

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF THE DISCIPLINARY :
PROCEEDINGS AGAINST :
: FINAL DECISION AND ORDER
JAMES B. BROWN, :
RESPONDENT. : LS0603013APP

Division of Enforcement Case No. 04 APP 062

The parties to this action for the purpose of Wis. Stat. § 227.53 are:

James B. Brown
773 E. River Dr.
De Pere, WI 54115

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

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

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final disposition of this subject to the approval of the Real Estate Appraisers Board (Board). The Board has reviewed this Stipulation and cons acceptable.

Accordingly, the Board in this matter adopts the attached Stipulation and makes the following:

FINDINGS OF FACT

1. **James B. Brown**, (DOB 12/06/49), is a duly licensed appraiser in the state of Wisconsin having license # 4-1 which was first granted on 12/02/99.

2. Mr. Brown's most recent address on file with the Wisconsin Department of Regulation and Licensing is 733 E, Rd., De Pere WI 54115.

3. On or about January 19, 2000, Mr. Brown prepared a written appraisal report on behalf of a mortgage lender property located at N1119 Buckbee Rd., Clintonville, WI 54929. This appraisal was reviewed by Washington Mutual Reside Quality Assurance-Collateral Review Department. During Washington Mutual's review, the reviewer noticed discrepancies in Brown's appraisal and forwarded the appraisal to the Department of Regulation and Licensing.

4. The appraisal for the N1119 Buckbee Rd., Clintonville property was reviewed by the Department and determined that the appraisal did not meet the Uniform Standards of Professional Appraisal Practice (USPAP) as follows:

a. S.R. 1-2a Client and Intended User(s)

The report does not identify the intended user(s);

b. S.R. 1-2b Intended Use

The report does not identify the intended use of the appraisal work;

c. S.R. 1-2c Purpose and Reasonable Market Exposure Time;

Does not provide an opinion of the reasonable market exposure time for the subject property;

d. S.R. 1-2e Property Characteristics;

The report included the basement as both a basement and above grade area. The report included the entire basement in GLA, not just the finished portion (which he indicates is 90%). The report also did not provide a site dimension size;

e. S.R. 1-2f Scope of Work

No scope of work statement is included in the report;

f. S.R. 1-3a Land Use Regulations

Does not provide the zoning classification and description of same;

g. S.R. 1-4a Sales Comparison Approach

The 3 comparables were actually all located 39+ miles from the subject property in a superior location. The appraisal shows the comparables less than 5 miles from the subject property;

Sales 1 and 2 are not comparable in style; Sale 3 appears from the photograph to be a split-level house. Each sales are significantly larger than the subject property;

No adjustments are made for age, and there is no explanation for why they are not made, (the sales differ from subject by 7-28 years in age;)

Adjustment of \$3,500.00 for the second bath appears to be high for this profile house, and adjustment of \$5 ft. for GLA is exceedingly low;

h. S.R. 1-4b. Cost Approach

The report did not contain site improvements. Site improvements include the well septic system, driveway, landscaping, etc. These items have value but if they didn't a downward adjustment should have been made in the Comparison Grid;

i. S.R. 1-4c. Income Approach

Gives no explanation for omission of the Income Approach to value;

j. S.R. 2-1 Report Not Misleading

The combination of the concerns noted leads to a misleading report; -

k. S.R. 2-2 Reporting Options

The report does not identify the reporting option used; and

l. S.R. 1-1 Developing an Appraisal

The combination of the concerns above leads to the conclusion that this standards rule has been violated.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board has jurisdiction to act in this matter pursuant to Wis. Stat. sec. 44

and is authorized to enter in the attached Stipulation pursuant to Wis. Stat. sec. 227.44 (5).

2. The conduct described above in paragraph 4 constitutes a violation of:
 - a. USPAP Standards Rule 1-1 Developing an Appraisal;
 - b. USPAP Standards Rule 1-2a Client and Intended User(s);
 - c. USPAP Standards Rule 1-2b Intended Use;
 - d. USPAP Standards Rule 1-2c Purpose and Reasonable Market Exposure Time;
 - e. USPAP Standards Rule 1-2e, Property Characteristics;
 - f. USPAP Standards Rule 1-2f, Scope of work;
 - g. USPAP Standards Rule 1-3a, Land Use Regulations;
 - h. USPAP Standards Rule 1-4a, Sales Comparison Approach;
 - i. USPAP Standards Rule 1-4b, Cost approach;
 - j. USPAP Standards Rule 1-4c, Income Approach;
 - k. USPAP Standards Rule 2-1, Report Not Misleading;
 - l. USPAP Standards Rule 2-2, Reporting Options; and

3. As a result of the above violations, respondent is deemed to have also violated Wis. Stat. § 458.26(3)(c), and Admin. Code § RL 86.01 (2), by engaging in conduct while practicing as an appraiser which evidences a lack of knowledge or ability to apply professional principles or skills.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The license of **James B. Brown**, license #4-1259 be, and hereby is, **REPRIMANDED**.

2. Respondent **James B. Brown**, within 120 days of the date of this Order, successfully **complete 15 hours of continuing education approved by the Department of Regulation and Licensing** and submit proof of the same in the form of verification from the institution providing the education to the address stated below. None of the education completed pursuant to this requirement 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.

3. Respondent **James B. Brown** shall, within 60 days of the date of this Order, pay **COSTS** of this proceeding in the amount of \$800.00.

Payment shall be made payable to the Wisconsin Department of Regulation and Licensing, and mailed to:
Department Monitor

Division of Enforcement
Department of Regulation and Licensing
P.O. Box 8935, Madison, WI 53708-8935
Telephone (608) 261-7904, Fax (608) 266-2264

4. Violation of any of the terms of this Order may 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 sanctions.

conditions and limitations or other additional discipline for a violation of any of the terms of this Order. In the event Respondent fails to timely submit any payment of the forfeiture and/or costs as set forth above or fails to complete the education as ordered, Respondent's license # 4-1259 SHALL BE SUSPENDED, without further notice or hearing, until Respondent has complied with the terms of this Order.

5. This Order is effective on the date of its signing.

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: Mark P. Kowbel
A Member of the Board

3/1/2006
Date