

# 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 THE DISCIPLINARY	:	
PROCEEDINGS AGAINST	:	
	:	FINAL DECISION AND ORDER
JEFFREY M. GROFF,	:	
RESPONDENT.	:	ORDER 0000539

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Division of Enforcement Case No. 09 APP 081

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

Jeffrey M. Groff  
4411 Island View Drive  
Oshkosh, WI 54901

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, Conclusions of Law and Order:

FINDINGS OF FACT

1. Jeffrey M. Groff is a duly licensed appraiser and Certified Residential Appraiser. He presently holds license number 9-768, which was first granted on 12/06/1993 and is current through 12/14/11. Mr. Groff's most recent address on file with the Wisconsin Department of Regulation and Licensing ("Department") is 4411 Island View Drive, Oshkosh, WI 54901.
2. On or about 10/06/2009, the Department received a complaint against Mr. Groff. The complaint alleged various issues that called into question an appraisal of property located at 47 W. 9<sup>th</sup> Street, Fond du Lac, WI 54935 ("Subject Property").

3. Mr. Groff was hired by AAA Mortgage Corp. to perform an appraisal of the Subject Property. On or about 03/05/2008, Mr. Groff performed an appraisal, submitting an appraisal report valuing the Subject Property at \$130,000.00.
4. The appraisal report was reviewed by the Department and it was determined that the appraisal (and the accompanying report) violated the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules (S.R.) as follows:

S.R. 1-1(b) and (c) S.R. 1-2 (e) S.R.2-1(a)

- a. Aerial maps from the Fond du Lac County Real Estate Tax Record Detail indicates that there is a building and/or improvement encroachment on the subject property by the publically owned property to the north. This potential encroachment was not identified by the appraiser nor noted as to its impact on value.
  - b. The zoning on the property is R-3.75. This zoning allows for residential land use, however the minimum lot size is 6,000 sf., the minimum lot width is 50 ft. and the minimum lot depth is 115 ft. The Subject Property had a lot width of 50 ft. (compliance), a depth of 85 ft. (non-compliance) and a total lot area of 4,250 sf. (non-compliance). Therefore, the property is in non-compliance with its zoning. It is assumed that this non-compliance occurred prior to the zoning ordinance, if so then the property would be described as "legal non-conforming." The appraiser described it as "legal".
  - c. Though legal non-conforming use is typical in older cities and sometimes has no market impact, the appraiser should have properly noted the zoning classification, its non-compliance and made a statement as to its impact on market value. These comments should have appeared under the "adverse conditions" statement in the appraisal.
  - d. The appraiser did not describe the neighborhood of the subject property thoroughly. Aerial maps indicate that there is a public school across the street, an athletic field behind and abutting the property and a city park within close proximity of the property. These factors may or may not have an impact on property value, but the appraiser needs to identify these neighborhood factors and analyze their impact on value.
  - e. The Subject Property is located in the 0.2% Annual Chance Flood Hazard Area. This information is per County GIS mapping with flood zoning overlay and FEMA maps. The Subject Property was identified by the appraiser as not in the flood zone area. It should be noted that the flood zone maps have been updated during this time period and the appraiser may not have had the updated maps available at the time of the appraisal.
5. As a result of the USPAP violations identified at paragraph 4(a)-(e), above, the appraisal report is representative of Mr. Groff's lack of knowledge in completion of the report, which violates the USPAP Competency Rule.

## 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 in paragraphs 4 and 5 constitutes a violation of USPAP Standards Rules 1-1(b) and (c), S.R. 1-2 (e), S.R.2-1(a), and the Competency Rule.
3. As a result of the above USPAP violations, Mr. Groff is deemed to have also violated Wis. Admin. Code § RL 86.01(2), thereby subjecting himself to discipline pursuant to Wis. Admin. Code § RL 86.01(1) and Wis. Stat. § 458.26(3)(b) and (c).

## ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The license and certification of Respondent **Jeffrey M. Groff** (#9-768) is hereby **LIMITED** as follows:
  - a. Respondent shall, within one (1) year of the date of this Stipulation, successfully complete at least thirty (30) cumulative hours of continuing education from among the following courses or seminars, or other similar courses offered by the providers indicated, or other courses/providers pre-approved by the Board Liaison, at Respondent's own expense, including taking and passing any exam offered for the course or seminar:
    - i. Basic Appraisal Principals – Appraisal Institute;
    - ii. Basic Appraisal Procedures – Appraisal Institute;
    - iii. Residential Market Analysis & Highest & Best Use – Appraisal Institute.
  - b. Mr. Groff shall submit proof of completion in the form of verification from the institution providing the education to the address stated below. The educational limitation shall be lifted upon verification of course completion(s) by the Department Monitor. 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.
2. **Jeffrey M. Groff** shall, within 120 days of the date of this Order, pay **COSTS** of this matter in the amount of **EIGHT HUNDRED AND TWENTY DOLLARS (\$820.00)**.
3. Proof of successful course completion and/or payment of costs (made payable to the Wisconsin Department of Regulation and Licensing) shall be mailed, faxed or delivered by the Respondent to the Department Monitor at this address:

Department Monitor  
Department of Regulation and Licensing, Division of Enforcement  
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 as ordered or fails to comply with the ordered continuing education as set forth above, the Respondent's license (#9-768) 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 completion of the continuing education.
5. This Order is effective on the date of its signing.
6. File 09 APP 081 is hereby closed.

WISCONSIN REAL ESTATE APPRAISERS BOARD

by:   
A Member of the Board

11/10/2010  
Date