

WISCONSIN DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES



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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST

WILLIAM M. SCHULTZ,
RESPONDENT.

:
:
:
:
:

FINAL DECISION AND ORDER

ORDER 0002452.

Division of Legal Services and Compliance¹ Case No. 11 APP 058

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

William M. Schultz
1701 New York Ave.
Manitowoc, WI 54220

Wisconsin Real Estate Appraisers Board
P.O. Box 8935
Madison, WI 53708-8935

Division of Legal Services and Compliance
Department of Safety and Professional Services
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 in this matter adopts the attached Stipulation and makes the following Findings of Fact, Conclusions of Law and Order.

FINDINGS OF FACT

1. Respondent William M. Schultz (dob March 27, 1947) is licensed in the State of Wisconsin as a Certified General Appraiser and Licensed Appraiser, having license number 10-434, first issued on June 16, 1993 and current through December 14, 2013. Respondent's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is 1701 New York Avenue, Manitowoc, Wisconsin 54220.

¹ The Division of Legal Services and Compliance was formerly known as the Division of Enforcement.

2. On September 30, 1998, Respondent was disciplined by the Board for violating the Uniform Standards of Professional Appraisal Practice (USPAP) Rules. Respondent was reprimanded and ordered to complete 15 hours of USPAP education.

3. On or about January 26, 2010, Respondent performed an appraisal of the property located at 6807 East Hillcrest Road, Two Rivers, Wisconsin. Respondent's appraisal report, dated January 26, 2010, provided a value of \$179,000 for the property.

4. On or about November 20, 2010, a different certified residential appraiser and licensed appraiser performed an appraisal of the subject property and provided a value of \$161,000 for the property.

5. On or about November 30, 2012, the Department received a complaint alleging that the November 20, 2010 appraisal undervalued the subject property. During the course of the Department's investigation, Respondent's January 26, 2010 appraisal was reviewed and found to be deficient. Division of Legal Services and Compliance Case Number 11 APP 058 was subsequently opened for investigation.

6. Respondent's appraisal was reviewed by the Division of Legal Services and Compliance and it was determined that the appraisal and appraisal report violated USPAP Rules and/or Standards Rules (SR) as follows:

- a. Respondent selected inappropriate comparable sales and failed to analyze or made adjustments for the inferior utility of the subject property due to the subject property's "flag" shape and shared driveway agreement. Respondent incorrectly reported and analyzed the acreage of two of the three comparable sales. (SR 1-1(a,b), SR 1-2(e)(i), SR 1-3(a), SR 1-4, SR 1-4(a), SR 2-1(a), Scope of Work Rule.)
- b. Respondent failed to adequately describe and analyze the subject property's highest and best use and zoning. (SR 1-3(b), SR 2-1(a), SR 2-2(b)(ix).)

7. In resolution of this matter, Respondent consents to the entry of the following Conclusions of Law and Order.

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 Finding of Fact 6.a., Respondent violated USPAP SR 1-1(a,b) by:

- a. failing to be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal; and

- b. committing a substantial error of omission or commission that significantly affects an appraisal.

3. By the conduct described in Finding of Fact 6.a., Respondent violated USPAP SR 1-2(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, including its physical, legal and economic attributes.

4. By the conduct described in the Findings of Fact 6.a. and 6.b., Respondent violated USPAP SR 1-3(a,b) by:

- a. failing to identify and analyze the affect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic supply and demand, the physical adaptability of the real estate, and market area trends; and
- b. failing to analyze the relevant legal, physical and economic factors to the extent necessary to support his highest and best use conclusion.

5. By the conduct described in Finding of Fact 6.a., Respondent violated USPAP SR 1-4 by failing to verify all information necessary for credible assignment results.

6. By the conduct described in Finding of Fact 6.a., Respondent violated USPAP SR 1-4(a) by failing to analyze such comparable sales data as are available to indicate a value conclusion when a sales comparison approach is necessary for credible assignment results.

7. By the conduct described in the Findings of Fact 6.a. and 6.b, Respondent violated USPAP SR 2-1(a) by failing to clearly and accurately set forth the appraisal in a manner that will not be misleading.

8. By the conduct described in Finding of Fact 6.b., Respondent violated USPAP SR 2-2(b)(ix) by failing to summarize the support and rationale for the opinion of highest and best use that was developed by the appraiser.

9. By the conduct described in Finding of Fact 6.a, Respondent violated the Scope of Work Rule by failing to determine and perform the scope of work necessary to produce credible assignment results.

10. As a result of the above violations, Respondent has violated Wis. Admin. Code §§ RL (now SPS) 86.01(1) and (2), and is therefore subject to discipline pursuant to Wis. Stat. §§ 458.26(3)(b), (c) and (i).

ORDER

- 1. The attached Stipulation is accepted.
- 2. Respondent William M. Schultz is REPRIMANDED.

3. The Certified General Appraiser and Licensed Appraiser license issued to William M. Schultz (license number 10-434) is LIMITED as follows:

a. Within one year of the date of this Order, Respondent shall successfully complete 13 hours of education consisting of the following courses or equivalent courses offered by a provider pre-approved by the Board's monitoring liaison, including taking and passing any exam offered for the courses:

- i. McKissock Essential Elements of Disclosures and Disclaimers (5 hours); and
- ii. American Society of Farm Managers and Rural Appraisers (ASFMRA) Appraising Rural Residential Properties (8 hours); or
- iii. ASFMRA Highest & Best Use Seminar (8 hours); or
- iv. ASFMRA Appraising Agricultural Land in Transition (8 hours).

b. The courses listed above shall be taken in person in a classroom setting unless an online course is approved in advance by the Board's monitoring liaison or her designee.

c. Respondent shall submit proof of successful completion of the education in the form of verification from the institution providing the education to the Department Monitor at 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 or the Department.

d. This limitation shall be removed from Respondent's license and Respondent will be granted a full, unrestricted license after satisfying the Board or its designee that Respondent has successfully completed all of the ordered education.

4. Within 90 days from the date of this Order, Respondent shall pay COSTS of this matter in the amount of \$825.00.

5. Proof of successful course completion and payment of costs (made payable to the Wisconsin Department of Safety and Professional Services) shall be sent by Respondent to the Department Monitor at the address below:


Department Monitor
Division of Legal Services and Compliance
Department of Safety and Professional Services
P.O. Box 8935, Madison, WI 53708-8935
Telephone (608) 267-3817; Fax (608) 266-2264
DSPSMonitoring@wisconsin.gov

6. 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. 10-434) may, in the discretion of the Board or its designee, be SUSPENDED, without further notice or hearing, until Respondent has paid costs and submitted proof of completion of the ordered education.

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by:


A Member of the Board

5/23/2013
Date