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

| | |
|--|-----------------------|
| IN THE MATTER OF THE DISCIPLINARY | : |
| PROCEEDINGS AGAINST | : |
| | : |
| PAUL D. ALLEN, | : |
| RESPONDENT. | : LS0405121APP |

FINAL DECISION AND ORDER

Division of Enforcement Case Nos. 01 APP 003, 01 APP 013 and 02 APP 015

The parties to this action for the purposes of Wis. Stats. Sec. 227.53 are:

Paul D. Allen
3001 Youngdale Ave.
LaCrosse, WI 54603

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

The parties in these matters agree to the terms and conditions of the attached Stipulation as the final decision of the matter(s), subject to the approval of the Real Estate Appraisers Board (Board). The Board has reviewed the Stipulation agreement annexed to this Final Decision and Order, and considers it acceptable. Accordingly, the Board adopts the attached Stipulation and makes the following:

FINDINGS OF FACT

1. Respondent Paul D. Allen ("Respondent"), whose date of birth on record with the Department of Regulation and Licensing (Department) is March 4, 1948, and whose last known address of record with the Department is 3001 Youngdale Avenue, LaCrosse, WI, 54603, is licensed as a certified residential appraiser (#9-1129). Respondent was granted the license on October 6, 1998 and March 2, 1998, respectively, pursuant to Wis. Stat. ch. 458, and has held it at all times material to this complaint. The Respondent's license is current through December 31, 2005.

2. On or about May 13, 1999, Respondent performed an appraisal of real estate located at N73156 County Road XX, Holmen, Wisconsin, 54636. Respondent signed the appraisal report on or about May 16, 1999.

3. The appraisal report stated that the property was provided with the public utilities of water and sanitary sewer from the street. In fact, the property was not provided with these public utilities.

4. On or about March 4, 2000, Respondent performed an appraisal of real estate located at 405 River Drive, Black River Falls, WI, 54615. Respondent signed the appraisal report on or about March 6, 2000.

5. The appraisal report stated that the property had a basement. In fact, the property was manufactured housing, which fact was not noted in the report, and the property had no basement.

6. On or about July 23, 1999, Respondent performed and signed an appraisal of real estate located at 1024 Farnum Street, LaCrosse, WI, 54601.

7. Relying primarily upon a sales comparison analysis, Respondent arrived at a value for the property of \$91,000. In fact, the property was listed for \$49,000 on July 27, 2001, and sold for \$44,000 on October 18, 2001.

8. A review appraisal of the property was conducted on or about January 4, 2002, at the request of FannieMae. The review appraiser concluded that the comparables utilized by the Respondent were in much better physical condition than the subject property, that the Respondent failed to support the effective age of the property as given in the report, that the Respondent did not consider proper and that the Respondent failed to properly adjust the rental income of the

property as opposed to the comparables when employing the income approach to valuation.

9. USPAP Standards Rule 1-1 requires, in relevant part, that in developing a real property appraisal an appraiser must:

- (a) be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal;
- (b) not commit a substantial error of omission or commission that significantly affects an appraisal; and
- (c) not render appraisal services in a careless or negligent manner...

10. USPAP Standards Rule 1-4 requires, in relevant part, that in developing a real property appraisal an appraiser must "collect, verify and analyze all information applicable to the appraisal problem," and, when the sales comparison approach is applicable, "an appraiser must analyze such comparable sales data as are available to indicate a value conclusion."

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board has jurisdiction to act in these matters pursuant to § 458.26, Stats.

2. The Wisconsin Real Estate Appraisers Board has authority to enter into this stipulated resolution of this matter pursuant to § 227.44(5), Stats.

3. The Respondent, Paul D. Allen, by his conduct as set forth above violated USPAP Standards Rule 1-1(a)-(c), and USPAP Standards Rule 1-4.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED:

1. Respondent, Paul D. Allen, is REPRIMANDED for the conduct set out above.

2. Respondent shall, within 90 days of the date of this Order, pay to the Department of Regulation and Licensing the costs of this proceeding in the amount of \$1500.00, pursuant to § 440.22(2), Stats.

3. Respondent shall, within 180 days of the date of this Order, pay a forfeiture in the amount of \$500.00 to the Department.

4. Respondent shall take and successfully complete Appraisal Institute course numbers 110, 120 and attend an Appraisal Institute course or seminar regarding manufactured housing on or after March 30, 2004, but within 12 (twelve) months of the issuance of this order, to include the successful completion of any examination associated with the required courses. These credits shall be in addition to the continuing education required for renewal of licensure for the following biennium, by Wis. Adm. Code § RL 85.01(1), and shall not be applied towards meeting that requirement.

5. Respondent shall provide proof sufficient to the Board of Respondent's satisfactory completion of the coursework within 30 days of completion or within 30 days of the availability of course results, whichever is later.

6. Respondent's license shall be LIMITED to the completion of no more than 40 appraisal reports in any one month, of which no more than five per month may consist of properties which are not single-family residences. Said limitation shall be removed by the Respondent submitting a request for its removal to the Board, with the request stating that Respondent has successfully completed all of the educational requirements called for by this Order, and has made all payments called for by this Order.

7. Respondent shall provide proof to the Department that he is abiding by the provisions of paragraph 5 (five) of this Order by having a licensed real estate or accounting professional submit a notarized statement to the Department stating the number of appraisal report completed by Respondent during the preceding month, the street address of the subject

property, whether or not the subject property is a single-family residence, and, if not, providing a description of the property. Said notarized statement shall be submitted to the Department no later than the 20th day of each month following the first full month after the issuance of this order. Respondent shall pay any and all expenses or costs associated with submitting the notarized statement to the Department.

8. All payments, requests for approval of continuing education, evidence of completion of the education, and notarized statements required by this Order, and request for removal of the limitation, shall be mailed, faxed or delivered to:

Department Monitor
Department of Regulation and Licensing
Division of Enforcement
1400 East Washington Ave.
P.O. Box 8935
Madison, WI 53708-8935
Fax: (608) 266-2264
Telephone: (608) 267-3817

9. Violation of any term or condition of this Order may constitute grounds for revocation of Respondent's license and certification as a certified residential appraiser in Wisconsin. Should the Board determine that there is probable cause to believe that Respondent has violated the terms of this Order, the Section may order that Respondent's license and certification be summarily suspended pending investigation of and hearing on the alleged violation.

The rights of a party aggrieved by this Decision to petition the Board for rehearing and to petition for judicial review are set forth on the attached "Notice of Appeal Information."

Dated at Madison, Wisconsin this 12th day of May, 2004.

LaMarr J. Franklin
Chair
Real Estate Appraisers Board