

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
:
RHONDA R. AYLESWORTH, : LS09100715APP
:
RESPONDENT. :

Division of Enforcement Case File # 08 APP 064

The parties to this action for the purposes of Wis. Stats. Sec. 227.53 are:

Rhonda R. Aylesworth
3809 State Highway 13
Wisconsin Dells, WI 53965

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 decision of the matter, subject to the approval of the Real Estate Appraisers Board (Board). The Board has reviewed the Stipulation agreement annexed to this Final Decision and Order, and considers it acceptable. Accordingly, the Board adopts the attached Stipulation and makes the following:

FINDINGS OF FACT

1. Respondent Rhonda R. Aylesworth (Aylesworth), whose last known address of record with the Department of Regulation and Licensing (Department) is 3809 State Highway 13, Wisconsin Dells, WI 53965, and whose date of birth is January 19, 1959, possesses a certificate of licensure as a licensed appraiser (#4-1809). The license was first granted on June 18, 2004, and will expire on December 15, 2009.

2. On June 23, 2008, Ms. Aylesworth was informed by the Department's Division of Credentialing that the work samples that she had submitted as part of her application for licensure as a certified residential appraiser was denied. The three work samples were then referred to the Division of Enforcement for further review. Subsequently, Ms. Aylesworth submitted additional work samples for evaluation, which are found to contain less serious errors.

3. On November 2, 2007, Ms. Aylesworth conducted an appraisal of real property located at 426 W. Milwaukee Street, Mauston, WI. A review of the appraisal report shows violations of the applicable Uniform Standards of Professional Appraisal Practice (USPAP) including, but not limited to, the following:

a. USPAP Standards Rules 1-2(c) and 2-2(b)(v), which state in relevant part that, "When developing an opinion of market value, the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion..." and "stating the definition of value also requires any comments needed to clearly indicate to the intended users how the definition is being applied," by failing to develop a reasonable exposure time linked to the value opinion and by failing to include the same in the appraisal report.

b. USPAP Standards Rules 1-2(e) and 2-2(b)(iii) which state in relevant part that, "...an appraiser must... identify the characteristics of the property... including: (i) its... physical... attributes..." and that a "Summary Appraisal Report must... at a minimum... summarize information sufficient to identify... the physical and economic property characteristics relevant to the assignment..." by failing to report the site size of the subject property, failing to

provide support for the conclusion that a 60-year-old house in average condition had an effective age of 20 years, and inaccurately reporting the amount and type basement finish (over-reported by 20%, but under-reported bathroom count).

c. USPAP Standards Rules 1-3(b) and 2-2(b)(ix) which require an appraiser to conduct a highest and best use analysis, and to summarize that analysis in the appraisal report; simply checking a box on a form does not constitute summarizing an analysis.

d. USPAP Standards Rules 1-1(b), 1-4(a) and 2-2 (b)(viii), which state in relevant part that, "...an appraiser must analyze such comparable sales data as are available to indicate a value conclusion..." and must, "summarize the information analyzed... the reasoning that supports the analysis, opinions and conclusions..." by incorrectly reporting data concerning comparable sales, making adjustment based upon that incorrect data, and using an inappropriate property as a comparable (comparable was ½ subject's age, nearly twice subject's size, and located in rural area instead of suburban area).

e. USPAP Standards Rules 1-4(b) and 2-2 (b)(viii), by failing to report any support for the land value used in the cost approach or for the physical depreciation adjustment made. Additionally, the appraiser used a remaining life expectancy of 75 years for a 60-year-old home, which is unrealistic. Further, it is questionable whether the cost approach is necessary for a 60-year-old home, and some analysis of this question should have been reported.

f. USPAP Standards Rules 1-5 and 2-2(b)(viii), by failing to analyze the current agreement of sale, and to summarize that analysis in the report. The appraised value exceeded the list price and the sales price (\$154,900 v. \$161,000), and the property had been on the market for nearly six full months.

g. USPAP Standards Rules 1-6 and 2-2(b)(viii), by failing to adequately reconcile the adjusted comparable sales prices. The range of adjusted values was from \$139,600 – 169,860, which is a variation of over 20%. This range of *adjusted values* is too wide to be reliable, and is indicative of the errors in data entry and the lack of support for adjustments noted above.

4. On December 10, 2007, Ms. Aylesworth signed an appraisal report concerning a subject property located at 1040-A East Hiawatha Drive, Lake Delton, WI. A review of the appraisal report shows violations of the applicable Uniform Standards of Professional Appraisal Practice (USPAP) including, but not limited to, the following:

a. USPAP Standards Rule 1-2(c) and 2-2(b)(v), which state in relevant part that, "When developing an opinion of market value, the appraiser must also develop an opinion of reasonable exposure time linked to the value opinion..." and "stating the definition of value also requires any comments needed to clearly indicate to the intended users how the definition is being applied," by failing to develop a reasonable exposure time linked to the value opinion and by failing to include the same in the appraisal report.

b. USPAP Standards Rules 1-2(e) and 2-2(b)(iii) which state in relevant part that, "...an appraiser must... identify the characteristics of the property... including: (i) its... physical... attributes..." and that a "Summary Appraisal Report must... at a minimum... summarize information sufficient to identify... the physical and economic property characteristics relevant to the assignment..." by evaluating the property as if it were a single-family home, when, in fact, it was a part of a condominium complex, with shared common elements, rights, obligations, etc.

5. On December 22, 2007, Ms. Aylesworth signed an appraisal report concerning a subject property located at 3679 Scotch Court, Wisconsin Dells, WI. A review of the appraisal report shows violations of the applicable Uniform Standards of Professional Appraisal Practice (USPAP) which are similar to the foregoing.

6. Per Wis. Stat. § 458.26 (3), "... the board may limit, suspend or revoke any certificate under this chapter... if the... board finds that the... holder of the certificate has done any of the following: (b) Engaged in unprofessional... conduct in violation of rules promulgated under s. 458.24."

7. Per Wis. Admin. Code § RL 86.01 (2), "All appraisals performed in conjunction with federally related transactions and non-federally related transactions shall conform to the uniform standards of professional appraisal practice set forth in Appendix I."

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board has jurisdiction to act in these matters pursuant to Wis. Stat. § 458.26.
2. The Wisconsin Real Estate Appraisers Board has authority to enter into this stipulated resolution of this matter pursuant to Wis. Stat. § 227.44 (5).
3. By performing an appraisal and rendering an appraisal report that does not conform to the Uniform Standards of Professional Appraisal Practice, as set forth more fully above in paragraphs 3-5 of the Findings of Fact, **Rhonda R. Aylesworth** has violated Wis. Admin. Code § RL 86.01 (2), thereby subjecting himself to discipline per Wis. Stat. § 458.26 (3) (b).

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. **Rhonda R. Aylesworth's** certificate of license as a licensed appraiser (license # 4-1809), shall be, and hereby is, LIMITED as follows: prior to completing all steps in application for her license as a certified residential appraiser Ms. Aylesworth must complete the education outlined below, and then, subsequent to completion of the education, complete no less than three appraisals. The Board's Monitoring Liaison will then review those three appraisals, and if they are found to be acceptable Ms. Aylesworth may then complete all steps necessary to receive her license as a certified residential appraiser.

IT IS FURTHER ORDERED that:

2. Rhonda R. Aylesworth shall complete at least sixty (60) hours of remedial EDUCATION, from the following list of courses: Basic Appraisal Procedures (30 hrs., including 2 hr. exam), Residential Report Writing and Case Studies (15 hrs., including 1 hr. exam); Advanced Residential Applications and Case Studies/Part 1 (15 hrs., including 1 hr. exam); Advanced Residential Applications and Case Studies/Part 2 (30 hrs., including 1 hr. exam); Residential Case Study (39 hrs., including 3 hr. exam); Effective Appraisal Writing (7 hrs.); Quality Assurance in Residential Appraisals: Risky Appraisals = Risky Loans (7 hrs.); Appraisal Challenges: Declining Markets and Sales Concessions (7 hrs.); or Valuation by Comparison: Res. Analysis and Logic (7 hrs.). Courses completed in compliance with this Order may not be counted towards Respondent's continuing education requirements. Successful completion of any course shall include receipt of a passing score on any examination. Proof of completion of all hours of remedial education must be submitted to the Department Monitor within one year of the date of signing of this Order, or prior to the issuance of a certificate of certification and licensure as a certified residential appraiser, whichever is earliest. At least 30 hours of remedial education must be attended in person. Alternative courses taken in compliance with this Order must be approved in advance by the Board's Monitoring Liaison.

3. Rhonda R. Aylesworth shall pay the costs of investigating this matter, in the amount of SEVEN HUNDRED AND TWENTY-FIVE DOLLARS (\$725.00) within six (6) months of the date of signing of this Order.

4. Rhonda R. Aylesworth shall pay a forfeiture in the amount of ONE THOUSAND DOLLARS (\$1,000.00) within two (2) years of the date of signing of this Order.

5. All submissions and payments required by this Order shall be mailed, faxed, delivered or otherwise transmitted to:

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

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 Respondent fails to timely submit any payment as set forth above (if any), or fails to cause the Department Monitor to timely receive the results of an audit, as described above, any appraisal license held by Respondent SHALL BE SUSPENDED, without further notice or hearing, until Respondent has complied with the terms of this Order, and with the suspension called for in this Order not to begin until the other terms of the Order have been complied with.

7. Case number 08 APP 064 is hereby closed.
8. This Order is effective on the date of its signing.

REAL ESTATE APPRAISERS BOARD

By: Marla Britton
A Member of the Board

10/13/09
Date

STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF	:	
DISCIPLINARY PROCEEDINGS AGAINST	:	STIPULATION
	:	
RHONDA R. AYLESWORTH,	:	LS _____
	:	
RESPONDENT.	:	

Division of Enforcement Case File # 08 APP 064

It is hereby stipulated and agreed, by and between Rhonda R. Aylesworth, Respondent; and Mark A. Herman, Attorney for Complainant, State of Wisconsin, Department of Regulation and Licensing, Division of Enforcement, as follows:

1. This Stipulation resolves a pending investigation against Respondent’s licensure by the Division of Enforcement (08 APP 064). Respondent consents to the resolution of this matter without the issuance of a formal complaint.
2. Respondent understands that by signing this Stipulation she voluntarily and knowingly waives her rights, including: the right to a hearing on the allegations against her, at which time the state has the burden of proving those allegations preponderance of the evidence; the right to confront and cross-examine the witnesses against her; the right to call witnesses on her behalf and to compel their attendance by subpoena; the right to testify herself; the right to file objections to any proposed decision and to present briefs or oral arguments to the officials who are to render the final decision; the right to petition for rehearing; and all other applicable rights afforded to her under the United States Constitution, the Wisconsin Constitution, the Wisconsin Statutes, the Wisconsin Administrative Code, and any other provisions of state or federal law.
3. Respondent has been provided with the opportunity to obtain legal counsel prior to signing this Stipulation.
4. Respondent agrees to the adoption of the attached Final Decision and Order by the Real Estate Appraisers Board (Board). The parties to the Stipulation consent to the entry of the attached Final Decision and Order without further notice, pleading, appearance or consent of the parties. Respondent waives all rights to any appeal of the Board’s order, if adopted in the form as attached.
5. If the terms of this Stipulation are not acceptable to the Board, the parties shall not be bound by the contents of this Stipulation, and the matter shall then be returned to the Division of Enforcement for further proceedings. In the event that this Stipulation is not accepted by the Board, the parties agree not to contend that the Board has been prejudiced or biased in any manner by the consideration of this attempted resolution.
6. The parties to this Stipulation agree that the attorney or other agent for the Division of Enforcement and any member of the Real Estate Appraisers Board ever assigned as an advisor in this investigation may appear before the Board, without the presence of Respondent or her attorney, for purposes of speaking in support of this agreement and answering questions that any person may have in connection with the Board’s deliberations on the Stipulation. Additionally, any such Board advisor may vote on whether the Board should accept this Stipulation and issue the attached Final Decision and Order.
7. Respondent is informed that should the Board adopt this Stipulation, the Board’s final decision and order is a public record and will be published in accordance with standard Department procedure.
8. The Division of Enforcement joins Respondent in recommending the Board adopt this Stipulation and issue the attached Final Decision and Order.

Rhonda R. Aylesworth, Respondent
3809 State Highway 13
Wisconsin Dells, WI 53956

Date

Mark A. Herman, Attorney
Division of Enforcement
P.O. Box 8935
Madison, WI 53708-8935

Date