# 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

FINDINGS OF FACT, CONCLUSIONS

OF LAW, AND ORDER

MARK A. TRALMER, RESPONDENT.

ORDER 0000360

#### Division of Enforcement Case No. 09 APP 032

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

Mark A. Tralmer P.O. Box 398 Tomah, WI 54660-0398

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. **Mark A. Tralmer** (D.O.B. 06/10/1957) (hereinafter referred to as "Respondent") is a duly certified residential appraiser in the state of Wisconsin, holding certification # 4-1952, which was first granted on 02/27/2006. Respondent's most recent address on file with the Wisconsin Department of Regulation and Licensing is P.O. Box 398, Tomah, WI 54660-0398.

- 2. On or about December 6, 2007, Respondent prepared an appraisal of property located at 222 S. Grove Street, Reedsburg, WI 53959 (hereinafter, the "Subject Property"); said appraisal is attached hereto as Exhibit A. At that time, Respondent set the appraised value of the Subject Property at \$124,000.00
- 3. The appraised value of the Subject Property cannot be supported due, in part, to multiple factual errors contained in the appraisal document.
- 4. The Respondent's appraisal of the Subject Property was reviewed by the Department and a Board member case advisor, and the report of the case advisor's review is attached hereto as Exhibit B.
- 5. The appraisal of the Subject Property was found to be in violation of Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules in the following respects:
- a. <u>Ethics Rule, Conduct or Competency Rule and Standards Rule 2-1 Reports Not Misleading</u>

The large number of factual errors in the report results in an overstatement of value for the Subject Property, and demonstrate an ethical or a competency rule violation.

b. <u>Standards Rule 1-2(c) Purpose and Reasonable Exposure Time and Standards Rule 2-2b(v)</u>

Respondent's appraisal does not contain an opinion of reasonable exposure time linked to the value opinion.

c. Standards Rule 1-2(e) Property Characteristics and Standards Rule 2-2(b)(iii)

The following factual errors are contained in the report:

- (1) Lot size is overstated (66' X 198' when it is 66' X 132')
- (2) House size is overstated (27.5' X 35' = 962.5' sq. ft.; assessment record shows 825 sq. ft.; plans for the house show 24.67' X 32.67' = 806 sq. ft.; a prior listing for the house shows it to be 768 sq. ft.).
- (3) Appraisal says 50% of the basement is finished when there is no finished portion of the basement.
- (4) Age of the Subject Property is incorrect: it is reported as 36 years; however, Subject Property plans are dated "1954," and assessment records show that it was built in 1954 (53 years old).
- (5) The house is listed as having central air, a deck/patio, and garbage disposal when it has none of these features.

- d. Standards Rule 1-4a Sales Comparison Approach and Standards Rule 2-2b(viii)
- (1) Comparable sales 2 & 3 have nearly twice the site size of the subject (using the correct site size) with no adjustment.
- (2) Using a house size of 820 sq. ft. (between the plans and the assessment records) and the Respondent's \$30/sq. ft., the adjusted values for the sales would have been \$4,300 lower. Using the size from the former listing (768 sq. ft.), it would be an additional \$1,600 lower.
- (3) Using no basement finish and the Respondent's adjustments, the adjusted values would have been \$4,700 lower.
- (4) Sale 1 has a wood stove and Sale 2 has a second detached garage and new mechanicals not included in the appraisal. Acknowledging these and making adjustments at appropriate levels would lower the appraised value.
- (5) Age adjustments would generally be considered appropriate, if the subject's correct age were used.
- (6) The value of the Subject Property via this approach is significantly overstated.
- e. Standards Rule 1-4b Cost Approach and Standards Rule 2-2b(viii)

Respondent's Appraisal provides no support for the concluded land value. This makes the report a restricted report, not a summary 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 in the attached Stipulation pursuant to Wis. Stat. § 227.44(5).
- 2. The conduct described above, at paragraph 5 of the Findings of Fact, constitutes a violation of:
  - a. 2008 USPAP Standards Rule 1-2(c)
  - b. 2008 USPAP Standards Rule 1-2(e)
  - c. 2008 USPAP Standards Rule 1-4(a);
  - d. 2008 USPAP Standards Rule 1-4(b;
  - e. 2008 USPAP Standards Rule 2-1
  - f. 2008 USPAP Standards Rule 2-2b(iii),(v),(viii); and
  - g. 2008 USPAP Ethics Rule and Competency Rule.
- 3. As a result of the above USPAP violations, Respondent 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. Respondent, Mark A. Tralmer's, certification #4-1952, is hereby REPRIMANDED.
- 2. Respondent, Mark A. Tralmer's, certification #4-1952, is hereby LIMITED as follows:
- a. Respondent shall procure the services of a supervising appraiser to review and sign all appraisals prepared by Respondent for a period of six months following the date of this Order. Respondent shall submit the name and credentials of his proposed supervisory appraiser to the Board Liaison, addressed to 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

The supervisory appraiser shall be approved by the Board Liaison prior to any supervisory activity. Respondent shall be solely responsible for any supervisory fees charged by the supervising appraiser. In the event that Respondent fails to receive approval of his proposed supervisory appraiser within ten days following the date of this Order, Respondent's certification #4-1952 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 Respondent obtains approval by the Board Liaison of a proposed supervisory appraiser.

- b. Respondent shall, within one year of the date of this Order, successfully complete at least seventy-five (75) hours of continuing education, including taking and passing the exam offered, for the following courses:
  - i. Basic Appraisal Principles (30 hrs.);
  - ii. Basic Appraisal Procedures (30 hrs.); and
  - iii. National USPAP Course (15 hrs.)

The courses may be taken from Appraisal Institute or from any educational institution approved by the Department of Regulation and Licensing, and approved in advance through the Department Monitor. 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. Respondent shall submit proof of successful completion in the form of verification from the institution providing the education to the Department Monitor. In the event that Respondent fails to successfully complete the educational requirements in the manner set forth, or fails 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.

- 3. **Mark A. Tralmer** shall, within 60 days of the date of this Order, pay **COSTS** of this matter in the amount of Seven Hundred Twenty and 20/100 DOLLARS (\$720.00).
- 4. Payment of costs (made payable to the Wisconsin Department of Regulation and Licensing) shall be mailed, faxed or delivered to the Department Monitor at the above address.
- 5. 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 complete the education as ordered and as set forth above, the Respondent's license (number 4-1952) 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 and completion of ordered education.

8/25/2010

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

WISCONSIN REAL	ESTATE A	APPR AISERS	<b>BOARD</b>
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