

# WISCONSIN DEPARTMENT OF REGULATION & LICENSING



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STATE OF WISCONSIN  
BEFORE THE REAL ESTATE APPRAISERS BOARD

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IN RE DISCIPLINARY PROCEEDINGS :  
AGAINST :  
ALFRED F. WILLIE, III, : FINAL DECISION AND ORDER  
: ORDER 0000354  
RESPONDENT. :

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Division of Enforcement Case Nos. 09 APP 016 and 09 APP 085

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

Alfred F. Willie, III,  
650 Pinnacle Drive  
Lake Mills, WI 53551

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

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. **Alfred F. Willie, III** (D.O.B. 3/27/1975) (hereinafter referred to as "Willie") is a duly certified residential appraiser and a licensed appraiser in the state of Wisconsin, holding certification # 9-1594, which was first granted on 10/03/2007. Willie's most recent address on file with the Wisconsin Department of Regulation and Licensing is 650 Pinnacle Drive Lake Mills, WI 53551.

2. The subject of Case No. 09 APP 016, Willie prepared an appraisal of 3403 W. 3<sup>rd</sup> Court, Oxford, Wisconsin. (hereinafter, the “Oxford Property”) on or about January 18, 2009. The Oxford Appraisal is attached hereto as Exhibit A.

3. The subject of Case No. 09 APP 085, Willie prepared an appraisal of 102 Spellman Street, Mount Horeb, Wisconsin. (hereinafter, the “Mount Horeb Property”) on or about November 11, 2007. The Mount Horeb Appraisal is attached hereto as Exhibit B.

4. The respective appraisals of the Oxford Property and the Mount Horeb Property were found to be in violation of the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (“S.R.”), the Wisconsin Statutes, and Wisconsin’s Administrative Code in the following respects:

I. Oxford Property Appraisal:

a. Wis. Stat. sec. 458.16 and R.L. 86.03

The appraisal fails to indicate whether the appraiser’s certification is residential or general, and therefore is not clear in providing the appraiser’s level of certification.

b. S.R. 1-2e Property Characteristics and S.R. 2-2b(iii)

The appraisal work file identifies a shared driveway on the Oxford Property, but this fact is not reported in the appraisal.

c. S.R. 1-2c Purpose and Reasonable Exposure Time and S.R. 2-2b(v)

The appraisal does not provide an opinion of reasonable exposure time linked to the value opinion, and it confuses exposure time and marketing time. USPAP requires exposure time, but does not require marketing time.

d. S.R. 1-3b Highest and Best Use and S.R. 2-2b(ix)

The appraisal does not provide any analysis of highest and best use; a checked box on a form does not constitute analysis.

e. S.R. 1-4a Sales Comparison Approach and S.R. 2-2b(viii)

i) There is no explanation in the report for any of the adjustments (sale 1 is adjusted up \$1,500.00 and sale 2 is adjusted up \$3,000.00). This complete lack of explanation makes the report a “restricted” report, not a “summary report,” as indicated.

ii) Adjustments of \$20.00/sq. ft. for gross living area are exceedingly low; this leads to an overstatement of the Oxford Property’s value.

iii) Sale 2 identified in the appraisal is substantially newer than the Oxford Property, but no adjustment is made, and no explanation for the lack of adjustment is provided.

iv) Sales 1 and 3 have deeded lake access rights, and Sale 1 lacks a fireplace or wood stove while the other properties each have one. These value adding features should have been addressed in the appraisal, but were not.

f. S.R. 1-4b Cost Approach and S.R. 2-2b(viii)

As a result of the aforementioned noncompliance, the appraisal report fails to support the concluded land value for the Oxford Property. The actual land sales used should be provided. This makes the report a “restricted” report, not a “summary report.”

g. S.R. 1-4c Income Approach and S.R. 2-2b(viii)

The report fails to provide any explanation for the omission of the Income Approach to value. Inclusion in the report of the specific reason that it is not applicable is required.

h. S.R. 2-2 Reporting Options

The report is a “restricted” report, not a “summary report,” as indicated. The lack of analysis and description of required elements (e.g., no land sales, no explanation of adjustments, no highest and best use analysis, etc.) makes this a restricted report.

II. Mount Horeb Property Appraisal

a. Wis. Stat. sec. 458.16 and R.L. 86.03

The appraisal fails to indicate whether the appraiser’s certification is residential or general, and therefore is not clear in providing the appraiser’s level of certification.

b. S.R. 1-2c Purpose and Reasonable Exposure Time and S.R. 2-2b(v)

The appraisal does not provide an opinion of reasonable exposure time linked to the value opinion, and it confuses exposure time and marketing time. USPAP requires exposure time, but does not require marketing time.

c. S.R. 1-3b Highest and Best Use and S.R. 2-2b(ix)

The appraisal does not provide any analysis of highest and best use; a checked box on a form does not constitute analysis.

d. S.R. 1-4a Sales Comparison Approach; Standards Rule 2-2b(viii)

i) The appraisal indicated that the Mount Horeb property is a “Frank Lloyd Wright inspired house.” The appraiser emphasized Frank Lloyd Wright when selecting the sales, but none of the houses were designed by Frank Lloyd Wright. This led to a flawed sales selection. The report also contains the false statement, “Frank Lloyd Wright designed homes.”

ii) There is no explanation in the report for any of the adjustments (sale 2 is adjusted up \$3,000.00 and sale 3 is adjusted down \$1,500.00). This complete lack of explanation makes the report a “restricted” report, not a “summary report,” as indicated.

iii) Adjustments for gross living area differences are inconsistent; Sale 1 is adjusted at \$37.00/sq. ft. and the other town sales are adjusted at \$50.00/sq. ft. Adjustments for basement finish, differences in acreage, and bathrooms are inexplicably low. Sale 2 has a garage, not a carport, but this is not adjusted.

iv) Square footages for sales 2 and 3 as reported on MLS differ from those in the report; no discussion or explanation is provided.

v) Low adjustment and lack of adjustments result in an overstated value opinion.

e. S.R. 1-4b Cost Approach; S.R. 2-2b(viii)

i) The report fails to provide support for the concluded land value. The actual land sales used were not provided, resulting in a “restricted report.”

ii) No value is included for the site improvements when the subject, at a minimum, has a driveway (according to the report).

iii) The in-ground swimming pool is omitted from the cost approach.

f. S.R. 1-4c Income Approach; S.R. 2-2b(viii)

The report fails to provide any explanation for the omission of the Income Approach to value. Inclusion in the report of the specific reason that it is not applicable is required.

g. S.R. 1-6 Reconciliation; S.R. 2-2b(viii)

The report fails to provide any discussion of reconciliation, despite the fact that the value conclusion is 28.6% higher than the concluded value by the Cost Approach.

h. S.R. 1-5 Subject Listing and Sale Information; S.R. 2-2b(viii)

While the Mount Horeb Property was not listed for sale as of the date of valuation, MLS records indicate that it had been listed for sale on and off between 6/2/03 and 2/24/07 at \$369,900 (in 2003) and at \$335,000 (in 2007) with no sale. Given this market exposure, and the fact that the property was listed for sale in October, 2008, for \$249,000.00, the appraisal’s value conclusion is unsupported without further explanation.

i. S.R. 2-2 Reporting Options

The report is a “restricted” report, not a “summary report,” as indicated. The lack of analysis and description of required elements (e.g., no land sales, no explanation of adjustments, no highest and best use analysis, etc.) makes this a restricted report.

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 into the attached Stipulation pursuant to Wis. Stat. § 227.44(5).

2. The conduct described above, at paragraph 4 of the Findings of Fact, constitutes a violation of:

- a. 2008 USPAP Standards Rule 1-2c;
- b. 2008 USPAP Standards Rule 1-2e;
- c. 2008 USPAP Standards Rule 1-3(b);
- d. 2008 USPAP Standards Rule 1-4(a);
- d. 2008 USPAP Standards Rule 1-4(b);
- d. 2008 USPAP Standards Rule 1-4(c);
- e. 2008 USPAP Standards Rule 1-5;
- f. 2008 USPAP Standards Rule 1-6;
- g. 2008 USPAP Standards Rule 2-2
- h. 2008 USPAP Standards Rule 2-2b(iii),(v),(viii), and (ix); and
- i. Wis. Stat. § 458.16 and Wis. Admin. Code § RL 86.03.

3. As a result of the above violations, Willie 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. Stats. § 458.26(3)(b) and (c).

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. Respondent **Alfred F. Willie, III**, shall, within one (1) year of the date of this Order, successfully complete 45 hours of continuing education from among the following courses or seminars offered by the Appraisal Institute, or other similar courses offered by other providers, pre-approved by the Board, at his own expense, including taking and passing any exam offered for course or seminar:

- a. “Basic Appraisal Principles” Course (30 hrs.);
- b. “Basic Appraisal Procedures” Course (30 hrs.);
- c. “Residential Sales Comparison and Income Approaches” Course (30 hrs.);

- d. "Residential Report Writing and Case Studies" Course (15 hrs.);
- e. "Advanced Residential Applications and Case Studies/Part 1" (15hrs.);  
and
- f. "Advanced Residential Report Writing" Course (39 hrs.).

Willie shall submit verification from the institution providing the education to the Department Monitor's 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. This educational requirement limitation shall be lifted upon the Department Monitor's receipt and approval of the verification of Willie's successful completion of the required education.

2. Willie shall, within 60 days of the date of this Order, pay **COSTS** of this matter in the amount of Five Hundred Nine and 12/100 DOLLARS (\$509.12).

3. Proof of successful course or seminar completion and 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

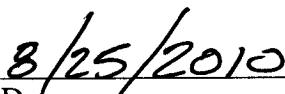
4. Violation of any of the terms of this Order may be construed as conduct imperiling public health, safety and welfare and may result in a summary suspension of Respondent's license. The Board in its discretion may, in the alternative, impose additional conditions and limitations or other additional discipline for a violation of any of the terms of this Order. In the event Respondent fails to timely submit payment of the costs or payment of the forfeiture as ordered, or fails to comply with the ordered continuing education as set forth above, the Respondent's license (#9-1594) may, in the discretion of the board or its designee, be **SUSPENDED**, without further notice or hearing, until Respondent has complied with payment of the costs or forfeiture or completion of the continuing education.

5. Case numbers 09 APP 016 and 09 APP 085 shall be closed.

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by:   
A Member of the Board

  
Date