subdivision, however, the lots are most likely to sell out over a long period of time – usually measured in years. It is also important to understand in the Market Value concept that the lots, as a unit, would be put up for sale to a single purchaser for the consummation of a sale at a single point in time.

The typical purchaser for a group of lots is usually a developer, Realtor, or experienced investor. The typical buyer is never presumed to be the existing owner since the entire premise of a mortgage lending appraisal is the Market Value if the borrower would default and the collateral had to be sold on the open market to someone else (not the lender going into the land development business). The new buyer would at least have to pay a brokerage commission on the resale of the lots (or have internal marketing expenses), would have holding costs, would have to pay other expenses including things like title insurance, and would expect to make a significant profit on the sale of the lots since developers and investors don’t buy property to break even.

The marketing time of 4 – 6 months in the neighborhood section is misleading because it would only apply to a single lot, not a quantity of lots sold individually over a longer period. The check box is for

marketing time for properties like the subject – in the case of most of the appraisals reviewed, for a quantity of lots rather than a single lot. Since the appraiser elected to value total expected gross retail sales over the sell out period, this would require an analysis of the total sell out times for groups of lots like those being appraised.

The 4-6 month marketing time shown in the Neighborhood section is a violation of the USPAP conduct section of the Ethics Provision because it is misleading. Other USPAP violations include SR1-1(a), SR1-4(g), and SR2-1(a). Also see Statement 6 on exposure time.

### **Use of Comparables From Subdivisions Controlled by the Borrower**

One of the FDIC allegations is that the appraiser only used comparable sales of lots or vacant land owned by the same developer or its affiliates, and the appraiser did not disclose this limited pool of data. This allegation is definitely the case with respect to the appraisal of Eagle Mountain West dated 3/12/97 since all of the comps are from the same subdivision. It also appears to be the case on two others and may be the case on two more.

In her letter of September 4, 1998 Ms. Olson appears not only to admit that this is the case, but also maintains that this is proper appraisal procedure. She states: "As part of appraisal principles it is considered correct to use the closest and most similar comparables to the subject. It is a matter of record and history that American Investments has a proven track record for sales of their lots. Their own sales are the only properties sold in the area that are part of the same market. For what is more comparable to a lot in a development sold by a certain company, than another lot in that development. Anytime you are appraising lots in a development, the first place you look for comparables are lots sold in that development or other like developments in that area. I understand that American's lots are unique sales for the area, but the sales comparison approach is based on history, and American Investments has that history to support their sales."

In general, good appraisal practice would be to have at least some of the comparables outside of the subject's subdivision to guard against skewed values. The appraiser appears to recognize this problem when she states "their own sales are the only properties sold in the area that are part of the same market." Also she says: "I understand that American's lots are unique sales for the area".

Normally an appraiser is expected to research and analyze sales activity out of the subject's subdivision and out of the control of the borrower in order to make a determination that sales within the subject's subdivision (or other sales under the contract of the borrower) are not skewed or manipulated. Nationally, a significant source of fraud in the real estate market is manipulations of internal sales activity by developers in order to convince buyers, appraisers, lenders, and others that land is much more valuable than it really is. This occurs where fraud and flipping scams are prevalent, and it is why the FDIC is very concerned.

Another factor is that certain high pressure sales organizations can maintain an artificially high market for lot prices. When a buyer (or a lender who takes back lots in foreclosure) goes to re-sell a lot, however, he or she finds that, without a high pressure sales organization, the actual market value is lower than what they paid. In both instances, some discussion and analysis of sales outside the subject's subdivision will highlight any potential problems. Since the owners of the subject subdivision had been accused of sharp dealing in the past (before the appraisals were performed), this would appear to have been especially appropriate in these instances. I believe violation of SR-1(a) and SR1-4(b)(iii) have occurred.

### **Review of 7/31/97 Appraisal by Cheryl Pforr**

This is an appraisal of land at Route 2, Highway 61, Gay Mills, Wisconsin for Farmers State Bank in Hillsboro, Wisconsin. The owner was American Investment Company and the appraised value was \$80,000. I have conducted a review of this appraisal for compliance with the minimum standards of conduct for the appraisal profession (primarily USPAP compliance).

This is a fairly straight forward appraisal. The common issues previously discussed apply to this appraisal except there is no internal contradiction on the value definition since only one parcel is being appraised. Also, the marketing time checked is appropriate.

There is a big discrepancy between the assessor's estimated fair market value of \$14,200 and the market value given in the appraisal report of \$80,000. There is no explanation of this difference. While it is a potential problem, however, it is not definitely a USPAP violation. Another unusual thing about the appraisal is the date of the appraisal report and the date of the mortgage are both July 31, 1997. While this could signal a problem, without further investigation it cannot be called a USPAP violation.

There is an unexplained inconsistent adjustment for acreage difference in the adjustment chart of this appraisal. Sale #1 has a difference adjustment of \$1,874/acre, Sale #2 has a difference adjustment of \$779/acre, and Sale #3 has a difference adjustment of \$1,647/acre. This is an inconsistency which is not explained in the appraisal report and for which there is no obvious explanation. It would therefore be a violation of SR1 1(a).

### **Review of 10/8/97 Appraisal by Cheryl Olson**

This is an appraisal of eight scattered lots in four separate locations (three in Crawford County and one in Richland County). The appraisal is addressed to Farmers State Bank, the owner is American Investment Company, and the appraised value is \$220,000. I have conducted a review of this appraisal for compliance with the minimum standards of conduct for the appraisal profession (primarily USPAP compliance).

All four of the previously discussed common issues are problems with this appraisal.

In addition to the previously described common issue of the internal contradiction on the value definition, there is a significant problem in trying to appraise eight scattered lots on four separate locations (three in Crawford County and one in Richland County) in one form report. It is not clear, for instance, what neighborhood is being described in the neighborhood description section of the report. While it is theoretically possible to combine widely scattered properties in one form report, it would take a considerable amount of explanation and narrative which is completely missing from this appraisal. In general, this is a violation of SR1 1(a). The lack of individual neighborhood description makes the neighborhood section unclear and of little value. This is a violation of SR2 1(a) and SR2 1(b).

None of the lots are individually described. This is a violation of SR2 1(a), 2 1(b), 2 1(b), and 2 2(b)(i).

A statement is made on the appraisal report that there are no adverse easements affecting the subject property. The legal descriptions on several lots, however, indicate that there are easement roads. It appears that the easements were not considered which is a violation of SR1 2(c). Also, it is checked that these lots are serviced by public roads. Since this does not appear to be the case (because of the easements described in the legal descriptions), this would appear to be a violation of SR1 1(c) and SR2 1(a).

Some of the legal descriptions appear to indicate that the subject lots are subject to scenic easements. This is not discussed in the appraisal report. This would appear to be a violation of SR1 1(c) or 1 1(b) depending upon what the easements entail. It would also be a violation of SR1 1(c) and SR2 1(a).

The property rights appraised is not checked on the form. This is a violation of SR2 2(b)(ii).

No utilities are checked on the form and there is no explanation. This is a violation of SR2 1(b).

The highest and best use is checked both present use and other, but there is no explanation. This is unclear and is a violation of SR2 2(b)(ix).

The sales are not sufficiently identified (only subdivision given but not lot number or specific address). This is a violation of SR2 2(b)(viii).

The site/view adjustment of Sale #2 is about 50% and seems excessive. It appears that there may also be some size characteristics mixed in. In any case, the reason for such a large adjustment should be made more clear either in the chart or with a separate comment. This is a violation of SR1 1(a) and SR1 4(b)(iii).

There is no statement about prior sales of the subject property within the past year and no disclosure or analysis of current listings for sale of the subject lots. Since they are owned by a land development company which is in the business of selling lots, it is expected that they would be up for sale at the time of the appraisal. This is a violation of SR1 5(a) and SR1 5(b).

### **Review of 4/21/97 Appraisal by Cheryl Olson**

This is an appraisal of Section 19 Gran Grae Road, Wauzeka Township in Wauzeka, Wisconsin. It was prepared for Farmers State Bank and borrower is American Investment Company. The appraised value is \$138,000. I have conducted a review of the appraisal for compliance with the minimum standards of conduct for the appraisal profession (primarily USPAP compliance).

This is an appraisal of three lots. With regard to common issues, all four probably apply except the short marketing time. There would be less discounting with only three lots compared to the larger number of lots in many of the other appraisals, but it is still a factor. I am not sure if the comparables are from other lands owned by American Investment, but given the appraiser's comments in her letter, it appears highly likely. With regard to the internal contradiction on value definition, the first part of the appraisal report says that the appraiser is instructed to "determine the current market value". In the neighborhood section, however, it is said that she is appraising "composition value".

There is no statement of whether or not there have been past sales of the subject property within the one year period specified in USPAP and there is no statement about current listings for sale of the subject lots. This is a violation of SR1 5(a), and 1 5(b).

Utilities are neither checked nor commented upon in the Site Description section. This is unclear and a violation of SR2 1(b).



Sales in the adjustment chart are inadequately identified which is a violation of SR2 2(b)(viii).

### **Review of 4/9/97 Appraisal by Cheryl Olson**

This is an appraisal of 50 lots on 480 acres on State Highway 14 in Readstown, Wisconsin. It was prepared for Farmers State Bank and the owner is American Investment Company. The value is \$1,000,000. I have conducted a review of the appraisal for compliance with the minimum standards of conduct for the appraisal profession (primarily USPAP compliance).

All four of the common issues previously described appear to apply to this appraisal. It is not completely clear that all of the comps are owned by American Investment Company, but in view of the statement in the letter by the appraiser, it appears likely. At one point in the appraisal, the value estimated is called market value while in another spot it is called "accumulative value". As with all of the other instances of multiple lot appraisals, the appraiser has actually estimated expected total gross retail sales over the expected sellout period rather than market value to one buyer at a single point in time.

The appraised value of \$1,000,000 exceeds the scope of practice for a Wisconsin certified residential appraiser. RL82.04(2) says that a certified residential appraiser can only appraise commercial real estate having a transaction value of not more than \$250,000.

There is no statement on the current listing prices of the lots appraised. This is a violation of SR1 5(b).

It appears that the subject lots have not yet been subdivided. If that is the case, there may not be any current listings of the subject property to disclose. Since the appraiser is appraising the land as subdivided there should be extraordinary assumptions (currently called hypothetical conditions) covering the differences between the as is condition of the property and the as appraised condition. There are no such special assumptions which is a violation of SR2 2(b)(vii) and SR1 2(a).

### **Review of 9/9/96 Appraisal by Cheryl Pforr**

This is an appraisal of 18 lots in Gunderson Subdivision in Section 28, Mount Sterling. It was done for Farmers State Bank and the owner is American Investment Company. The appraised value is \$550,000. It is an appraisal of 18 lots constituting 192.93 acres. The lots appear to already be surveyed and subdivided. I have conducted a review of the appraisal for compliance with the minimum standards of conduct for the appraisal profession (primarily USPAP compliance).

All four of the common issues appear to apply to this appraisal. It is not completely clear whether the comparable sales are all from subdivisions controlled by American Investment, but it seems likely given the statement made by the appraiser in her letter. There are contradictory statements in the report about the type of value estimated. The instructions to the appraiser are stated as "to determine the market value of the subject lots." In another section, she indicates that she arrived at the "value of combined lots." In actual fact she estimated total expected gross retail sales over the entire sellout period.

This appraisal exceeds the scope of practice for a residential certified appraiser in Wisconsin since the value is \$550,000. RL81.04(2) says that a residential certified appraiser can only appraise "commercial real estate having a transaction value of not more than \$250,000."

There is no statement of any sale of the subject property within the past year or of listing prices of the lots. This is a violation of SR1 5(a) and SR1 5(b).

The zoning is stated as "non/agricultural" without any explanation. This is unclear and would be a violation of SR2 1(b).

In the report, access is checked as public with public maintenance and a statement is made that there are no adverse easements. In the legal descriptions, however, it is indicated that many parcels have private easement roads and that therefore there are private easements on at least some of the lots. This is a violation of SR2 1(a) and SR1 2(c).

### **Review of 3/12/97 Appraisal by Cheryl Pforr**

This is an appraisal of Eagle Mountain West in Ferryville, Wisconsin consisting of 23 lots on 52.47 acres. It is prepared for Farmers State Bank and the owner is American Investment Company. The appraised value is \$630,000. I have conducted a review of the appraisal for compliance with the minimum standards of conduct for the appraisal profession (primarily USPAP compliance).

All four common issues previously described apply to this appraisal. The appraiser unequivocally at several points says that "the appraisal was done to determine current market value of the subject lots for mortgage purposes." What was actually done, however, is to estimate the total expected gross retail sales over the total sellout period. All sales are definitely in the same subdivision as the subject lots.

With a value of \$630,000, this appraisal exceeds the scope of practice for a residential certified appraiser in Wisconsin. RL81.04(2) says that a residential certified appraiser can only appraise commercial real estate having a transaction value of not more than \$250,000.

In the sales adjustment chart, there are two categories which appear to be improperly adjusted: Location and Site/View. The subject is ranked as good for both categories. One comparable is rated as good for both categories (equal to the subject), one comparable is rated as very good in both categories (superior to the subject), and one comparable is rated as average in both categories (inferior to the subject property). Despite these differences, no adjustment is made. The only adjustment in the chart is for size. This is a violation of SR1 1(a), SR1 1(b), and SR1 4(b)(iii).

There is no statement concerning any sales of the subject property within one year of the appraisal date and there is no statement of current listing prices on the subject lots. This is a violation of SR1 5(a) and SR1 5(b).

### **Comments On Additional Appraisals**

In addition to the six appraisals reviewed in detail above, the appraiser, at DRL request, supplied in additional 10 appraisals. I briefly examined these appraisals although I did not review them in detail. The appraisals cover a variety of properties including two commercial properties, various quantities of residential lots, and other properties. According to the appraiser, all were performed for American Investment Company or one of its affiliates. All were done for banks other than Farmers State Bank.

In general, the appraisal of groups of residential lots appear to have the same general problems as the appraisal reports reviewed in detail. Other appraisals have at least some other problems. One of the commercial properties, for instance, talks about a Cost Approach having been done, but doesn't show it. There is also a hypothetical condition (contrary to fact) that there is a new roof on the property without any discussion or justification for the hypothetical condition. Finally, the adjustment chart adjusts the difference in building square footage at \$65/sq. ft. (for building only) whereas the final value of the subject property (per square foot of building area but including land value) is only \$33/sq. ft.

Considering that the original complaint involved appraisals only with Farmers State Bank and that there is ample evidence of substandard practice in the six appraisal reports reviewed in detail, I have not reviewed the additional 10 reports.

## **Summary And Conclusion**

In general, these are poor quality appraisals. They contain errors, omissions, and questionable analysis. They lack credibility and reliability. Overall they are misleading and below the minimum standard of conduct for the appraisal profession".

## CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board has jurisdiction to act on these matters pursuant to section 458.26, Wis. Stats.
2. the Wisconsin Real Estate Appraisers Board is authorized to enter into the attached Stipulation pursuant to sec. 227.44(5), Wis. Stats.
3. In addition to and as a result of the above enumerated violations, Respondent is also deemed to have variously violated secs. 458.26(3)(b) (c), Wis. Stats. (b) Engaged in unprofessional or unethical conduct in violation of rules promulgated under sec. 458.24, (c) engaged in conduct while practicing as an appraiser which evidences a lack of knowledge or ability to apply professional principles or skills; and violated

Sec. RL 81.05(2), Wis. Adm. Code. Except as permitted by state or federal law, licensed and certified appraisers are authorized to conduct appraisals in conjunction with federally related and non federally transactions as follows:

(2) Certified Residential Appraisers. A certified residential appraiser may conduct appraisals of residential real estate without regard to transaction value and of commercial real estate having a transaction value of not more than \$250,000.

4. In further addition to, and also as a result of the above enumerated violations, Respondent is also deemed to have variously violated secs. RL 86.01(1) (2), (3), (6), Wis. Adm. Code:

(1) Certified ... appraisers shall comply with the standards of practice established by ch. 458, Stats., and chs. RL 80 86 and the standards set forth in USPAP.

(2) All appraisals performed in conjunction with federally related transactions and non federally related transactions shall conform to USPAP ...

(3) A certified residential appraiser shall not use the title "Wisconsin certified residential appraiser" or "WI certified residential appraiser" on any appraisal report or written appraisal agreement pertaining to commercial real estate having a transaction value of more than \$250,000.

(6) A certified ... appraiser shall not offer to perform, nor perform, services which he/she is not competent to perform through education or experience.

All enumerated violations are not inclusive .

#### ORDER

NOW, THEREFORE, IT IS ORDERED that:

1. Respondent Cheryl E. Olson voluntarily surrender her certificate of licensure and certificate as a certified residential appraiser, and or her right to renew same per sec. 458.11, Wis. Stats.; and agree to not ever reapply again for licensure/certification as an appraiser in the state of Wisconsin; and pay "Expert's" costs in the amount of \$1900.

2. On or before the effective date of the Board's Final Decision and Order adopting the Stipulation Agreement, Respondent shall submit all Real Estate Appraiser's licenses/certificates previously issued to her to the Department's Monitor (The effective date of the Board's Order is the date the Final Decision and Order is signed by the Board's chairperson or his designee).

Marlene Meyer

Monitor

Division of Enforcement

P.O. Box 8935

Madison, WI 53708 8935

3. The \$1900 costs shall be payable by cashier's check or money order made payable to the Department of Regulation and Licensing, and paid within three (3) calendar months of the effective date of the Board's Order adopting the Stipulation Agreement; and submitted to the Department's Monitor, supra (Place case # and "costs" on check or money order).

4. If Respondent should fail to pay the costs as ordered, or fails to obtain a written extension from the Board to pay same, then she shall be considered to be in violation of the Board's Order and may be subjected to further discipline.

By: La Marr Franklin

On behalf of the Board

4-16-03

Date