

# 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
MICHAEL S. RYNEARSON,	:	
RESPONDENT.	:	ORDER 0000848

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Division of Enforcement Case No. 09 APP 008

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

Michael S. Rynearson  
N1032 Franklin Road  
Oconomowoc, WI 53066-9529

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

PROCEDURAL HISTORY

The parties in this matter agree to the terms and conditions of the attached Stipulation as the final decision of the matter, subject to the approval of the Real Estate Appraisers Board ("Board"). The Board has reviewed the Stipulation agreement annexed to this Final Decision and Order, and considers it acceptable. Accordingly, the Board adopts the attached Stipulation and makes the following:

FINDINGS OF FACT

1. Respondent Michael S. Rynearson ("Respondent"), whose last known address of record with the Department of Regulation and Licensing ("Department") is N1032 Franklin Road, Oconomowoc, WI 53066-9529, and whose date of birth is June 17, 1963, possesses a certificate of certification and a certificate of licensure as a certified residential appraiser (No. 9-1228). The license was first granted on July 25, 2001, and will expire on December 14, 2011.

2. On or about December 3, 2008, Respondent prepared and executed a real estate appraisal report ("Report") for an appraisal of real property located at 812 Ridgewood Drive, Waukesha, WI 53186-6706.

3. A review of the Report shows violations of the applicable Uniform Standards of Professional Appraisal Practice (USPAP), including, but not limited to, the following:

- a. USPAP Standards Rule 1-4(a). The Report analyzes comparable sales with gross living areas of 2,812 sq. ft. and 3,376 sq. ft., respectively; the subject property has a gross living area of 1,723 sq. ft. The proposed comparable sales include a 1.5 story home, and a home with a finished walk-up attic. The sales are not comparable to the subject property, and the Report does not discuss why these much larger properties were selected for comparison. The Report's reliance on these sales fails to provide a supportable value conclusion.
- b. USPAP Standards Rules 1-4(b)(i) and 2-2(b)(viii). In response to a field appraisal review of the Report, Respondent stated that his land value is, "[a] four to one land value ratio." This is not a USPAP compliant appraisal method or technique for developing an opinion of site value.

4. Per Wis. Stat. § 458.26 (3), "... the board may limit, suspend or revoke any certificate under this chapter... if the... board finds that the... holder of the certificate has done any of the following: (c) Engaged in conduct while practicing as an appraiser which evidences a lack of ability to apply professional principles...; (i) Violated this chapter... .

5. Respondent agrees to the Stipulation and Final Decision and Order for the purpose of cooperating with the Department and in order to resolve this matter without further hearing and expense. Respondent's agreement, cooperation, and/or compliance with the Board's order, including making any current or future payment under said order, shall not be construed as an admission of civil or criminal liability by Respondent, with such liability being expressly denied in this or any other factually related matter.

#### CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board has jurisdiction to act in these matters pursuant to Wis. Stat. § 458.26.

2. The Wisconsin Real Estate Appraisers Board has authority to enter into this stipulated resolution of this matter pursuant to Wis. Stat. § 227.44 (5).

3. By performing an appraisal and rendering an appraisal report in a manner that does not conform to USPAP, contrary to Wis. Admin. Code §§ 86.01(1) and (2), and by failing to comply with Wis. Admin. Code § RL 86.03, as set forth more fully above in paragraph 3 of the Findings of Fact, **Michael S. Rynearson** is subject to discipline per Wis. Stat. § 458.26(3)(b).

## ORDER

**NOW, THEREFORE, IT IS HEREBY ORDERED** that:

1. Within eighteen (18) months following the effective date of this Order, Respondent shall successfully complete forty-five (45) hours of educational courses and associated exams, which shall consist of the following courses, or equivalent courses if approved in advance by the Board's Monitoring Liaison: (a) Advanced Residential Applications and Case Studies/Part 1 (15 hours, including 1-hour exam); and (b) Advanced Residential Report Writing/Part 2 (30 hours, including 2 hour exam). Respondent shall submit proof of successful completion in the form of verification from the institution providing the education to the address stated below. None of the education completed pursuant to this requirement may be used to satisfy any continuing education requirements that have been or may be instituted by the Board, Wisconsin Department of Regulation and Licensing or similar authority in any state, and also may not be used in future attempts to upgrade his credential in any state.

2. On a quarterly basis, for a period of one year following successful completion of the education identified at paragraph 1 of this Order, Respondent shall submit to the Department Monitor a log of appraisals completed following successful completion of the referenced education.

a. Submission of the appraisal log shall take place no later than 10 days following the end of any quarterly period. By way of example, where Respondent has completed all of the required education on December 15, 2011, his initial quarterly period would cover the time frame of December 15, 2011-March 15, 2012; his first appraisal log submission would be due no later than March 25, 2012. Each appraisal log shall consist of a list of all appraisals performed in the quarterly period preceding the end of said quarter.

b. The Board Liaison or designee may select up to three (3) of the appraisals for review of compliance with USPAP standards, and, upon request, Respondent shall immediately submit the requested appraisals and work file materials to the Department Monitor for this purpose. In the event that the Board Liaison's, or designee's, review finds noncompliance with USPAP standards, the Board Liaison, or designee, may, in his or her sole discretion, recommend further education and/or training in the area of noncompliance, or refer the matter to the Department's Division of Enforcement.

3. Respondent shall pay the Department's costs of appraisal review in the total amount of Nine Hundred dollars (\$900.00). Payments shall be made quarterly, in the amount of Two Hundred Twenty-five dollars (\$225.00), and shall be remitted with the Respondent's quarterly appraisal log submissions, identified at paragraph 2(a) of this Order. Payment shall be made payable to the Wisconsin Department of Regulation and Licensing and sent to the Department Monitor at the address below.

4. Submissions and payments required by this Order shall be mailed, faxed, delivered or otherwise transmitted to:

Department Monitor  
Division of Enforcement  
Department of Regulation and Licensing  
P.O. Box 8935, Madison, WI 53708-8935  
Telephone (608) 261-0134, Fax (608) 266-2264

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 as ordered or fails to comply with the ordered education as set forth above, Respondent's license (No. 9-1228) may, in the discretion of the Board or its designee, be SUSPENDED, without further notice or hearing, until Respondent has complied with payment of costs and completion of the education.

6. Case number 09 APP 008 is hereby closed.

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

REAL ESTATE APPRAISERS BOARD

By:  CHAIR  
A Member of the Board

5/11/2011  
Date