

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
BRIAN C. SPANOS, :
RESPONDENT. : LS09111119APP

Division of Enforcement Case No. 07 APP 107

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

Brian C. Spanos
P.O. Box 11
McFarland, WI 53558

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. Brian C. Spanos holds a certification as a certified residential appraiser in Wisconsin (certification #9-1474), which was first granted on 4/13/06 and is current through 12/14/09.
2. Mr. Spanos's most recent address on file with the Wisconsin Department of Regulation and Licensing is P.O. Box 11, McFarland, WI 53558.
3. Mr. Spanos completed an appraisal of property located at 936 O'Sheridan Street in Madison, WI, on or about August 20, 2007. The appraisal showed a final value estimate of \$299,000.
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 applicable 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(e) Property Characteristics and S.R. 2-2(b) by the report referring at page 1 to the subject property as having both a "full" and a "partial" basement.

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

d. S.R. 1-4(a) Sales Comparison Approach and S.R. 2-2(b) by selecting as comparables Sales 2 and 3 when they are from a superior neighborhood, but only a modest adjustment is made for location difference. These sales were not appropriate to use and different sales should have been selected. The MLS sheet contained in the file and the City of Madison assessment records available on-line show that subject property is 92 years old, not 55 as stated in the report. Each of the sales selected is larger than the subject. This fact, when combined with the low GLA adjustments and two inappropriate sales leads to a significant overstatement of value. There is an inadequate explanation for the condition adjustment for Sale 1. Sales 1 and 3 each are listed as having a room count of 7/3/1. Sale 3 is adjusted down, but Sale 1 is not, which is inconsistent.

e. S.R. 1-4(b) Cost Approach and S.R. 2-2 by failing to provide support for the concluded land value, which makes the report a restricted report not a summary report. The report indicates that "site value was estimated from a summary of comparable land sales in the subjects [sic] neighborhood." The subject neighborhood is 100% build-up so there are no land sales from the neighborhood. The concluded land value is far too high and is unsupported. The report indicates a remaining effective age of 70 years which appears very high and is not supported. The report indicates depreciation of only \$14,118 which is not support and appears too low.

f. S.R. 1-4(c) Income Approach and S.R. 2-2(b) by stating that the income approach is "not applicable" without giving a reason. There are several rentals in this neighborhood.

g. S.R. 1-5 Subject Listing and Sale Information and S.R. 2-2(b) by failing to *analyze* the prior sale from 08/06. Also, immediately below the reported sale it states "none found."

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 Uniform Standards of Professional Appraisal Practice (USPAP), as described above in paragraph 4 of the Findings of Fact, Mr. Spanos 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 certified residential appraiser certification of **Brian C. Spanos**, certification # 9-1474, is hereby **LIMITED** as follows:

a. Mr. Spanos shall, within one year of the date of this Order, successfully complete a **minimum of 28 hours** of appraiser education selected from among the following educational courses offered by a provider approved by the Department, including taking and passing any exam offered for the courses:

- i. Overview of Real Estate Appraisal Principles (7 hours);
- ii. Analyzing Distressed Real Estate (7 hours);
- iii. Appraisal Challenges: Declining Markets & Sales Concessions (7 hours);
- iv. Basic Appraisal Principles (30 hours);
- v. Residential Market Analysis & Highest and Best Use (15 hours);
- vi. Appraisal Curriculum Overview (8 hours);
- vii. Residential Report Writing and Case Studies (15 hours).

Mr. Spanos may take alternative courses/seminars than those listed above, but they must be pre-approved by the Board's monitoring liaison and he must complete a minimum of 28 hours. A maximum of 14 hours may be completed on-line, with the remainder being taken in a classroom setting.

b. Mr. Spanos shall submit proof of the same in the form of verification from the institution providing the education to the address stated 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.

c. This limitation shall be automatically lifted, without further action of the Board, upon the Department receiving proof of successful completion of the education ordered in paragraph 1.a.

2. Brian C. Spanos shall, within 120 days of the date of this Order, pay **COSTS** of this matter in the amount of **THREE HUNDRED FIFTY DOLLARS (\$ 350.00)**.

3. Proof of successful course completion, payment of costs (made payable to the Wisconsin Department of Regulation and Licensing), 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

4. In the event Respondent fails to timely submit any payment of the costs as set forth above or fails to complete the education as ordered, Mr. Spanos's certification (# 9-1474) SHALL BE SUSPENDED, without further notice or hearing, until he has complied with the terms of this Order.

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: Marla Britton
A Member of the Board

11/11/09
Date