

# 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  
THOMAS C. WEBSTER, :  
RESPONDENT. : ORDER 0000855

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Division of Enforcement Case No. 10 APP 012

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

Thomas C. Webster  
4227 Alabama Avenue South  
St. Louis Park, MN 55416

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. Respondent Thomas C. Webster (dob 02/04/1957) is licensed in the State of Wisconsin as a Certified Residential Appraiser and Licensed Appraiser, having license number 09-1459, first issued on 01/04/2006 and current through 12/14/2011. Mr. Webster's most recent address on file with the Wisconsin Department of Regulation and Licensing (Department) is 4227 Alabama Avenue South, St. Louis Park, MN 55416.
2. Respondent has not been previously disciplined by the Real Estate Appraisers Board.

3. On or about 02/24/2010, the Department received a complaint concerning an appraisal completed by Mr. Webster on a property located at 421 North Glover Road, Troy Township, WI (subject property). Mr. Webster performed the appraisal on May 15, 2006.

4. Mr. Webster's appraisal of the subject property was reviewed by the Division of Enforcement and it was determined that the appraisal and appraisal report violated the Uniform Standards of Professional Appraisal Practice (USPAP) Rules and Standards Rules (SR) as follows:

a. In his appraisal report, Mr. Webster states that he researched the sales history of the subject property. He failed to report a prior sale of the subject on 10/01/2004 for \$324,900 in his appraisal although he conceded that he was aware of the transfer. (SR1-5(b).)

b. In his appraisal report, Mr. Webster failed to analyze site value by reporting the shape of the subject as "irregular" without including a plat map or dimensions. A credible analysis cannot be developed without knowing the shape of the parcel. Further, he cited general sales data to support his estimated site value without retaining said sales data in his work file. (SR1-2(e)(i); Record Keeping Section of Ethics Rule.)

c. In his appraisal report, Mr. Webster failed to identify and analyze the subject's unique design and functional and economic obsolescence relative to market resistance to the subject's unique design. (SR1-4(b); SR2-2(b)(iii).)

d. In his appraisal report, Mr. Webster failed to provide market sales to support his estimate of site value. Sales referenced in his report were not included within his work file. (SR1-4(b); Record Keeping Section of Ethics Rule.)

e. In his appraisal report, Mr. Webster failed to verify unit costs through current and/or available cost data, and failed to adjust for functional obsolescence due to the unique design of the subject. His cost approach was completed incorrectly and failed to include a calculation for the finished, below-grade living area. His unsupported site value and high unit costs inflated the value conclusion resulting in an unreasonable value indication. (SR1-1(a,b,c); SR2-1(a,b).)

f. In his appraisal report, Mr. Webster failed to compare the subject to recent comparable sales. The subject is a bi-level design with two bedrooms and additional living area below grade. The most similar comparable sale (#3) was the highest value recent sale and supported a lower value than the appraisal report. He inflated the value of the subject by using superior comparable sales without making required adjustments which resulted in an inflated value conclusion. Mr. Webster misrepresented Sale 1 as a 1 bedroom home when it was a 2 bedroom home. He failed to adjust for Sale 1's lower unit kitchen and superior outbuilding. His adjustments for basement finish are not consistent throughout the sales grid. (SR1-1(a,b,c); SR2-1(a,b); SR2-2(a,b,c)(ix); Ethics Rule.)

g. In his appraisal report, Mr. Webster's reconciliation is based on misleading data. (SR2-1(a).)

h. In his appraisal report, Mr. Webster failed to report a reasonable exposure time linked to the value opinion. (SR1-2(c)(iv).)

i. In his appraisal report, Mr. Webster's support and reasoning is based on the faulty development of the appraisal. SR2-2(b)(ix).)

j. Based on the errors outlined above, Mr. Webster failed to write the appraisal report in a way that is not misleading. (SR2-1(a).)

k. Based on the errors outlined above, Mr. Webster was not competent to complete the appraisal assignment and did not disclose the lack of knowledge to the client before accepting the assignment. (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 into the attached Stipulation pursuant to Wis. Stat. § 227.44(5).

2. By the conduct described in Findings of Fact 4.a., Mr. Webster violated USPAP SR1-5(b) by failing to analyze all sales of the subject property that occurred within the three years prior to the effective date of the appraisal.

3. By the conduct described in Findings of Fact 4.b., Mr. Webster violated USPAP SR1-2(e)(i) by failing to identify the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal and the Record Keeping Section of Ethics Rule by failing to retain general sales data in his work file.

4. By the conduct described in Findings of Fact 4.c. and 4.d., Mr. Webster violated USPAP SR1-4(b) and SR2-2(b)(iii) by failing to analyze and summarize such comparable data as are available to estimate the difference between the cost new and the present worth of the improvements (accrued depreciation) where a cost approach is necessary for credible results. Mr. Webster violated the Record Keeping Section of Ethics Rule by failing to retain the sales reports referenced in his appraisal within his work file.

5. By the conduct described in Findings of Fact 4.e-4.f and 4.i., Mr. Webster violated USPAP SR1-1(a,b,c), SR2-1(a,b), SR2-2(a,b,c)(ix) and the Ethics Rule by failing to be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal; not commit a substantial error of omission or commission that significantly affects an appraisal; not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results in developing a real property appraisal; clearly and accurately set forth the appraisal in a manner that will not be misleading; contain sufficient information to enable the intended users of the appraisal to understand the report properly; and describe, summarize and state the information analyzed, the appraisal procedures followed, and the reasoning that supports the analyses, opinions and conclusions.

6. By the conduct described in Findings of Fact 4.g., Mr. Webster violated USPAP SR2-1(a) by failing to provide a reconciliation that clearly and accurately set forth the appraisal in a manner that will not be misleading.

7. By the conduct described in Findings of Fact 4.h., Mr. Webster violated USPAP SR1-2(c)(iv) by failing to clearly identify and analyze relevant market data regarding the terms of non-market financing or financing with unusual conditions or incentives in the opinion of their contributions to or negative influence on value.

8. By the conduct described in Findings of Fact 4.j., Mr. Webster violated USPAP SR2-1(a) by failing to clearly and accurately set forth the appraisal in a manner that will not be misleading.

9. By the conduct described in Findings of Fact 4.a.-4.j., Mr. Webster violated the USPAP Competency Rule by failing to properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently prior to accepting the assignment, and by failing to disclose the lack of knowledge and/or experience to the client before accepting the assignment.

10. As a result of the above violations, Mr. Webster has violated Wis. Admin. Code §§ RL 86.01(1) and (2), thereby subjecting himself to discipline pursuant to Wis. Stat. §§ 458.26(3)(b), (c) and (i).

#### ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED that:

1. The attached Stipulation is hereby accepted.
2. Respondent Thomas C. Webster is hereby **REPRIMANDED**.
3. The Certified Residential Appraiser and Licensed Appraiser license issued to Thomas C. Webster (license # 09-1459) shall be **SUSPENDED** commencing on the 10<sup>th</sup> day following the effective date of this Order, and continuing until such time that Respondent successfully completes: (1) a 7 or 15 hour course addressing issues in appraising waterfront, rural, or other properties with unique land or site influences (classroom only, taking and passing any exam offered for the course); and (2) the following courses offered by the Appraisal Institute, or equivalent courses by a provider pre-approved by the Board's monitoring liaison, including taking and passing any exam offered for the courses:
  - i. Basic Appraisal Principles (30 hours, classroom); and
  - ii. Basic Appraisal Procedures (30 hours, classroom).
4. Respondent shall deliver the examination results and proof of successful course completion to the Department Monitor. The suspension shall automatically expire upon the Department Monitor's verification of Respondent's successful completion of the three examinations identified at paragraph 3 of this Order. 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.

5. Respondent shall, within one year of the date of this Order, pay **COSTS** of this matter in the amount of \$900.

6. Respondent shall, within one year of the date of this Order, pay **A FORFEITURE** in the amount of \$1000.00.

7. Proof of successful course completion and payment of costs (made payable to the Wisconsin Department of Regulation and Licensing) shall be mailed, faxed or delivered by Respondent to the Department Monitor at the address below:

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

8. 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 (#09-1459) 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.

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by:  CHAIR  
A Member of the Board

5/11/2011  
Date