

WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY	:	
PROCEEDINGS AGAINST	:	
	:	FINAL DECISION AND ORDER
DANIEL G. WILHELM,	:	
RESPONDENT.	:	LS07022815APP

Division of Enforcement Case Nos. 05 APP 063 & 06 APP020

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

Daniel G. Wilhelm
505 Curt Rd.
Holmen, WI 54636

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 matter, subject to the approval of the Real Estate Appraisers Board (Board). The Board has reviewed this Stipulation and considers it acceptable.

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

FINDINGS OF FACT

1. **Daniel G. Wilhelm**, (DOB 04/02/54), is a licensed appraiser in the State of Wisconsin, license # 4-12, which was first granted on 02/06/92. Mr. Wilhelm's most recent address on file with the Department of Regulation and Licensing is 505 Curt Rd., Holmen, WI 54636.

Case No. 05 APP 063

2. On or about August 31, 2001, Mr. Wilhelm prepared a written appraisal report on behalf of Tri-State Financial Services, Inc., for property located at 605 Wolcott St., Sparta, WI 54656. After reviewing the appraisal, Tri-State Financial noticed discrepancies in Mr. Wilhelm's appraisal and forwarded the appraisal to the Department of Regulation and Licensing.

3. The appraisal for the 605 Wolcott St., property was reviewed by the Department and it was determined

that the appraisal did not meet the Uniform Standards of Professional Appraisal Practice (USPAP) as follows:

- The report does not identify the client and other intended users.
- The report does not identify the intended use.
- The neighborhood description provided does not reflect the subject market area.
- The garage size appears to be one car with an old style swing not overhead garage door.
- The subject is reported to be “basic in design and function”, average condition with no details provided about any historic significance, character features, remodeling or recent updating.
- There was no discussion, rationale or justification made for a \$54,000 increase in value of the subject property during the 16 month period after the last sale of \$35,000.
- Two sales (Sale #1 & Sale # 2) used in the report have been updated, have acreage, outbuildings, well & septic, are set up for horses and one even has a trout stream, these properties are not comparable to the subject town location.
- Sale #3, the one town property used in the report, is located on a large “double” lot with significant remodeling and updating to the structure – no adjustments were made for lot size, or “completely remodeled” condition.
- The dollar amount adjustments made for features such as acreage (\$1,000 per/acre) and outbuildings are low.
- The MLS data sheets reveal discrepancies in features such as garage size for comparable sales, basement full or partial, and enclosed porch that are not, or minimally, adjusted for on the grid.
- No explanation is made for the \$2,000 (bathroom?), adjustment for Sale #3.

Although the appraisal was as of 8/31/01, workfile documentation indicates data was collected in 2005, and no assignment order was provided.

Case No. 06 APP 020

4. On or about December 9, 2002, Mr. Wilhelm prepared a written appraisal report on behalf of Tri-State Financial Services, Inc., for property located at 19654 Bluffview Place, Galesville, WI 54630. The mortgage holder defaulted, and Fannie Mae had a retrospective field review appraisal conducted. After reviewing the appraisal, Fannie Mae noticed discrepancies in Mr. Wilhelm’s appraisal and the appraisal was forwarded to the Department of Regulation and Licensing.

5. The appraisal for the 19654 Bluffview Place property was reviewed by the Department and it was determined that the appraisal did not meet the Uniform Standards of Professional Appraisal Practice (USPAP) as follows:

- The report does not identify the characteristics of the property.
- The report does not analyze all sales of the subject property.
- The Value of the subject exceeds the predominant value range for the neighborhood.
- The subject basement erroneously reported to be 2,660 SqFt for a 1,876 SqFt ranch style home.
- No discussion, rationale or justification is made for a \$72,000 increase in value of the subject property during the 17 month period after the last sale of \$185,000.
- No adjustments were made for the differences in lot size, land value of comparable sales.
- No adjustments were made for the differences in gross living area of the comparable sales.
- Rural properties were compared to suburban properties with no explanation of any well/septic or other locational adjustments required.

-The subject transfer history was not researched or verified

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers 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 1-1 (b) (c) Developing an Appraisal:
“not commit a substantial error of omission or commission”
“not render appraisal services in a careless or negligent manner”
 - b. USPAP Standards Rule 1-2 (a)(b)(e) Developing an Appraisal:
“identify the client and other intended users”
“identify the intended use”
 - c. USPAP Record Keeping (Ethics) Rule
3. The conduct described above in paragraph 5 constitutes a violation of:
 - a. USPAP Standards Rule 1-1 (a) (b) (c) Developing an Appraisal:
“be aware of, understand, and correctly employ...recognized methods”
“not commit a substantial error of omission or commission”
“not render appraisal services in a careless or negligent manner”
 - b. USPAP Standards Rule 1-2 (e) Developing an Appraisal:
“identify the characteristics of the property”
 - c. USPAP Standards Rule 1-4 (b) Developing an Appraisal:
“analyze all sales of the subject property”
4. 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 principals or skills.

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The license of **Daniel G. Wilhelm**, license #4-12 be, and hereby is, **REPRIMANDED**
2. Respondent **Daniel G. Wilhelm**, shall within one (1) year from the date of this Order, successfully complete an Appraisal Institute or college level course in **Residential Market Analysis and Highest & Best Use** or **Advanced Sales Comparison & Cost Approach** and **Basic Appraisal Procedures**, plus **Appraising Rural Residential Properties**, 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. The license of **Daniel G. Wilhelm**, license #4-12 be, and hereby is, **LIMITED** for a period of no less than **ONE (1) YEAR** commencing five (5) days after the date of this order.
 - a. Respondent **Daniel G. Wilhelm**, shall not rely on any trainee, clerical staff and/or office assistant to provide research assistance.

b. Respondent **Daniel G. Wilhelm**, shall maintain a work file for every appraisal that includes a hard copy of the assignment from the lender, adequately document the listing or sales history for the subject property, and the comparable sales.

4. No less than one year from the date of this Order and after the successful completion of course work, the Respondent may petition the Board to remove any or all of the limitations. Respondent shall provide three appraisal reports (with properly documented work files), completed after the successful completion of course work, selected at random by the Department from a list provided by the Respondent. The Board may grant or deny the petition.

5. Respondent **Daniel G. Wilhelm** shall, within 60 days of the date of this Order, pay **COSTS** of this proceeding in the amount of \$900.00.

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

6. 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 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 costs as set forth above or fails to complete the education as ordered, Respondent's license # 4-12 SHALL BE SUSPENDED, without further notice or hearing, until Respondent has complied with the terms of this Order.

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: Mark P. Kowbel
A Member of the Board

2/28/07
Date