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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF :
DISCIPLINARY PROCEEDINGS AGAINST : **FINAL DECISION AND ORDER**
JEROME J. PISNEY, : LS0710151APP
RESPONDENT. :

Division of Enforcement Case Nos. 05 APP 064 and 06 APP 117

The parties to this action for the purposes of Wis. Stat. sec. 227.53 are:

Jerome J. Pisney
31716 Lakeview Drive
Lake City, Minnesota 55041

Real Estate Appraisers Board
Post Office Box 8935
Madison, Wisconsin 53708-8935

Department of Regulation and Licensing
Division of Enforcement
Post Office Box 8935
Madison, Wisconsin 53708-8935

PROCEDURAL HISTORY

A disciplinary proceeding was commenced in this matter by the filing of a Notice of Hearing and Complaint with the Real Estate Appraisers Board on October 15, 2007. Prior to the hearing on the Complaint, the parties in this matter agreed to the terms and conditions of the attached Stipulation as the final disposition of this matter, subject to the approval of the Board. The Board has reviewed this Stipulation and considers it acceptable.

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. Jerome J. Pisney, dob June 26, 1941, possesses a certificate of licensure and a certificate of certification to practice in the state of Wisconsin as a Certified Residential Appraiser and a Licensed Appraiser, both using certificate number 9-1236. These certificates were first granted on October 18, 2001, and are current until December 14, 2009.
2. Mr. Pisney's most recent address known to the Department of Regulation and Licensing is 31716 Lakeview Drive, Lake City, Minnesota 55041.

Facts related to case no. 05 APP 064:

3. On or about May 21, 2002, Mr. Pisney prepared a written appraisal report on behalf of Tri-State Financial Services Inc., for property located at 303 S. Black River St., Sparta, WI 54646.
4. The appraisal for the 303 S. Black River St., property did not meet the Uniform Standards of Professional Appraisal Practice (USPAP) for the following reasons:
 - a. The information in the neighborhood section of the appraisal report is not complete and accurate, in that
 - i. the neighborhood boundaries of the subject property include approximately 60% of the entire city of Sparta

- including the Central Business District;
 - ii. the present land use listed at 100% one-family is not correct; so that
 - iii. either the neighborhood boundaries must be reduced or the land use must be expanded to include multi, commercial, etc.
- b. The data in the improvements section is not complete and accurate, in that
- i. the appraisal report incorrectly lists a breezeway as a family room on the first floor;
 - ii. the breezeway is incorrectly included in the gross living area;
 - iii. the gross living area of the first floor is incorrectly reported as 1,038 square feet (rather than the true area of 864 sq. ft.);]
 - iv. the report incorrectly describes the lower level family room as finished space; and
 - v. the report fails to provide any data or explanation for a reported effective age of 20 years for a 51-year-old house.
- c. The comparable sales selected by Mr. Pisney are not the most similar -- locationally, physically and functionally -- to the subject property, in that the sales used are all superior to the subject property in age, number of bedrooms, and gross living area.
- d. The data and analysis presented in the sales comparison approach are not complete and accurate, in that
- i. there is no adjustment for differences in age;
 - ii. there is no adjustment for differences in the number of bedrooms; and
 - iii. there is no adjustment for differences in the (corrected) gross living area.
- e. The data and analysis presented in the cost approach are not complete and accurate, in that
- i. Mr. Pisney's use of an incorrect gross living area supports an incorrect and inflated cost new;
 - ii. Mr. Pisney calculates physical depreciation based on straight line, with a 20 year effective age, which is unreasonable, and 80 years of remaining economic life, which is also unreasonable; and for those reasons
 - iii. the Cost Approach cannot be relied on.

Facts related to case no. 06 APP 117:

5. On March 17, 2006, the Iowa Real Estate Appraiser Examining Board disciplined Mr. Pisney's certificate to practice as a certified residential real estate appraiser in the state of Iowa.
6. Following an investigation, the Iowa Board had charged Mr. Pisney with:
- (a) failure to adhere to appraisal standards in the development and communication of appraisals,
 - (b) failure to adequately supervise an associate appraiser,
 - (c) failure to abide by the Competency Rule of the Uniform Standards of Professional Appraisal Practice (USPAP), and
 - (d) failure to exercise reasonable diligence in the development, preparation, and communication of appraisals.
7. The factual basis for the Iowa's Board's discipline was based on Mr. Pisney failing to adequately supervise an associate appraiser and engaging in appraisal practices outside the geographical area in which he was competent to practice.
8. The Iowa discipline required Mr. Pisney to pay a civil penalty of \$250.00 and he was not allowed to supervise associate or uncertified appraisers or to sign reports as a supervisory appraiser unless he applied to the Iowa Board for advance approval. The Iowa discipline only applied to Mr. Pisney's role as a supervisory appraiser, and nothing in the discipline restricted Mr. Pisney from practicing real estate appraising in Iowa.
9. The Iowa Board had four specific conditions that had to be met for advance approval to supervise associate or uncertified appraiser or to sign reports as a supervisory appraiser. The Iowa Board would consider such an application in connection with Mr. Pisney's personal appearance before the Board if he
- (1) supplied a satisfactory written plan of supervision for identified appraisers,
 - (2) satisfactorily described the manner in which he will apply the guidelines set forth in 193F Iowa Administrative Code chapter 15, and in particular, the supervisory responsibilities outlined in rule 15.2,
 - (3) appropriately outlined his plan for confining his Iowa to an appropriate geographical area in compliance with USPAP's Competency Rule, and
 - (4) submitted two examples of his own appraisal work product for Standard Three reviews.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board has jurisdiction over this matter pursuant to section 458.26 of the Wisconsin Statutes and chapter RL 85 of the Wisconsin Administrative Code.
2. The Wisconsin Real Estate Appraisers Board is authorized to enter into the attached stipulation pursuant to Wis. Stat. sec. 227.44(5).
3. By the conduct in Finding of Fact 4 above, Jerome J. Pisney violated Wis. Adm. Code sec. RL 86.01 (2), by failing to conform his appraisals to USPAP, and Wis. Stat. sec. 458.26(3)(c), by engaging in conduct while practicing as an appraiser which evidences a lack of knowledge or ability to apply professional principals or skills.
4. By the conduct in Findings of Fact 5 through 9 above, Jerome J. Pisney violated the USPAP Competency Rule.

ORDER

1. NOW, THEREFORE, IT IS HEREBY ORDERED that Respondent Jerome J. Pisney shall within one year from the date of this Order successfully complete an Appraisal Institute course and exam in Real Estate Appraisal Principles, and submit proof of the same in the form of verification from the institution providing the education to the address stated below. The education completed pursuant to this requirement may not be used to satisfy any continuing education requirements that are or may be instituted by the Board or the Department of Regulation and Licensing.

2. IT IS FURTHER ORDERED that Jerome J. Pisney's certificates of certification and licensure to practice as a Certified Residential Appraiser and Licensed Appraiser in the state of Wisconsin (both using certificate number 9-1236) shall hereby be limited for a period of no less than one year commencing five days after the date of this order, in that

- a. Mr. Pisney shall not be allowed to supervise associate or uncertified appraisers or sign reports as a supervisory appraiser in the state of Wisconsin.
- b. Mr. Pisney shall not engage in more than five appraisals per week.

Mr. Pisney shall immediately surrender all indicia of Wisconsin registration to the Department Monitor. The Department shall reissue all indicia of registration to Mr. Pisney marked "limited."

3. IT IS FURTHER ORDERED that Jerome J. Pisney shall pay the Department's investigative costs in case no. 05 APP 064 in the amount of \$251.80, and in 06 APP 117 of \$1,273.20, a total of \$1,525.00, to be paid within 120 days of the effective date of the Board's Order. The costs shall be paid by cashier's check or money order made payable to the Department Monitor (with the word "costs" and the case numbers on the check or money order), and mailed to:

Department Monitor
Division of Enforcement
Post Office Box 8935
Madison, Wisconsin 53708-8935

4. At any time following one year from the effective date of this Order, Mr. Pisney may petition the Wisconsin Real Estate Appraisers Board for removal of either or both of the limitations imposed by this Order. All petitions shall be sent to the Department Monitor. As part of any petition, Mr. Pisney shall state the status of his real estate appraiser licensure, including discipline, in any other state, and if Mr. Pisney is still subject to discipline in any other state he shall state his compliance with that discipline. Mr. Pisney 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. Denial in whole or in part of any petition under this paragraph shall not constitute denial of a registration or license and shall not give rise to a contested case within the meaning of Wis. Stat. Secs. 227.01(3) and 227.42.

5. 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 payment of the costs as set forth above or fails to complete the education as

ordered, Respondent's license # 9-1236 SHALL BE SUSPENDED, without further notice or hearing, until Respondent has complied with the terms of this Order.

FOR THE REAL ESTATE APPRAISERS BOARD

By: Marla Britton
Chair or Designee

8/13/08
Date