

# 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

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**FINAL DECISION AND ORDER**

**DEREK P. PROCK,**  
RESPONDENT.

ORDER 0000537

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Division of Enforcement Case File 09 APP 099

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

Derek P. Prock  
6570 North Shore Dr.  
Eau Claire, WI 54703

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 Wisconsin Real Estate Appraisers Board ("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. Derek P. Prock is licensed in the State of Wisconsin as a Real Estate Appraiser, having license number 4-1941, first issued on January 4, 2006 and current through December 14, 2011.
2. Mr. Prock's most recent address on file with the Department of Regulation and Licensing ("Department") is 6570 North Shore Drive, Eau Claire, Wisconsin 54703.
3. On May 7, 2008, Mr. Prock performed an appraisal of real property at 1327 Daniels Avenue in Altoona, Wisconsin for First Wisconsin Mortgage, Inc.

4. On November 23, 2009, the Department received a complaint against Mr. Prock from Mark Liley, Vice President and Chief Appraiser of Flagstar Bank in Troy, Michigan.

5. Mr. Liley stated that he received a loan package containing Mr. Prock's appraisal of 1327 Daniels Avenue with a value of \$146,000 and a review appraisal supporting a value of \$108,000.

6. Mr. Prock's appraisal was reviewed by the Department and it was determined that the appraisal and appraisal report violated the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (SR) as follows:

a. Mr. Prock incorrectly stated the size of the property at 1327 Daniels Avenue, and

b. Mr. Prock used sales that were not, in fact, comparable to the 1327 Daniels Avenue property and made no adjustments for the differences.

### **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 section 227.44(5) of the Wisconsin Statutes.

2. The conduct described in paragraph 6 of the Findings of Fact constitutes a violation of USPAP; more specifically:

a. SR 1, SR 2-2(a)(vii), SR 2-2(b)(vii) and SR 2-2(c)(vii) as Mr. Prock failed to identify the problem to be solved and develop a scope of work necessary to produce a credible report;

b. SR 1-1(a) and SR 2-1 as Mr. Prock failed to correctly employ recognized methods to produce a credible report;

c. SR 1-1(b) and SR 2-1 as Mr. Prock committed a substantial error that significantly affected the appraisal;

d. SR 1-1(c) and SR 2-1 as Mr. Prock rendered appraisal services in a careless or negligent manner that affected the credibility of the appraisal results;

e. SR 1-4, SR 2-2(a)(viii), SR 2-2(b)(viii) and SR 2-2(c)(viii) as Mr. Prock failed to collect, verify, and analyze all information necessary to produce credible results;

f. SR 2 as Mr. Prock created an appraisal that is misleading; and

g. SR 2-1 as Mr. Prock failed to: 1) clearly set forth the appraisal in a manner that will not be misleading and 2) include sufficient information to enable the intended users to understand the appraisal report properly.

2. As a result of the above USPAP violations, Mr. Prock has violated sections RL 86.01(1) and (2) of the Wisconsin Administrative Code, thereby subjecting himself to discipline pursuant to 458.26(3)(b) and (c) of the Wisconsin Statutes.

### **ORDER**

NOW, THEREFORE, IT IS ORDERED that:

1. The attached Stipulation is hereby accepted.
2. The Real Estate Appraisers license issued to Derek P. Prock (license number 4-1941) shall be **SUSPENDED** for a period of 30 calendar days beginning on the 10<sup>th</sup> day following the date of this Order.
3. Derek P. Prock's Real Estate Appraisers license (license number 4-1941) is hereby **LIMITED** as follows:
  - a. Derek P. Prock shall not supervise the work of other appraisers or unlicensed persons performing appraisal work for a period of three (3) years beginning on the 10<sup>th</sup> day following the date of this Order; and
  - b. Derek P. Prock shall, within one (1) year of the date of this Order, successfully complete a minimum of 15 hours of education in the Residential Sales Comparison and Income Approaches course, including taking and passing any exam offered for the course.
    - i. Mr. Prock shall submit proof of successful completion in the form of verification from the institution providing the education to the following address:

Department Monitor  
Department of Regulation and Licensing  
PO Box 8935, Madison, WI 53708-8935  
Fax (608) 266-2264  
Tel. (608) 267-3817

- ii. 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, and also may not be used in future attempts to upgrade Mr. Prock's credential.

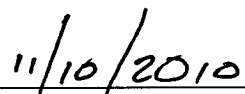
4. Derek P. Prock shall, within 120 days of the date of this Order, pay the Department's COSTS of this matter in the amount of \$561.00. Payment shall be made payable to the Wisconsin Department of Regulation and Licensing and sent to the Department Monitor at the address listed above.

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 Mr. Prock'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 Mr. Prock fails to comply with the ordered continuing education or fails to timely submit payment of the ordered costs as set forth above, Mr. Prock's license (number 4-1941) may, in the discretion of the Board or its designee, be SUSPENDED, without further notice or hearing, until he has complied with the ordered continuing education and/or payment of the costs.

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

**WISCONSIN REAL ESTATE APPRAISERS BOARD**

By:   
A Member of the Real Estate Appraisers Board

  
Date