

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

ALLEN C. BALSIGER,
RESPONDENT.

:
:
:
:
:

FINAL DECISION AND ORDER

ORDER 0002575

Division of Legal Services and Compliance¹ Case No. 12 APP 067

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

Allen C. Balsiger
19066 165th Avenue
Jim Falls, WI 54748

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 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 Allen C. Balsiger (dob November 13, 1948) is licensed in the State of Wisconsin as a Certified General Appraiser and Licensed Appraiser, having license number 273-10, first granted on July 28, 1992, and current through December 14, 2013. Respondent's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is 19066 165th Avenue, Jim Falls, Wisconsin 54748.
2. Respondent has not previously been disciplined by the Board.

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

3. On April 27, 2010, Respondent performed an appraisal of property located at 27720 263rd Street, Holcombe, Wisconsin. Respondent's appraisal report, dated May 11, 2010, provided a value of \$123,000 for the property.

4. On or about July 30, 2012, the Department received a complaint alleging that the subject appraisal violated the Uniform Standards of Professional Appraisal Practice (USPAP). Division of Legal Services and Compliance Case Number 12 APP 067 was subsequently opened for investigation.

5. Respondent was hired to perform the appraisal as the value of the property was being contested in a property division divorce proceeding. The property consisted of a seventy year-old rural home on less than one acre of land. The property had been appraised in 2006 at \$84,000. In May 2010, Respondent appraised the property at \$123,000. Approximately one month later, the home was listed for sale in the Multiple Listing Service at \$84,000. The property failed to sell after being on the market for 183 days and the listing subsequently expired. The property was sold at a foreclosure auction in 2011 for \$69,000.

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 and/or Standards Rules (SR) as follows:

- a. failed to identify the intended use or users of the appraisal. (SR 2-1(b), SR 2-2(b)(i,ii).)
- b. failed to perform and summarize the scope of work performed to develop a value conclusion. (Scope of Work Rule, SR 1-4, SR 2-1(b), SR 2-2(b)(vii).)
- c. failed to support the estimate of site value. (Competency Rule, Scope of Work Rule, SR 1-1(a), SR 2-1(b), SR 1-4(b)(i).)
- d. failed to correctly perform a credible cost approach. (Competency Rule, SR 1-1(a,b), SR 1-4(b)(iii).)
- e. failed to include an estimate of exposure time linked to the value opinion. (SR 1-2(c)(comment), SR 2-2(b)(v)(comment).)
- f. failed to include a statement about whether Respondent had provided prior services involving the subject property within three years. (SR 2-3.)
- g. failed to select appropriate comparable sales that accurately reflect the subject property's value influencing characteristics, but instead selected sales of much newer properties on larger sites to use as comparables. (Competency Rule, Scope of Work Rule, SR 1-1(a,b,c), SR 1-4, SR 1-4(a), SR 2-1(a).)
- h. failed to support adjustments in the sales grid. (SR 2-1(b), SR 2-2(b)(viii).)

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

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

4. By the conduct described in the Findings of Fact, Respondent violated USPAP Scope of Work Rule by failing to identify the problem to be solved, determine and perform the scope of work necessary to develop credible assignment results, and disclose the scope of work in the appraisal report.

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

a. failing to employ those recognized methods and techniques that are necessary to produce a credible appraisal; and

b. committing substantial errors of omission or commission that significantly affect an appraisal; and

c. rendering appraisal services in a careless or negligent manner.

6. By the conduct described in the Findings of Fact, Respondent violated USPAP SR 1-2(c) by failing to state the type and definition of value and develop an opinion of reasonable exposure time linked to a market value opinion.

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

8. By the conduct described in the Findings of Fact, Respondent violated USPAP SR 1-4(a) by failing to properly analyze comparable sales data for a credible sales comparison approach in developing a value opinion.

9. By the conduct described in the Findings of Fact, Respondent violated USPAP SR 1-4(b)(i,iii) by:

a. failing to develop an opinion of site value by an appropriate appraisal method; and

b. failing to analyze comparable cost data to estimate the accrued depreciation of the subject's improvements.

10. By the conduct described in the Findings of Fact, Respondent violated USPAP SR 2-1(a,b) by:

a. failing to clearly and accurately set forth the appraisal in a manner that will not be misleading; and

b. failing to include sufficient information to enable the intended users of the appraisal to understand the report properly.

11. By the conduct described in the Findings of Fact, Respondent violated USPAP SR 2-2(b)(ii,v,vii,viii) by failing to make the content of the Summary Appraisal Report consistent with the intended use of the report, and by:

a. failing to state the intended use of the appraisal; and

b. failing to state the type and definition of value, cite the source of the definition, and how it is being applied to the subject; and

c. failing to summarize the scope of work used to develop the appraisal; and

d. failing to summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions and conclusions in the report.

12. By the conduct described in the Findings of Fact, Respondent violated USPAP SR 2-3 by failing to include all required elements in the signed certification.

13. 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) and 458.26(4).

ORDER

1. The attached Stipulation is accepted.

2. Respondent Allen C. Balsiger is REPRIMANDED.

3. The Certified General Appraiser and Licensed Appraiser License issued to Respondent (license number 273-10) is SUSPENDED for 60 days, effective the date of this Order.

4. The Certified General Appraiser and Licensed Appraiser license issued to Respondent (license number 273-10) is LIMITED as follows:

a. Within 60 days of the date of this Order, Respondent shall successfully complete 60 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. National USPAP Course (15 hours);
 - ii. Advanced Residential Applications and Case Studies (15 hours);
and
 - iii. Sales Comparison Approach for General Appraisers (30 hours).
- b. The National USPAP course listed above shall be taken in person in a classroom setting. The other two courses may be taken online or in person in a classroom setting.
- 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.

5. Within 90 days from the date of this Order, Respondent shall pay a FORFEITURE in the amount of \$1,000.00 and COSTS of this matter in the amount of \$1,482.00.

6. Proof of successful course completion and payment of forfeiture and 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

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 timely submit payment of the forfeiture and costs as ordered or fails to comply with the ordered education as set forth above, Respondent's license (no. 273-10) 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 forfeiture and costs and completion of the education.

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: 
A Member of the Board

8/21/2013
Date