

# 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	:	<b>FINAL DECISION AND ORDER</b>
<b>SCOTT J. SCHNEIDER,</b>	:	
RESPONDENT.	:	LS0810291APP

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Division of Enforcement Case File # 07 APP 030

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

Scott J. Schneider  
3637 Eastwood Ave.  
Green Bay, WI 54301

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**

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 28, 2008. 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 adopts the attached Stipulation in this matter and makes the following Findings of Fact, Conclusions of Law, and Order:

### **FINDINGS OF FACT**

1. Scott J. Schneider is licensed in the State of Wisconsin as a Real Estate Appraiser having license # 4-1253, first granted on November 19, 1999. Mr. Schneider's most recent address on file with the Department of Regulation and Licensing ("Department") is 3637 Eastwood Ave., Green Bay, WI 54301.

2. Jeffrey Schneider applied to the Department of Regulation and Licensing for licensure as a Real Estate Appraiser. On or about January 17, 2007 he submitted copies of three appraisal reports for the Department to review for compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). The reports were for appraisals of property as follow:

- 607 First Street in Luxemburg, Wisconsin as of 11-2-06;
- 752 Longview Avenue in Green Bay, Wisconsin as of 11-6-06; and
- 650-652 St. Martin Court in Green Bay, Wisconsin as of 12-27-06.

3. All three reports were signed by Scott Schneider as appraiser, not as supervisor. All three of the reports contain the following language:

I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the

performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report.

Jeffrey Schneider is not mentioned in any of the reports.

4. Accompanying the reports that were sent to the Department, Jeffrey Schneider sent statements signed by Scott Schneider stating that for each of the three reports Jeffrey Schneider performed 95% of the work.

5. The appraisal report for 607 First Street in Luxemburg violates USPAP in the following ways:

- Standards Rule 1-5 (a) requires an appraiser to “analyze all agreements of sale, options, and listings” but no explanation is provided as to why, in a stable market, the subject property is worth more than the list price or negotiated sale price.

- Standards Rule 1-6 (a) (b) requires an appraiser to “reconcile the quality and quantity of data...” and to “reconcile the applicability . . . to arrive at the value conclusion(s)” but no explanation is provided as to why the subject property is worth more than the list price or negotiated sale price, and more than its value as developed by the cost approach.

- Standards Rule 2-1 (a) (b) (c) requires an appraisal report to “clearly and accurately set forth the appraisal in a manner that will not be misleading”, and to “contain sufficient information to enable the intended users of the appraisal to understand the report properly”, and Standards Rule 2-2 (b) (vii) requires an appraiser to “summarize the scope of work used to develop the appraisal,” and it states “when any portion of the work involves significant real property assistance, the appraiser must summarize the extent of that assistance,” yet Mr. Schneider signed the appraiser’s certification stating that “no one provided significant real property appraisal assistance to the person signing this certification”.

6. The appraisal report for 752 Longview Avenue in Green Bay violates USPAP in the following ways:

- Standards Rule 1-5 (a) requires an appraiser to “analyze all agreements of sale, options, and listings” but no explanation is provided as to why, in a stable market with longer marketing times and days on market, the subject property is worth more than the list price or negotiated sale price.

- Standards Rule 1-6 (a) (b) requires an appraiser to “reconcile the quality and quantity of data...” and to “reconcile the applicability . . . to arrive at the value conclusion(s)” but explanation is provided as to why the subject property is worth more than the list price or negotiated sale price.

- Standards Rule 2-1 (a) (b) (c) requires an appraisal report to “clearly and accurately set forth the appraisal in a manner that will not be misleading”, and to “contain sufficient information to enable the intended users of the appraisal to understand the report properly”, and Standards Rule 2-2 (b) (vii) requires an appraiser to “summarize the scope of work used to develop the appraisal,” and it states “when any portion of the work involves significant real property assistance, the appraiser must summarize the extent of that assistance,” yet Mr. Schneider signed the appraiser’s certification stating that “no one provided significant real property appraisal assistance to the person signing this certification”.

7. The appraisal report for 650-652 St. Martin Court in Green Bay violates USPAP in the following ways:

- Standards Rule 1-5 (a) requires an appraiser to “analyze all agreements of sale, options, and listings” but no explanation is provided as to why, in a stable market with longer marketing times and days on market, the subject property is worth more than the list price or negotiated sale price.

- Standards Rule 1-6 (a) (b) requires an appraiser to “reconcile the quality and quantity of data...” and to “reconcile the applicability . . . to arrive at the value conclusion(s)” but explanation is provided as to why the subject property is worth more than the list price or negotiated sale price.

- Standards Rule 2-1 (a) (b) (c) requires an appraisal report to “clearly and accurately set forth the appraisal in a manner that will not be misleading”, and to “contain sufficient information to enable the intended users of the appraisal to understand the report properly”, and Standards Rule 2-2 (b) (vii) requires an appraiser to “summarize the scope of work used to develop the appraisal,” and it states “when any portion of the work involves significant real property assistance, the appraiser must summarize the extent of that assistance,” yet Mr. Schneider signed the appraiser’s certification stating that “no one provided significant real property appraisal assistance to the person signing this certification”.

## 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 Wis. Stat. § 227.44(5).

2. By the conduct described above, Respondent Scott J. Schneider has violated USPAP Standards Rules 1-5(a), 1-6(a)(b), 2-1(a)(b)(c), and 2-2(b)(vii).

3. As a result of the above USPAP violations, Scott J. Schneider 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

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

2. IT IS FURTHER ORDERED that the Respondent, Scott J. Schneider, is hereby REPRIMANDED.

3. IT IS FURTHER ORDERED that certificate of licensure of Respondent Scott J. Schneider, license # 4-1253, is hereby **LIMITED** as follows:

a. within twelve months of the date of this Order, Scott J. Schneider successfully complete the following specific courses, or other similar courses pre-approved by the Board, at his own expense, including taking and passing any exam offered for the courses:

1. a 7-hour USPAP course offered by the Appraisal Institute or the Appraisal Education Academy, or other provider pre-approved by the Board;

2. AND **ONE** OF THE FOLLOWING COURSES:

“Appraisal Challenges: Declining Markets and Sales Concessions” offered by the Appraisal Institute (7 hours) **or**

“Valuing Real Estate in a Changing Market” offered by the Appraisal Education Academy (7 hours); **or**

“Appraising in the Foreclosure Market” offered by the Appraisal Education Academy (7 hours).

b. Mr. Schneider shall submit proof of the same in the form of verification from the institution providing the education to the Department Monitor at the address provided below. None of the education completed pursuant to this requirement 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. This educational requirement limitation shall be lifted upon the Department Monitor’s receipt of the full verification of Mr. Schneider’s successful completion of the required education.

c. Scott J. Schneider shall not provide training to, nor supervise, other appraisers or any individuals obtaining appraisal experience. This limitation shall be lifted two years from the date of this Order.

4. Proof of successful course completion and shall be mailed, faxed or delivered to the Department Monitor at this address:

Department Monitor  
Division of Enforcement  
Department of Regulation and Licensing  
P.O. Box 8935, Madison, WI 53708-8935  
Telephone (608) 267-3817, Fax (608) 266-2264

5. IT IS FURTHER ORDERED that Scott J. Schneider shall, within 120 days of the date of this Order, pay costs in the amount of TWO THOUSAND DOLLARS (\$2,000.00). 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 at the address above. In the event Mr. Schneider 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.

6. 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 Scott J. Schneider fails to timely submit any payment of the costs as set forth above, or fails to complete the education as ordered, or is otherwise in violation of this order, Mr. Schneider's license, # 4-1253, SHALL BE SUSPENDED, without further notice or hearing and without further Order of the Board, and said suspension shall continue until he has complied with the terms of this Order.

7. This Order is effective on the date of its signing.

Dated this 20<sup>TH</sup> day of May, 2009.

**WISCONSIN REAL ESTATE APPRAISERS BOARD**

By: Marla Britton  
A member of the Board