

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



Wisconsin Department of Regulation & Licensing Access to the Public Records of the Reports of Decisions

This Reports of Decisions document was retrieved from the Wisconsin Department of Regulation & Licensing website. These records are open to public view under Wisconsin's Open Records law, sections 19.31-19.39 Wisconsin Statutes.

Please read this agreement prior to viewing the Decision:

- The Reports of Decisions is designed to contain copies of all orders issued by credentialing authorities within the Department of Regulation and Licensing from November, 1998 to the present. In addition, many but not all orders for the time period between 1977 and November, 1998 are posted. Not all orders issued by a credentialing authority constitute a formal disciplinary action.
- Reports of Decisions contains information as it exists at a specific point in time in the Department of Regulation and Licensing data base. Because this data base changes constantly, the Department is not responsible for subsequent entries that update, correct or delete data. The Department is not responsible for notifying prior requesters of updates, modifications, corrections or deletions. All users have the responsibility to determine whether information obtained from this site is still accurate, current and complete.
- There may be discrepancies between the online copies and the original document. Original documents should be consulted as the definitive representation of the order's content. Copies of original orders may be obtained by mailing requests to the Department of Regulation and Licensing, PO Box 8935, Madison, WI 53708-8935. The Department charges copying fees. *All requests must cite the case number, the date of the order, and respondent's name as it appears on the order.*
- Reported decisions may have an appeal pending, and discipline may be stayed during the appeal. Information about the current status of a credential issued by the Department of Regulation and Licensing is shown on the Department's Web Site under "License Lookup." The status of an appeal may be found on court access websites at: <http://ccap.courts.state.wi.us/InternetCourtAccess> and <http://www.courts.state.wi.us/wscca>.
- Records not open to public inspection by statute are not contained on this website.

By viewing this document, you have read the above and agree to the use of the Reports of Decisions subject to the above terms, and that you understand the limitations of this on-line database.

Correcting information on the DRL website: An individual who believes that information on the website is inaccurate may contact the webmaster at web@drl.state.wi.gov

STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY	:	
PROCEEDINGS AGAINST	:	
	:	FINAL DECISION AND ORDER
DAVID A. BEAVAN,	:	
RESPONDENT.	:	LS0709123APP
	:	

Division of Enforcement Case File # 05 APP 030

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

David A. Beavan
7291 Hwy N.
Sun Prairie, WI 53590

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

PROCEDURAL HISTORY

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final disposition of this mat subject to the approval of the Board.

The Board has reviewed this Stipulation and considers it acceptable. Accordingly, the Board adopts the attached Stipu in this matter and makes the following Findings of Fact, Conclusions of Law, and Order.

FINDINGS OF FACT

1. **David A. Beavan** is a licensed appraiser in the State of Wisconsin, license # 4-1633, which was first granted on 9/30/03. Mr. Beavan's most recent address on file with the Department of Regulation and Licensing is 7291 Hwy N., Sun Prairie, WI 53590.
2. On or about December 29, 2005, Mr. Beavan forwarded to the Department of Regulation and Licensing an application for a Certified Residential Appraiser license.
3. As part of the process to obtain a Certified Residential Appraiser license the Department requested copies of sample appraisal reports that Mr. Beavan prepared. Mr. Beavan submitted five reports. These reports were reviewed by the Department and it was determined that the five appraisal reports did not meet the Uniform Standards of Professional Appraisal Practice (USPAP). Specifically,
 - a. With regard to the appraisal of property at **4901-4903 Camden Rd., Madison, WI**. Mr. Beavan failed to satisfy:

Standards Rule 1-5 Subject Listing and Sale Information
Does not indicate whether or not the Subject was listed for sale. On page 1, the indicated list price is

\$129,000. The sales price is \$145,000. Provides no analysis. There is no explanation as to why property is worth more than the list price and the offer price. The Standards Rule required the appraiser to **ANALYZE** the listing and agreement of sale. If the property is worth more than its list price and more than the offer to purchase, there should be a valid reason (e.g., list price too low, distress situation, immediate sale with competing offers, etc.). The appraiser should provide the list price and length of time on the market along with some reasoning for why the value is placed below, at, or over the list price. _

- b. With regard to the appraisal of property at **3582 Bishops Way, Middleton WI**. Mr. Beavan failed to satisfy:

Standards Rule 1-4a Sales Comparison Approach

Bases appreciation on changes in median sales prices. This is not a valid way to calculate appreciation. Appreciation is shown by the resale of the same house(s) over time.

No explanation of the location adjustments.

Site size adjustments are inconsistent. The subject has a site of .64 acres. Sale 1 with 3.19 acres and Sale 4 with 1.56 acres are adjusted down, but sales 2, 3, and 6 with 4.97, 2, and 1.96 acres are not adjusted.

Adjust sales 2, 5, and 6 twice for “above grade room count” (\$4,000 & \$5,000).

Age, condition, bath, GLA (Gross Living Adjustments), and basement finish adjustments are too low.

Standards Rule 1-5 Subject Listing and Sale Information

This is a building contract, but no sales price is reported. Provides no analysis. The Standard Rule requires the appraiser to **ANALYZE** the listing and agreement of sale.

- c. With regard to the appraisal of property at **615 W. Main St., Madison, WI**. Mr. Beavan failed to satisfy:

Standards Rule 1-4a Sales Comparison Approach

No explanation for the room count adjustment.

No explanation for lack of GLA adjustments.

Sale 3 quality adjustment is not supported.

Standards Rule 1-5 Subject Listing and Sale Information

Does not indicate whether or not the Subject was listed for sale. Provides no analysis. The Standard Rule requires the appraiser to **ANALYZE** the listing and agreement of sale.

- d. With regard to the appraisal of property at **123 W. Washington Ave. # 1005, Madison WI**, Mr. Beavan failed to satisfy:

Standards Rule 1-2e Property Characteristics

The property is not new. It is a conversion of a decades old building built as a hotel, converted to offices, converted to condominiums.

Standards Rule 1-4a Sales Comparison Approach

No support for floor adjustments.

Sale 1 is actually on Lake Mendota. No support for lake frontage being to lake view. No support for remaining view adjustments.

No explanation for the location adjustments.

Adjusts sale 3 twice for “above grade room count” (-\$10,000 & -\$12,000). No support for room count

adjustments (double counts GLA).

Inadequate support for huge terrace adjustments.

Standards Rule 1-5 Subject Listing and Sale Information

No list price reported. No support for a final value 5.9% higher than sales price. Provides no analysis. The Standard Rule requires the appraiser to ANALYZE the listing and agreement of sale.

- e. With regard to the appraisal of property at **1422 Wheeler Rd., Madison WI**, Mr. Beavan failed to satisfy:

Standards Rule 1-4a Sales Comparison Approach

The adjustments under room count appear to double count GLA. No explanation is provided.

4. Because the appraisals provided by Mr. Beavan failed to meet USPAP, the Department of Regulation and Licensing denied his application for a Certified Residential Appraiser license.

5. In response to the Department's investigation, and as a negotiated term of settlement for this case, Mr. Beavan completed 75 hours of coursework in "Basic Appraisal and Reports" on February 12, 2007.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraiser's Board has jurisdiction to act in this matter pursuant to Wis. Stat. sec. 458.26, and is authorized to enter in the attached Stipulation pursuant to Wis. Stat. sec. 227.44 (5).

2. The conduct described above in paragraph 3 constitutes a violation of:

- a. USPAP Standards Rule 1-2e Property Characteristics;
- b. USPAP Standards Rule 1-4a Sales Comparison Approach; and
- c. USPAP Standards Rule 1-5 Subject Listing and Sale Information.

3. As a result of the above violations, respondent is deemed to have also violated Wis. Adm. Code § RL 86.01 (2), and Wis. Stat. § 458.26(3)(c), by failing to conform his appraisals to USPAP, and 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. **David A. Beavan**, license #4-1633 be, and hereby is, **REPRIMANDED**.

2. **David A. Beavan** shall successfully complete 15 hours of USPAP training, which shall not count or be credited toward Mr. Beavan's required continuing education. The first 15 hours of coursework in "Basic Appraisal and Reports" completed by Mr. Beavan on 2/12/2007 is hereby accepted as satisfaction of this requirement.

3. **David A. Beavan** shall within 90 days of the date of this Order, pay costs of this proceeding in the amount of \$1,400.00. 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) 267-3817, Fax (608) 266-2264

In the event Mr. Beavan fails to pay the costs within the time and in the manner as set forth above, his 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.

4. This Order shall become effective upon the date of its signing.

WISCONSIN REAL ESTATE APPRAISERS BOARD

By: Marla Britton
A Member of the Board

9/12/07
Date