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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY :
PROCEEDINGS AGAINST : **FINAL DECISION AND ORDER**
JOEDON E. CALHOUN, : LS0805281APP
RESPONDENT. :

Division of Enforcement case file 07 APP 043

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

JoeDon E. Calhoun
106 South Main St., Apt. A
Oconomowoc, WI 53066-5221

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

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 Wisconsin Real Estate Appraisers Board ("Board"). The Board has reviewed this Stipulation and considers it acceptable. Accordingly, the Board adopts the attached Stipulation in this matter and makes the following Findings of Fact, Conclusions of Law, and Order:

FINDINGS OF FACT

1. JoeDon E. Calhoun is licensed in the State of Wisconsin as a Real Estate Appraiser having license # 4-1607, first granted on August 6, 2003.
2. Mr. Calhoun's most recent address on file with the Department of Regulation and Licensing ("Department") is 6 Jamall Cove, Stafford, VA 22554. Mr. Calhoun's current address is 106 South Main St., Apt. A, Oconomowoc, WI 53066.
3. Valynsia Wilson, an unlicensed person, performed appraisals and prepared the following appraisal reports under Mr. Calhoun's supervision, with Mr. Calhoun signing the appraisal reports as Ms. Wilson's supervisor:
 - an appraisal of residential property at 5450 W. Cherry Street and 1510 N. Hawley Road in Milwaukee dated 4-16-07 as of 1-5-07.
 - an appraisal of residential property at 6610 N. 78th Street in Milwaukee dated 2-26-07 as of 2-26-07.
 - an appraisal of residential property at 2320 Monroe Avenue in Racine dated 9-26-06 as of 9-14-06.
4. With regard to the appraisal of 5450 W. Cherry Street and 1510 N. Hawley Road in Milwaukee, the report violates the following provisions of the Uniform Standards of Professional Appraisal Practice (USPAP):

- Standards Rule (SR) 1-2(a) and SR 2-2(b)(i)(ii). Although the client is stated, the intended user is not clearly stated.
- SR 1-2(h). The scope of work is not clearly defined.
- S.R. 1-4(a) and SR 1-1(c). The sales approach is poorly developed and lacks credibility. The range of values for comparable sales is very wide. The four comparable sales range from \$142,000 to \$189,500, with adjusted sales prices of \$139,000 to \$183,500. The appraiser states that greater weight is placed upon comp 1, the lowest sale, yet the final opinion of value is significantly higher and more in line with comp 3. MLS numbers were not provided for verification. In regard to prior sales history, the box is checked that says there WAS prior sales activity of the subject during past 3 years but the analysis section states that there was NOT any prior activity. Comp 1 is noted as having sold within the previous 3 years but the report includes a statement that there have been no prior sales of the comps during this time period.

- SR 1-4b and SR 1-1 (a) (b) (c). There were more recent Marshall Swift cost data updates available as of the effective date of the report, and the cost data from Marshall Swift are old. The use of assessment data for deriving site value is not an acceptable method. A canned statement stating that the "extraction" method was utilized does not meet USPAP requirements for a "summary" report.

- SR 1-4c. The report fails to provide support for or development of the concluded gross rent multiplier (GRM).

- SR 1-5. The report fails to detail the listing history with regard to exposure time and asking price(s), it fails to "analyze" the sales contract, and it fails to comment on whether personal property was included in the sale and if so, the effect, if any, on the appraisal process.

- SR 1-6. The report's reconciliation statement does not adequately address the quality and quantity of data available and analyzed within the various approaches; further, it implies that the income approach is given heaviest emphasis, yet the income approach is not adequately developed or discussed.

- SR 2. The overall effect of the above USPAP violations is to create a misleading report

5. With regard to the appraisal of 6610 North 78th Street in Milwaukee, the report violates the following provisions of the Uniform Standards of Professional Appraisal Practice (USPAP):

- Standards Rule (SR) 1-2(a) and SR 2-2(b)(i)(ii). Although the client is stated, the intended user is not clearly stated.

- SR 1-2(h). The scope of work is not clearly defined.

- S.R. 1-4(a). This approach is poorly developed. The range of values for comparable sales is very wide. The four comparable sales range from \$97,000 to \$135,000, with adjusted sales prices of \$100,000 to \$133,000. The use of comp 3 detracts from the final opinion of value but no discussion is offered. The report fails to explain the method used to conclude the rather odd \$117,159 value conclusion when all of the adjusted values are rounded to the nearest \$500.

- SR 1-4b and SR 1-1 (a) (b) (c). There were more recent Marshall Swift cost data updates available as of the effective date of the report, and the cost data from Marshall Swift are old. The use of assessment data for deriving site value is not an acceptable method. A canned statement stating that the "extraction" method was utilized does not meet USPAP requirements for a "summary" report.

- SR 1-5. The report states that there are seller concessions of \$2500. However, \$500 of this figure is attributed to a required earnest money payment by the buyer and is NOT a seller concession. The \$2500 figure is misleading and \$2000 seller concession should be the figure stated in the fill-in blank. The statement that "seller price is below market value for a quick sale" is unclear as to whether this is the opinion of the buyer, the seller, the broker, or the appraiser making a value conclusion prior to development of the report. The report fails to comment on whether personal property was included in the sale and if so, the effect, if any, on the appraisal process.

- SR 1-6. The report's reconciliation statement does not adequately address the quality and quantity of data available and analyzed within the various approaches; further, it implies that the income approach is given heaviest emphasis, yet the income approach is not adequately developed or discussed.

- SR 2. The overall effect of the above USPAP violations is to create a misleading report

6. With regard to the appraisal of 2320 Monroe Avenue in Racine, the report violates the following provisions of the Uniform Standards of Professional Appraisal Practice (USPAP):

- Standards Rule (SR) 1-2(a) and SR 2-2(b)(i)(ii). Although the client is stated, the intended user is not clearly stated.

- SR 1-2(h). The scope of work is not clearly defined.

- S.R. 1-4(a). This approach is poorly developed. The range of values for comparable sales is very wide. The four comparable sales range from \$101,500 to \$128,000, with adjusted sales prices of \$102,000 to \$127,000. The report states that greater weight is placed upon the highest comps, 1 and 3, yet the final opinion of value is significantly lower and more in line with comps 4 and 5. In addition, the final opinion of value is almost \$6,000 below that value indicated by the sales comparison approach. The report fails to explain the method used to conclude the rather odd \$116,797 value conclusion when all of the adjusted values are rounded to the nearest \$1000.

- SR 1-4b and SR 1-1 (a) (b) (c). There were more recent Marshall Swift cost data updates available as of the effective date of the report, and the cost data from Marshall Swift are old. The use of assessment data for deriving site value is not an acceptable method. A canned statement stating that the "extraction" method was utilized does not meet USPAP requirements for a "summary" report. The effective age is stated on page 1 to be 40 years but 45 years is used in the cost approach.

- SR 1-6. The report's reconciliation statement does not adequately address the quality and quantity of data available and analyzed within the various approaches.

- SR 2. The overall effect of the above USPAP violations is to create a misleading report

CONCLUSIONS OF LAW

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

ORDER

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

IT IS FURTHER ORDERED that the voluntary surrender by JoeDon Calhoun of his Real Estate Appraisers license is hereby accepted.

IT IS FURTHER ORDERED that file 07 APP 043 be closed.

Dated this 28th day of May, 2008.

WISCONSIN REAL ESTATE APPRAISERS BOARD

By: Marla Britton
A member of the Board