

## WISCONSIN DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES



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STATE OF WISCONSIN  
BEFORE THE REAL ESTATE APPRAISERS BOARD

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IN THE MATTER OF DISCIPLINARY :  
PROCEEDINGS AGAINST :  
: FINAL DECISION AND ORDER  
JACOB D. HOAGLUND, :  
RESPONDENT. : **0003954**

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Division of Legal Services and Compliance Case Nos. 12 APP 092 and 14 APP 044

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

Jacob D. Hoaglund  
4800 Longmeadow Lane  
Racine, WI 53402

Wisconsin Real Estate Appraisers Board  
P.O. Box 8366  
Madison, WI 53708-8366

Division of Legal Services and Compliance  
Department of Safety and Professional Services  
P.O. Box 7190  
Madison, WI 53707-7190

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 Jacob D. Hoaglund (dob 07/21/1978) is certified in the State of Wisconsin as a Certified Residential Appraiser, having certificate of licensure and certification number 1565-9, first issued on June 22, 2007, and current through December 14, 2015. Respondent's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is 4800 Longmeadow Lane, Racine, WI 53402.

2. Respondent was previously disciplined by the Board on May 23, 2013 for violating the Uniform Standards of Professional Appraisal Practice (USPAP) while

performing services as a review appraiser. Respondent was reprimanded and required to complete twenty two (22) hours of education as follows: USPAP (15 hours) and Reviewing Residential Appraisal Reports (7 hours). Respondent timely complied with the terms of the Order.

3. On August 23, 2012, Respondent performed an appraisal of property located at 10308 28<sup>th</sup> Avenue, Pleasant Prairie, Wisconsin 53158.

4. On September 4, 2012, Respondent performed a second appraisal of the same property.

5. On or about December 18, 2012, the Department received a complaint alleging that the subject appraisals, along with six additional appraisals, violated USPAP. Division of Legal Services and Compliance Case Number 12 APP 092 was subsequently opened for investigation.

6. On July 18, 2012, Respondent performed an appraisal of property located at 25620 South Wind Lake Road, Wind Lake, Wisconsin 53185.

7. On or about May 30, 2014 the Department received a complaint alleging that the subject appraisal violated USPAP. Division of Legal Services and Compliance Case Number 14 APP 044 was subsequently opened for investigation.

10308 28<sup>TH</sup> AVENUE, PLEASANT PRAIRIE

8. Respondent's September 4, 2012 appraisal of the Pleasant Prairie property 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 did not describe the support and rationale for his opinion of the highest and best use of the subject property. [SR 2-2(b)(ix).]
- b. Respondent failed to report the basement square footage for the subject property. [SR 1-1(b), SR 1-2(e)(i).]
- c. Respondent failed to delineate the neighborhood boundaries. A map contained in the report identified inaccurate boundaries. [SR 1-1(b), Scope of Work Rule.]
- d. Respondent failed to properly analyze his own market research and incorrectly reported the market as stable when it was declining. [SR 1-1(b), SR 1-3(a), Competency Rule.]
- e. Respondent included an aerial image which is not of the subject property and an incorrect street view photo purportedly of the subject property which included sidewalks and curbs which the subject property does not have. [Ethics Rule, SR 1-1(b), SR 1-4.]

- f. Respondent selected inappropriate comparables, failed to make adjustments or made inaccurate adjustments. [SR 1-1(a,b), SR 1-4, SR 1-4(a).]
- g. Respondent incorrectly identified Comparable Sales #2 and #3 as Arm's Length Sales when Comparable #2 was a foreclosure and Comparable #3 was an Estate Sale, and provided no commentary on the condition of these comparables. [SR 1-1(a,b), SR 1-4, SR 1-4(a).]
- h. Respondent failed to provide a justification for utilizing MLS photographs rather than taking original photographs of the comparable properties at the time of the appraisal which was an assignment condition. [Scope of Work Rule, Competency Rule.]
- i. Respondent provided a copy of his work file which contained MLS data sheets obtained after completion of the appraisal report. [Record Keeping Rule, Ethics Rule.]
- j. Respondent failed to identify the individual who prepared the comparable sales data sheets in his workfile and failed to summarize the extent of the assistance provided. [SR 2-2(b)(vii) Comment.]

25620 SOUTH WIND LAKE ROAD, WIND LAKE

9. Respondent's July 18, 2012 appraisal of the Wind Lake property 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 incorrectly delineated the neighborhood boundaries by failing to utilize physical markers. [Scope of Work Rule, SR 1-1(b).]
- b. Respondent did not provide support for his conclusions regarding market area trends. [SR1-3(a).]
- c. Respondent incorrectly reported the site dimensions of the subject property. [SR 1-1(c).]
- d. Respondent did not describe the support and rationale for his opinion of the highest and best use of the subject property. [SR 2-2(b)(ix).]
- e. Respondent failed to report a walk-out basement, failed to provide a sketch of the basement, incorrectly reported the exterior walls as

wood, failed to report a shed/boat house and provided an incorrect sketch of the subject property which does not match the exterior wall configuration and does not include the garage area. [SR 1-1(c), SR 1-2(e)(i), SR 2-1(b).]

- f. Respondent failed to identify comparable #2 as an Estate Sale, incorrectly reported the comparable as equal to the subject property and failed to make appropriate adjustments. [Scope of Work Rule, Competency Rule, SR 1-4, SR 1-4(a).]
- g. Respondent failed to provide supporting documentation and analysis for the site value determination. [SR 1-1(b), SR 1-4, SR 1-4(a), SR 1-4(b)(i).]
- h. Respondent failed to provide a justification for utilizing MLS photographs rather than taking original photographs of the comparable properties at the time of the appraisal which was an assignment condition. [Scope of Work Rule, Competency Rule.]

10. 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 the USPAP Ethics Rule by performing an assignment in a grossly negligent manner.

3. By the conduct described in the Findings of Fact, Respondent violated the USPAP Record Keeping Rule by failing to retain in his workfile all other data, information and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other documentation and creating portions of the workfile after the issuance of any report.

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

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

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; and
- 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, 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 1-2(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 location and physical, legal, and economic attributes.

8. By the conduct described in the Findings of Fact, Respondent violated USPAP SR 1-3(a) by failing to identify and analyze the effect 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 when necessary for credible assignment results in developing a market value opinion.

9. 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.

10. 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.

11. 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 a cost approach is necessary for credible assignment results.

12. By the conduct described in the Findings of Fact, Respondent violated USPAP SR 2-1(b) by failing to prepare an appraisal report that contains sufficient information to enable the intended users of the appraisal to understand the report properly.

13. By the conduct described in the Findings of Fact, Respondent violated USPAP SR 2-2(b)(ix) by failing to summarize the support and rationale for the appraiser's opinion of the highest and best use of the subject property.

14. By the conduct described in the Findings of Fact, Respondent violated USPAP SR 2-2(b)(vii)Comment by failing to summarize the extent of real property appraisal assistance; and failing to state the name(s) of those providing the significant real property appraisal assistance in the certification in accordance with Standards Rule 2-3.

15. As a result of the above violations, Respondent Jacob D. Hoaglund has violated Wis. Admin. Code §§ 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 Jacob D. Hoaglund is REPRIMANDED.
3. The Certified Residential Appraiser certificate of licensure and certification issued to Respondent Jacob D. Hoaglund (number 1565-9) is LIMITED as follows:
  - a. Within one hundred eighty (180) days of the date of this Order, Respondent shall successfully complete one hundred and four (104) 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 examinations offered for the courses:
    - i. Basic Appraisal Principles (30 hours),
    - ii. Residential Site Valuation and Cost Approach (15 hours),
    - iii. Residential Market Analysis and Highest and Best Use (15 hours),
    - iv. Residential Sales Comparison and Income Approach (30 hours),
    - v. HMS 1 - ANSI, Home Measurement and the Power of Price Per Square Foot (8 hours), and
    - vi. HMS 2 - The Home Valuation Crisis – Public Records & Square Footage (6 hours).
  - b. The courses may be taken online or in person.
  - c. Respondent shall submit proof of successful completion of the ordered 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, and also may not be used in future attempts to upgrade a credential in Wisconsin.

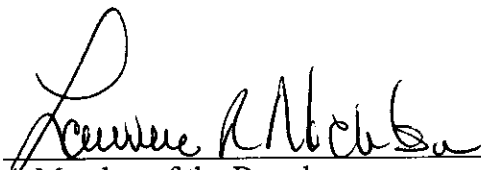
- d. Respondent shall not apply for or be granted an appraiser license upgrade during the term of the license limitation.
  - e. This limitation shall be removed from Respondent's license after satisfying the Board or its designee that Respondent has successfully completed all of the ordered education.
4. Within one hundred twenty (120) days from the date of this Order, Respondent shall pay COSTS of this matter in the amount of \$ 2,414.00.
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 7190, Madison, WI 53707-7190  
Telephone (608) 267-3817; Fax (608) 266-2264  
[DSPSMonitoring@wisconsin.gov](mailto: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 certificate of licensure and certification. 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 certificate of licensure and certification (no. 1565-9) 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 education.

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by:  5/6/2015  
A Member of the Board Date



STATE OF WISCONSIN  
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY  
PROCEEDINGS AGAINST

JACOB D. HOAGLUND,  
RESPONDENT.

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:

STIPULATION

0003954

Division of Legal Services and Compliance Case Nos. 12 APP 092 and 14 APP 044

Respondent Jacob D. Hoaglund and the Division of Legal Services and Compliance, Department of Safety and Professional Services stipulate as follows:

1. This Stipulation is entered into as a result of a pending investigation by the Division of Legal Services and Compliance. Respondent consents to the resolution of this investigation by Stipulation.

2. Respondent understands that by signing this Stipulation, Respondent voluntarily and knowingly waives the following rights:

- the right to a hearing on the allegations against Respondent, at which time the State has the burden of proving those allegations by a preponderance of the evidence;
- the right to confront and cross-examine the witnesses against Respondent;
- the right to call witnesses on Respondent's behalf and to compel their attendance by subpoena;
- the right to testify on Respondent's own behalf;
- the right to file objections to any proposed decision and to present briefs or oral arguments to the officials who are to render the final decision;
- the right to petition for rehearing; and
- all other applicable rights afforded to Respondent under the United States Constitution, the Wisconsin Constitution, the Wisconsin Statutes, the Wisconsin Administrative Code, and other provisions of state or federal law.

3. Respondent is aware of Respondent's right to seek legal representation and has been provided an opportunity to obtain legal counsel before signing this Stipulation.

4. Respondent agrees to the adoption of the attached Final Decision and Order by the Wisconsin Real Estate Appraisers Board (Board). The parties to the Stipulation consent to the entry of the attached Final Decision and Order without further notice, pleading, appearance or consent of the parties. Respondent waives all rights to any appeal of the Board's order, if adopted in the form as attached.


5. If the terms of this Stipulation are not acceptable to the Board, the parties shall not be bound by the contents of this Stipulation, and the matter shall then be returned to the Division

of Legal Services and Compliance for further proceedings. In the event that the Stipulation is not accepted by the Board, the parties agree not to contend that the Board has been prejudiced or biased in any manner by the consideration of this attempted resolution.

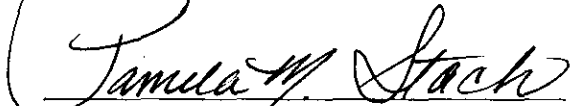
6. The parties to this Stipulation agree that the attorney or other agent for the Division of Legal Services and Compliance and any member of the Board ever assigned as an advisor in this investigation may appear before the Board in open or closed session, without the presence of Respondent, for purposes of speaking in support of this agreement and answering questions that any member of the Board may have in connection with deliberations on the Stipulation. Additionally, any such advisor may vote on whether the Board should accept this Stipulation and issue the attached Final Decision and Order.

7. Respondent is informed that should the Board adopt this Stipulation, the Board's Final Decision and Order is a public record and will be published in accordance with standard Department procedure.

8. The Division of Legal Services and Compliance joins Respondent in recommending the Board adopt this Stipulation and issue the attached Final Decision and Order.

  
\_\_\_\_\_  
Jacob D. Hoaglund, Respondent  
4800 Longmeadow Lane  
Racine, WI 53402  
License no. 1565-9

4-23-15  
Date

  
\_\_\_\_\_  
Pamela M. Stach, Attorney  
Division of Legal Services and Compliance  
P.O. Box 7190  
Madison, WI 53707-7190

4-23-15  
Date