

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
JULES F. PARMENTIER, :
RESPONDENT. : LS0805213APP

Division of Enforcement Case No. 07 APP 012

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

Jules F. Parmentier
1534 Memorial Drive
Sturgeon Bay, WI 54235

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 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 and Conclusions of Law and Order:

FINDINGS OF FACT

1. **Jules F. Parmentier** (D.O.B. 12/20/46) was granted Wisconsin certified general appraiser certification # 10-67 on 10/24/91. Mr. Parmentier's certification expired on 12/14/07.

2. Mr. Parmentier's most recent address on file with the Wisconsin Department of Regulation and Licensing is 1534 Memorial Drive, Sturgeon Bay, WI 54235.

3. On or about June 8, 2005, Mr. Parmentier prepared an appraisal report for property known as Yacht Works—a marine facility and storage facility—located at 10967 N. Bay Shore Drive, Sister, WI 54234. The appraisal showed a final value estimate of \$10,500,000.00.

4. This appraisal was reviewed by the Department and a member of the Real Estate Appraisers Board acting as a case advisor, and it was determined that the appraisal violated the 2005 Uniform Standards of Professional Appraisal Practice (USPAP) in the following respects:

a. S.R.1-1 Developing an Appraisal and S.R. 2-1 Report Not Misleading, by the combination of the

concerns detailed further below;

b. S.R. 1-2(a) Client and Intended User(s) by the report being addressed to Mr. Fokert, but referring in the appraisal to the appraisal being ordered by “the Lender, and also refers to the intended user being Mr. Fokert—these are contradictory statements;

c. S.R. 1-2(b) Intended Use by stating that the intended use is “to facilitate underwriting or mortgage lending” in a report addressed to Mr. Fokert; unless Mr. Fokert is a lender, this is illogical;

d. S.R. 1-2(c) Purpose and Reasonable Market Exposure Time by failing to provide a definition of the value sought, failing to provide a source for the definition of value, and by failing to provide an opinion of reasonable exposure time linked to the value opinion (see the Comment below S.R. 1-2(c)(iv));

e. S.R. 1-2(e) Property Characteristics by the report referring at pages 5-6 to ten parcel numbers, but the workfile contains 11 parcel numbers with the omitted parcel containing 3.68 acres; pages 11-13 give the age for only two of the buildings, fail to give building sizes for all buildings, fail to give bedroom count for all of the cottages, and provide weak and incomplete descriptions; on page 11, the report says there are six buildings but then nine buildings are described; site size is indicated as 216,000 sq. ft. (4.96 acres) at page eight, but on page nine site size is indicated as 6.36 acres; on page 15 and 16, the appraisal values 216,000 sq. ft. plus four acres (for a total of 8.96 acres), and values the water frontage separately—this implies that there are at least 8.96 acres; the legal description attached to the tax rolls indicate a total of 6.96 acres, but the legal descriptions clearly indicate that the highway is included in the 6.96 acres—since the owner does not own the highway, the land area without the roads should have been used and it appears to be less than 6.36 acres, but one cannot tell from the report and work file how much land is actually appraised;

f. S.R. 1-2(f) Scope of Work by failing to include a complete scope of work statement;

g. S.R. 1-3(b) Highest and Best Use by providing a very weak highest and best use analysis; the report indicates that the cottages are nonconforming and will probably be torn down, and indicates the highest and best use “is the present use;” but it is doubtful from the limited information available in the report and work file that the portion of the land with the cottages would be re-developed with cottages;

h. S.R. 1-4(a) Sales Comparison Approach by stating at page 17 that Sale 1 has no retail building when the Department’s investigation revealed that there was a retail building at the time of sale; the work file reveals the sales price for Sale 1 was \$3,000,000 and an additional \$1,500,000 ostensibly paid in personal property; yet the report indicates the sales price for Sale 1 to be \$4,500,000 which clearly includes the personal property; Sale 1 and 4 sold for \$3,000,000 and \$2,800,000 for the real estate and each had more land and more boat capacity than the subject and Sale 4 had more frontage, yet these two sales are considered \$7,500,000 and \$7,700,00 inferior to Mr. Parmentier’s value estimate for the subject property; Mr. Parmentier indicates that the difference is based on condition, yet in the cost approach, the cost new for the buildings was concluded to be \$1,762,000; it is not logical that buildings which would cost \$1,762,000 to build could be \$7,500,000 - \$7,700,000 better in condition to other buildings which have value; there is no analysis of either the land sales nor the improved sales, no adjustment grid, no discussion of differences in land area, location, date of sale, terms of sale, boat capacity, amount of frontage, building size or building ages;

i. S.R. 1-4(b) Cost Approach by failing to provide support for the numbers used in the cost approach at page 15 of the report, other than a few cost estimates for portions of the property; the report appears to triple count the land in the land valuation on pages 15 and 16; the water frontage is part of the 216,000 sq. ft., yet it values it separately and there is no indication of what the 4 acres consists of;

j. S.R. 1-4(c) Income Approach by failing to develop a valuation via the income approach for an income producing property; by stating that “the capitalization rate will be based on projected figures supplied by the owner”—this constitutes advocacy and is inappropriate; and failing to provide support for the \$350,000 “sales” or the \$40,000 in expenses;

k. S.R. 1-5 Subject Listing and Sale Information by failing to provide an analysis of the sale information for a portion of the property that transferred on 8/20/02—within the three years prior to the effective date;

l. S.R. 1-6 Reconciliation by stating that “All three approaches to value are considered in this case” but failing to complete an income approach for the entire property;

m. S.R. 2-2 Reporting Options by failing to identify the reporting option used; and

n. S.R. 2-3 Certification by failing to include a signed certification in the appraisal.

5. It is noted that Mr. Parmentier’s appraisal was not ultimately used by any lender.

6. Mr. Parmentier closed his appraisal business and has retired from the practice of real estate appraisal with no intention to return to the profession.

7. In resolution of this matter, Mr. Parmentier wishes to voluntarily surrender the right to renew his certified general appraiser certification, #10-67.

CONCLUSIONS OF LAW

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

2. By failing to comply with the 2005 Uniform Standards of Professional Appraisal Practice (USPAP), as described above in paragraph 4 of the Findings of Fact, Mr. Parmentier is deemed to have also violated Wis. Admin. Code § 86.01(2), thereby subjecting himself to discipline pursuant to Wis. Admin. Code § 86.01(1) and Wis. Stat. § 458.26(3)(b) and (c).

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The VOLUNTARY SURRENDER of the right to renew the certified general appraiser certification of Jules F. Parmentier, # 10-67, is hereby ACCEPTED.

IT IS FURTHER ORDERED that:

2. In the event that Mr. Parmentier seeks to renew or reinstate his certification to practice as a certified general appraiser in the State of Wisconsin, or seeks to apply for appraiser licensure or general appraiser certification in Wisconsin, he shall submit a new application for certification or licensure and meet all then-existing requirements for licensure or certification.

3. In the event that Mr. Parmentier seeks to renew or reinstate his certification, or applies for licensure or certification to practice as a real estate appraiser in the State of Wisconsin, the Department may determine whether and under what terms and conditions such request may be granted.

4. Mr. Parmentier shall not practice as a real estate appraiser or attempt to practice as one in the State of Wisconsin without being licensed or certified in Wisconsin.

IT IS FURTHER ORDERED THAT:

5. If Mr. Parmentier ever seeks to renew his certification to practice as a certified general appraiser, or petitions for reinstatement, or applies for any real estate appraiser license or certification in the state of Wisconsin, then he shall pay the costs of investigating and prosecuting this matter in the amount of FIVE HUNDRED DOLLARS (\$500.00) before such renewal, petition or application may be considered. 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. This Order is effective on the date of its signing.

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: Marla Britton
A Member of the Board

5/21/08
Date