

# WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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STATE OF WISCONSIN  
BEFORE THE REAL ESTATE APPRAISERS BOARD

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IN THE MATTER OF DISCIPLINARY :  
PROCEEDINGS AGAINST : **FINAL DECISION AND ORDER**  
**THOMAS L. WILLIAMS,** : LS 0710152 APP  
RESPONDENT. :

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Division of Enforcement case file 05 APP 099

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

Thomas L. Williams  
211 S. Suffolk St.  
Ironwood, MI 49938

Wisconsin 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

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. Accordingly, the Board in this matter adopts the attached Stipulation and makes the following Findings of Fact, Conclusions of Law, and Order:

### FINDINGS OF FACT

1. Thomas L. Williams is licensed in the State of Wisconsin as a Certified Residential Appraiser having license #9-340. This license was first granted to him on January 9, 1992. Mr. Williams' most recent address on file with the Department of Regulation and Licensing ("Department") is 211 S. Suffolk St., Ironwood, MI 49938.

2. Thomas L. Williams performed an appraisal of property located at 12366 Fitzgerald Lane in Manitowish Waters, Wisconsin, and prepared an appraisal report for Midwest Loan Services in Houghton, Michigan signed October 24, 2005 as of October 21, 2005, with an estimate of value of \$1,000,000. Mr. Williams also prepared an appraisal report for the same property signed November 18, 2005 as of October 21, 2005 with an estimate of value of \$940,000. The November report is addressed to Midwest Loan Services in Houghton, Michigan, but in response to an investigative inquiry from the Department, an official at Midwest Loan Services stated that the November report was never received by his agency.

3. Midwest Loan Services had a field review conducted of Mr. Williams' appraisal report, which resulted in the following comments from the reviewing appraiser:

"FR appraised value estimate, based on 2 new comps and corrected information for Original Sale 2 is \$659,000. This is 34% variance from original appraised value of \$1.0 M.

FR appraiser found major errors in SF of the subject main house (1128SF NOT 1712SF, Bsmt SF of the subject is same as mn flr CORRECTED not 1712SF as shown in Report), guest cabin correct at 584SF, and subject condition shown as Average one pale and Average/Good in other.

Comp. selection has SLs 1&3 2.5 times larger than subject and Sale 2 is good comp but appraiser changed lake frontage from 474' to 174'FF then applied a large adjustment for reduced frontage.

Comp 1 has 114' FF and appraiser shows 144'FF.

Size adjustment of \$10PSF is not reasonable, supportable and appears done to mitigate impact of the larger SF comps.

Appraiser's adjustment for the lake frontage is NOT SUPPORTABLE.

Sale 1 is a 1yr old home, prior sale \$300K in 7/04 w/old 4Br/1Bth demolished and new home built. The two new comps presented in the FR report are within 1-2 miles of subject and slightly larger SF than subject but similar age, FF full bsmts, but no cottage guest house. The 3 comps, with corrected information on Sale 1 (originally Sale 2 in original report) are most similar to the subject and have range of adjusted values, \$656,940 to \$661,760. Land values verified and supported in the FR report. Reviewer concurs with the FR appraiser's value estimate of \$659,000 based on the supported information, analysis, comments and conclusions."

4. A complaint was received by the Department of Regulation and Licensing from another licensed appraiser, Daniel Pudlo, stating that he had performed an appraisal review and concluded that Mr. Williams' appraisal and appraisal report were deficient and inaccurate, as follows:

- the report did not contain the scope of the appraisal.
- the report did not contain the function of the appraisal.
- the report stated that Mr. Williams took the photos of the properties used as comparable sales, but the photos in the report were identical to the photos posted on the MLS.
- the square footage of the property appraised is 1,128 but Mr. Williams reported it as 1,712, which is the total square footage of the house and guest cottage combined.
- the appraisal did not include adjustments to comparable sales 1 and 2 for significant outbuildings.
- the appraisal made Lake Frontage changes on comps 1 and 2 [?]
- the appraisal report stated in an addendum that two sales were attached with lake frontage ranging from \$3,490 to \$3,990 per foot, which is not true for the Manitowish chain of lakes.

4. In response to the initial complaint, Mr. Williams admitted that the square footage of the subject property was reported incorrectly, and the amount of lake frontage of comp 2 was incorrect.

5. A Case Advisor for the Department of Regulation and Licensing reviewed Mr. Williams' appraisal report and concluded that Mr. Williams violated the following USPAP provisions:

USPAP, Standards Rule 1-1 (a)(b)(c)

"be aware of understand, and correctly employ methods"

"not commit a substantial error of omission or commission"

"not render appraisal services in a careless or negligent manner"

USPAP, Standards Rule 1-2 (a) (b)(e)(f)

"identify the client and other intended users"

"identify the intended use"

"identify the characteristics of the property"

"identify the scope of work"

USPAP. Standards Rule 1-4 (a)

"analyze such comparable sale data as are available.."

USPAP Standards Rule 2-1 (a)

"clearly and accurately set forth the appraisal.."

Competency Rule

“have knowledge and experience..”

6. Mr. Williams is also licensed as a real estate appraiser in the state of Michigan. A complaint regarding Mr. Williams’ appraisal of the property at 12366 Fitzgerald Lane in Manitowish Waters, Wisconsin, was filed with the Michigan Department of Labor & Economic Growth, Bureau of Commercial Services, Enforcement Division. As a result, Mr. Williams was disciplined in Michigan on or about September 19, 2006.

### CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board has jurisdiction to act in this matter pursuant to sec. 458.26 (3), Wis. Stats. and is authorized to enter into the attached Stipulation pursuant to sec. 227.44(5), Wis. Stats.

2. Respondent Thomas L. Williams is subject to discipline for failing to follow the Uniform Standards of Professional Appraisal Practice (USPAP) in his appraisal of property at 12366 Fitzgerald Lane in Manitowish Waters, Wisconsin, in violation of section 458.26 (3) (b) of the Wisconsin Statutes and section RL 86.01 (2) of the Wisconsin Administrative Code.

### ORDER

NOW, THEREFORE, IT IS ORDERED that the attached Stipulation is hereby accepted.

IT IS FURTHER ORDERED that the Certified Residential Appraiser license issued to Thomas L. Williams shall be **SUSPENDED** for a period of three months (90 days), starting on the 10<sup>th</sup> business day after this order is signed.

IT IS FURTHER ORDERED that within 60 days of the effective date of this order, Thomas L. Williams shall pay a **FORFEITURE** in the amount of **\$1,000**.

IT IS FURTHER ORDERED that within 60 days of the effective date of this order, Thomas L. Williams shall pay **COSTS** of this matter in the amount of **\$1,190**.

Payment of the forfeiture and costs shall be made by certified check or money order, payable to the Wisconsin Department of Regulation and Licensing and sent to the Department Monitor at the following address:

Department Monitor  
Department of Regulation and Licensing,  
PO Box 8935, Madison, WI 53708-8935.  
Fax (608) 266-2264  
Tel. (608) 261-7904

In the event Mr. Williams fails to pay the forfeiture and costs within the time and in the manner as set forth above, his Certified Residential Appraiser license shall be suspended without further notice to him, without further hearing, and without further Order of the Board, and said suspension shall continue until the full amount of the forfeiture and costs have been paid.

IT IS FURTHER ORDERED that within nine months of the date of this Order, Mr. Williams must successfully complete two initial basic (30 hour) courses, plus Business Practice & Ethics through the Appraisal Institute. Mr. Williams shall submit proof of successful completion in the form of verification from the institution providing the education to the Department Monitor. None of the education completed pursuant to this order 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.

In the event Mr. Williams fails to successfully complete the educational requirements in the manner set forth, his Certified Residential Appraiser license shall be suspended without further notice to him, without further hearing, and without further Order of the Board, and said suspension shall continue until he provides to the Department proof of completion of all said educational requirements or until further Order of the Board.

IT IS FURTHER ORDERED that Mr. Williams’s Certified Residential Appraiser license is hereby **LIMITED** starting on the

10<sup>th</sup> business day after this order is signed, as follows:

- Mr. Williams shall not provide any training or supervision of other appraisers or any individuals obtaining appraisal experience, and
- Mr. Williams shall not rely on any trainee, clerical staff and/or office assistant to provide research assistance to adequately document historic details, accurately describe the characteristics of the subject property and/or any comparable sale used in an appraisal.

These limitations shall continue for a minimum of two years following the issuance of this order. After two years, successful completion of the required course work, and at least one year without further complaints, Mr. Williams may petition the Board for removal of the limitations, at which time the Board may require that Mr. Williams submit three appraisal reports for review, that were completed during the year after the successful completion of his course work, and that are selected at random by Department staff from Mr. Williams' work log.

IT IS FURTHER ORDERED that the violation of any of the terms of this Order shall 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 discipline.

IT IS FURTHER ORDERED that file 05 APP 099 be closed.

Dated this 27<sup>th</sup> day of February, 2008

**WISCONSIN REAL ESTATE APPRAISERS BOARD**

By: Marla Britton  
A member of the Board