

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

JERROD G. TAYLOR,
RESPONDENT.

:
:
: FINAL DECISION AND ORDER
:
: ORDER 0002490
:

Division of Legal Services and Compliance¹ Case Nos. 12 APP 021 and 12 APP 046

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

Jerrold G. Taylor
2046 W. Bolivar Ave.
Milwaukee, WI 53221

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 Jerrod G. Taylor (dob February 19, 1975) is licensed in the State of Wisconsin as a Licensed Appraiser, having license number 1931-4, first issued on November 15, 2005 and current through December 14, 2013. Respondent's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is 2046 West Bolivar Avenue, Milwaukee, Wisconsin 53221.

2. Respondent has not been previously disciplined by the Board.

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

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3. On or about October 1, 2011, Respondent submitted an application to the Department for an upgrade of his appraiser credential to a Certified Residential Appraiser license. Respondent indicated in the application that he had not completed continuing education from March 2005 through June 2011.

4. On December 13, 2011, Respondent electronically renewed his Licensed Appraiser license and indicated on the renewal that he had completed 28 hours of continuing education in the 2009-2011 biennium.

5. Respondent failed to respond to requests for proof of completion of the 2009-2011 biennium continuing education that were made by the Department on January 17, 2012 and January 27, 2012. The matter was referred to the Division of Legal Services and Compliance and Case Number 12 APP 021 was subsequently opened for investigation.

6. On April 11, 2012, Respondent provided proof to the Department that he had completed 28 hours of approved continuing education in July and August 2011. However, the 28 hours of approved continuing education completed in July and August 2011 were applied to Respondent's continuing education requirements for the 2007-2009 biennium.

7. Respondent is delinquent 28 hours of continuing education for the 2009-2011 biennium.

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8. In conjunction with Respondent's application to upgrade his credential, Respondent submitted the following three appraisal reports for review:

- a. 189 115th Street, Pleasant Prairie, Wisconsin – performed on and dated September 23, 2011;
- b. 8241 Schaal Road, Burlington, Wisconsin – performed on and dated October 18, 2011; and
- c. 5211 Wagon Trail, Racine, Wisconsin – performed on and dated November 12, 2011.

9. The Real Estate Appraisers Advisory Committee reviewed the subject appraisals and found that they contained violations of the Uniform Standards of Professional Appraisal Practice (USPAP).

10. On April 11, 2012, the Department denied Respondent's application for a credential upgrade and referred the matter to the Division of Legal Services and Compliance. Case Number 12 APP 046 was subsequently opened for investigation.

11. Respondent failed to respond to requests of the Department that were sent to Respondent in April, June and July 2012.

12. In January 2013, Respondent admitted that the work files for the subject appraisals had been destroyed by water damage.

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

189 115th Street, Pleasant Prairie, Wisconsin

- a. incorrectly stated the site size of the subject property, Comparable Sale 1 and Comparable Sale 3. (SR 1-1(b,c), SR 1-4, SR 2-1(a), Conduct Section of Ethics Rule.)
- b. failed to make adjustments in the sales comparison approach for the difference in site sizes and the number of bathrooms between the subject property and the comparable sales. (SR 1-1(a,b,c), SR 1-4, SR 1-4(a), SR 2-1(a), Conduct Section of Ethics Rule, Scope of Work Rule.)
- c. failed to make credible adjustments in the sales comparison approach for the difference in garage sizes between the subject property and the comparable sales. (SR 1-1(a,b,c), SR 1-4, SR 1-4(a), SR 2-1(a), Conduct Section of Ethics Rule, Scope of Work Rule.)
- d. mischaracterized Comparable Sale 4 as similar to the subject property because it had no basement when MLS indicated it has a full basement and failed to make an adjustment in the sales comparison approach for the difference between the subject property's slab basement and Comparable Sale 4's full basement. (SR 1-1(a,b,c), SR 1-4, SR 1-4(a), SR 2-1(a), Conduct Section of Ethics Rule, Scope of Work Rule.)
- e. failed to analyze or adjust list to sale price ratio for listings. (SR 1-1(a,b,c), SR 1-4, SR 1-4(a), SR 2-1(a), Conduct Section of Ethics Rule, Scope of Work Rule.)
- f. failed to adequately reconcile the sales comparison approach data to support the value conclusion. (SR 2-2(b)(viii).)
- g. indicated "the site value was determined by the Village of Pleasant Prairie Tax Assessor" in the cost approach. (SR 1-4(b)(i), Competency Rule.)

8241 Schaal Road, Burlington, Wisconsin

- h. incorrectly calculated the subject property's gross living area. (SR 1-1(b,c), SR 1-4, SR 2-1(a), Conduct Section of Ethics Rule.)
- i. selected and analyzed Comparable Sale 2 which is a dissimilar 66-year old home on a waterfront site. (SR 1-1(a,b,c), SR 1-4(a), Competency Rule.)

- j. mischaracterized Comparable Sale 2 as similar to the subject property because it had two stories when MLS indicated it is a single story home, failed to make adjustments in the sales comparison approach for Comparable Sale 2's pier and the subject property's basement, and failed to make a credible adjustment in the sales comparison approach as Comparable Sale 2 is far superior to the subject property. (SR 1-1(a,b,c), SR 1-4, SR 1-4(a), SR 2-1(a), Conduct Section of Ethics Rule, Scope of Work Rule.)
- k. failed to make an adjustment in the sales comparison approach for Comparable Sale 3's half bath and failed to make credible adjustments in the sales comparison approach for the difference in garage sizes between the subject property and Comparable Sale 3. (SR 1-1(a,b,c), SR 1-4, SR 1-4(a), SR 2-1(a), Conduct Section of Ethics Rule, Scope of Work Rule.)
- l. failed to include list to sale price adjustments for listings. (SR 1-1(a,b,c), SR 1-4, SR 1-4(a), SR 2-1(a), Conduct Section of Ethics Rule, Scope of Work Rule.)
- m. failed to adequately reconcile the sales comparison approach data to support the value conclusion. (SR 2-2(b)(viii).)
- n. indicated "the site value was determined by the Town of Burlington Tax Assessor" in the cost approach. (SR 1-4(b)(i), Competency Rule.)

5211 Wagon Trail, Racine, Wisconsin

- o. failed to include the subject property's tax parcel identification on page 1 of the Uniform Residential Appraisal Report (URAR). (SR 1-1(a,b,c), SR 1-4, SR 2-1(a), Conduct Section of Ethics Rule.)
- p. failed to investigate the dimensions or shape of the subject property's site on page 1 of the URAR and noted shape as "typ" which does not meet the intent of the appraisal form. (SR 1-1(a,b,c), SR 1-4, SR 2-1(a), Conduct Section of Ethics Rule, Scope of Work Rule.)
- q. incorrectly identified the subject property's zoning classification as "Residential" which is not a valid zoning classification in the subject property's municipality. (SR 1-1(a,b,c), SR 1-4, SR 2-1(a), Conduct Section of Ethics Rule.)
- r. incorrectly identified the effective age of the 11-year old subject property as zero. This information was carried over to the cost approach where there is no deduction for physical depreciation. (SR 1-1(a,b,c), SR 1-4, SR 1-4(b)(i), SR 2-1(a), Conduct Section of Ethics Rule.)
- s. selected and analyzed Comparable Sale 3 which is a dissimilar property on a 10 acre parcel adjacent to a wildlife refuge. (SR 1-1(a,b,c), SR 1-4(a), Competency Rule.)

- t. failed to make an adjustment in the sales comparison approach for Comparable Sale 3's pond and failed to make a credible adjustment in the sales comparison approach for Comparable Sale 3's large barn. (SR 1-1(a,b,c), SR 1-4, SR 1-4(a), SR 2-1(a), Conduct Section of Ethics Rule, Scope of Work Rule.)
- u. failed to make a credible adjustment in the sales comparison approach for the difference in garage sizes between the subject property and Comparable Sale 1. (SR 1-1(a,b,c), SR 1-4, SR 1-4(a), SR 2-1(a), Conduct Section of Ethics Rule, Scope of Work Rule.)
- v. failed to make an adjustment in the sales comparison approach for Comparable Sale 2's garage. (SR 1-1(a,b,c), SR 1-4, SR 1-4(a), SR 2-1(a), Conduct Section of Ethics Rule, Scope of Work Rule.)
- w. failed to adequately reconcile the sales comparison approach data to support the value conclusion. (SR 2-2(b)(viii).)
- x. indicated "the site value was determined by the Village of Caledonia tax assessor" in the cost approach. (SR 1-4(b)(i), Competency Rule.)

14. 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 the Findings of Fact, Respondent violated Wis. Admin. Code § RL (now SPS) 85.01(1) by failing to complete 28 class hours of continuing education for the 2007-2009 biennium.

3. By the conduct described in the Findings of Fact, Respondent violated Wis. Stat. § 458.13 by failing to submit proof, at the time of his 2011 renewal, that he satisfied the continuing education requirements for the 2009-2011 biennium.

4. By the conduct described in the Findings of Fact, Respondent violated Wis. Admin. Code § SPS 86.01(10) by failing to timely cooperate with the investigation of this complaint.

5. By the conduct described in the Findings of Fact, Respondent violated Wis. Stat. § 458.18 by failing to retain records for the required period of time.

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

- a. failing to be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal;
- b. committing a substantial error of omission or commission that significantly affects an appraisal; and
- c. rendering 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.

7. By the conduct described in the Findings of Fact, Respondent violated USPAP SR 1-4 by failing to collect, verify and analyze all information necessary for credible assignment results.

8. By the conduct described in the Findings of Fact, 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.

9. By the conduct described in the Findings of Fact, Respondent violated USPAP SR 1-4(b)(i) by failing to develop an opinion of site value by an appropriate appraisal method or technique when the cost approach is necessary for credible assignment results.

10. By the conduct described in the Findings of Fact, 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.

11. By the conduct described in the Findings of Fact, Respondent violated USPAP SR 2-2(b)(viii) by failing to summarize the information analyzed, the appraisal methods and techniques employed, and reasoning that supports the analyses, opinions, and conclusions.

12. By the conduct described in the Findings of Fact, Respondent violated the Conduct Section of the Ethics Rule by performing an assignment in a grossly negligent manner.

13. By the conduct described in the Findings of Fact, Respondent violated the Competency Rule by failing to be competent to perform the assignment.

14. By the conduct described in the Findings of Fact, Respondent violated the Scope of Work Rule by failing to determine and perform the scope of work necessary to develop credible assignment results.

15. 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. The Licensed Appraiser license of Respondent Taylor (license number 1931-4) is **SUSPENDED** for a period of 30 days beginning 15 days from the date of this Order.
3. The Licensed Appraiser license of Respondent Taylor (license number 1931-4) is **LIMITED** as follows:
 - a. Within 45 days of the date of this Order, Respondent shall successfully complete 28 hours of approved continuing education for the 2009-2011 biennium, including taking and passing any exams offered for the courses.
 - b. Respondent shall submit proof of successful completion of the continuing education in the form of verification from the institution(s) 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 for any biennium other than 2009-2011.
 - c. This limitation shall be removed from Respondent's license after satisfying the Board or its designee that Respondent has successfully completed all of the ordered continuing education.
4. The Licensed Appraiser license of Respondent Taylor (license number 1931-4) is further **LIMITED** as follows:
 - a. Within six months of the date of this Order, Respondent shall successfully complete 75 hours of education consisting of the following courses offered by the Appraisal Institute, or equivalent courses offered by a provider pre-approved by the Board's monitoring liaison, including taking and passing any exams offered for the courses:
 - i. USPAP (15 hours); and
 - ii. 60 hours from the following:
 - a. Residential Sales Comparison & Income Approaches (30 hours); and
 - b. Residential Site Valuation & Cost Approach (15 hours); and/or
 - c. Residential Report Writing and Case Studies (15 hours); and/or
 - d. Residential Market Analysis & Highest and Best Use (15 hours).

- b. The courses listed above may be taken in person in a classroom setting or online.
- 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 after satisfying the Board or its designee that Respondent has successfully completed all of the ordered education.

5. The Licensed Appraiser license of Respondent Taylor (license number 1931-4) is further LIMITED as follows:

- a. Respondent shall not supervise or train any uncredentialed or credentialed appraiser for a period of six months from the date of this Order. This limitation shall be removed from Respondent's license after the passage of six months from the date of this Order.
- b. Respondent shall not apply for any other credential issued pursuant to Wis. Stat. § 458 during the pendency of this Order. If Respondent has a pending application at the time of entry of this Order, no such credential may be issued during the pendency of this Order.

6. Proof of successful course completion 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

7. 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 comply with the ordered continuing education and ordered education as set forth above, Respondent's license (no. 1931-4) 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 and completion of the ordered continuing education and ordered education.

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: 
A Member of the Board

4/18/2013
Date