

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**
LAWRENCE H. ZEGERS, : LS09111120APP
RESPONDENT. :

Division of Enforcement case file 08 APP 007

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

Lawrence Hank Zegers
W 10192 Jessica Lane
Crivitz, WI 54114

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. Lawrence H. Zegers is licensed in the State of Wisconsin as a Real Estate Appraiser and certified as a Certified Residential Appraiser. License number 4-1485 was first issued on September 10, 2002, and Certified Residential Appraiser credential number 9-1521 was first issued on December 21, 2006.

2. Mr. Zegers' most recent address on file with the Department of Regulation and Licensing ("Department") is W 10192 Jessica Lane, Crivitz, WI 54114.

3. Mr. Zegers performed an appraisal and prepared an appraisal report for property at N7180 Shady Lane in Porterfield, Wisconsin as of October 22, 2007.

4. In his appraisal and appraisal report, Mr. Zegers failed to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (S.R.) in the following ways:

S.R. 2-2 Legal Description. The legal description in the appraisal report is not a complete legal description. The Marinette County website provided a much expanded legal description of the subject.

S.R. 1-2 Scope of Work. The appropriate scope of work required for this assignment was not completed. MIS data is often inaccurate and verification of data is a USPAP requirement. The MIS data on Comparable Sale #4 was

particularly inaccurate.

S.R. 1-1, 1-2, 1-3 1-4, 2-1 and 2-2 Neighborhood Overview. The subject's specific neighborhood boundaries are described only in general terms.

S.R. 1-1 and 1-2 Trends of Property Values, Supply/Demand & Marketing Time.

The discussion of neighborhood trends and factors that affect marketability does not provide support for a conclusion of stable properly values and 3-6 month marketing time.

S.R. 1-2 Location Description. Other than that the subject property is "rural," the location descriptions are mostly boilerplate and do not help the intended user visualize and understand the value factors affecting the subject property and its location. There is no reference to proximity to schools, employment or shopping.

S.R. 1-2 and 2-2 Site Description. The subject is a manufactured home located on the Menominee River, a unique location attribute that appears to be a significant value factor. The appraiser estimates (without support) a site value of \$75,000, indicating a much higher than typical land to value ratio of 50% based on his value conclusion of \$150,000. He notes the river location but fails to analyze the effect on value of the river location. No site dimensions are provided and no plot map is found in addendum. No description of site features or topography was found in the report. These factors would all be relevant to site valuation. A properly valued site is crucial to accurately making site adjustments in the sales comparison grid, where the appraiser applies 20% site adjustments to two sales. In a further description of the subject site, the appraiser describes it as "an average site in an average location," which conflicts with the higher than typical land to value ratio. If the river location is truly "average" the appraiser must further explain why.

S.R. 1-4 and 2-2 Site Valuation in Cost Approach. The report states "value used per acre is typically averaging \$75,000 an acre far smaller parcels of land on water", but based on this statement, the cost approach incorrectly calculates the subject's land value (1.41 acres X \$75,000/acre = \$105,750). The estimated site value is not supported by a market-oriented valuation method, i.e. comparable land sales or market extraction. The analysis of the site value of comparable sale 4 appears to be illogical since it is virtually the same size and in the same block as subject but has only deeded river access, yet it is given equal site value.

S.R. 1-1 and 2-2 Reproduction/Replacement Cost Estimates. The report failed to include the calculation to construct the subject's crawl space, and also omitted the "as-is" value of site improvements such as the private sanitary and well.

S.R. 1-6 Reconciliation. The report states in boilerplate text that the comparable sales are weighted "appropriately based upon degree of variation", but the calculations are not weighted toward the sale with the lowest gross and net adjustments.

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.
2. By failing to comply with USPAP in the appraisal and the appraisal report for property at N7180 Shady Lane in Porterfield, Wisconsin, Respondent Lawrence H. Zegers violated sections RL 86.01 (1) and (2) of the Wisconsin Administrative Code, and is subject to discipline under section 458.26 (3), Wis. Stats.

ORDER

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

IT IS FURTHER ORDERED that within six months of the date of this Order, the respondent, Lawrence H. Zegers, must

successfully complete two of the following four courses, or an equivalent course taken from any educational institution approved by the Department of Regulation and Licensing and approved in advance through the Department Monitor:

Department Monitor

Department of Regulation and Licensing,

PO Box 8935, Madison, WI 53708-8935.

Fax (608) 266-2264

Tel. (608) 267-3817.

- Land and Site Valuation (online from McKissock)
- Site Use and Valuation (online from the Appraisal Institute)
- Residential Site Values and Cost Approach - Appraisal Institute
- Vacant Land and Expert Witness - Technical College course.

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.

Mr. Zegers shall submit proof of successful completion in the form of verification from the institution providing the education to the Department Monitor.

In the event Mr. Zegers fails to successfully complete the educational requirements in the manner set forth, or to obtain an extension of time for good cause, his Real Estate Appraisers license shall be suspended without further hearing and without further Order of the Board, and said suspension shall continue until further Order of the Board or until he provides to the Department proof of completion of all said educational requirements.

IT IS FURTHER ORDERED that Mr. Zegers pay the Department's costs of this matter in the amount of **\$278.28** within 60 days of the date of this Order. Payment shall be made by certified check or money order, payable to the Wisconsin Department of Regulation and Licensing and sent to the Department Monitor. In the event Mr. Zegers fails to pay the costs within the time and in the manner as set forth above, his Real Estate Appraisers license shall be suspended without further notice, without further hearing, and without further Order of the Board, and said suspension shall continue until the full amount of said costs have been paid to the Department of Regulation and Licensing.

IT IS FURTHER ORDERED that file 08 APP 007 be closed.

Dated this 11th day of November, 2009.

WISCONSIN REAL ESTATE APPRAISERS BOARD

By: Marla Britton, Board Chair