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

KENNETH J. BARANOWSKI,

RESPONDENT.

ORDER 0000546

Division of Enforcement Case No. 09 APP 046

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

Kenneth J. Baranowski S78 W35315 Mayforest Road Eagle, WI 53119

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. Kenneth J. Baranowski is a duly licensed appraiser, holding a credential as a certified residential appraiser and licensed appraiser (#9-313), which was first granted on 12/26/1991 and is current through 12/14/2011. Mr. Baranowski's most recent address on file with the Wisconsin Department of Regulation and Licensing ("Department) is S78 W35315 Mayforest Road, Eagle, WI 53119.
- 2. Mr. Baranowski was, at all times relevant to the current facts, an employee of ACW Appraisals, Inc. Wauwatosa Savings Bank hired ACW Appraisals, Inc. to complete an

- appraisal of real property located at 2828 N. Fratney Street, Milwaukee, WI 53212-2664 ("Subject Property").
- 3. Kenneth J. Baranowski assigned Chris A. Krafcheck, a duly licensed Wisconsin appraiser, to complete an appraisal of the Subject Property. Mr. Baranowski acted as the supervisory appraiser for Mr. Krafcheck's appraisal of the Subject Property.
- 4. On or about 1/30/2006, Mr. Krafcheck completed an appraisal of the Subject Property, a 7-unit multi-family property valuing it at \$414,000.
- 5. On or about 7/10/2009, the Department received a complaint against Mr. Krafcheck and Mr. Baranowski from Cheryl A. Dodson alleging, in part, that the Subject Property is a commercial use property, pursuant to Wis. Stat. § 458.01(9m).
- 6. The 1/30/2006 appraisal completed by Mr. Krafcheck and certified by Mr. Baranowski was reviewed by the Department and it was determined that the appraisal (and the accompanying reports) violated the Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rules 1-2(e)(i) and 2-2(b)(ii) as follows:
 - a. According to the appraiser's comments regarding the Subject Property, the subject is a "legal non-conforming" use with seven (7) units. Other than noting this information, the appraiser has failed to consider this information in completing the appraisal report.
 - b. The reader of the report is not provided sufficient information to indicate whether an adjustment is warranted for the three (3) additional units within the Subject Property not allowed by zoning.
 - c. There is no indication as to whether the comparable sales are also non-conforming, and no adjustment has been made to the comparable sales to reflect this pertinent data.

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. Respondent Kenneth J. Baranowski has violated Wis. Admin. Code § RL 81.05(2) by completing an appraisal of commercial real estate having a transaction value of more than \$250,000.00 as described in paragraphs 3-4 of the Findings of Fact.
- 3. Respondent Kenneth J. Baranowski has violated Standard Rules 1-2(e)(i) and 2-2(b)(ii) as a result of the Subject Property appraisal's noncompliance identified at paragraph 6 of the Findings of Fact.
- 4. As a result of the above USPAP violations, Mr. Baranowski is deemed to have also violated Wis. Admin. Code §§ RL 86.01(1) and (2).

5. By committing the aforementioned violations, Respondent is subject to discipline pursuant to Wis. Stat. §§ 458.26(3)(b), (3)(c), and (4).

ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

- 1. The license and certification of Respondent Kenneth J. Baranowski (#9-313) is hereby REPRIMANDED.
- 2. Kenneth J. Baranowski shall, within 120 days of the date of this Order, pay a FORFEITURE in the amount of ONE THOUSAND DOLLARS (\$1,000.00).
- 3. Payment of the forfeiture (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
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. The Board in its discretion may impose additional conditions and limitations or other additional discipline for a violation of any of the terms of this Order. Additionally, in the event Respondent fails to timely submit payment of the forfeiture or costs as ordered, the Respondent's license (#9-313) 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. Division of Enforcement case number 09 APP 046 is hereby closed as to Respondent Kenneth J. Baranowski.

11/10/2010 Date

WISCONSIN REAL ESTATE APPRAISERS BOARD

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by: