

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

DRAGAN RADJENOVIC,
RESPONDENT.

:
:
: FINAL DECISION AND ORDER
:
: **0004534**

Division of Legal Services and Compliance Case Nos. 15 APP 004 and 15 APP 030

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

Dragan Radjenovic
908 South 32nd Street
Milwaukee, WI 53215

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 Dragan Radjenovic (DOB August 22, 1963) is licensed by the State of Wisconsin as a Licensed Appraiser, having certificate of licensure number 2082-4, first issued on June 23, 2008 and current through December 14, 2017. Dragan Radjenovic's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is 908 South 32nd Street, Milwaukee, Wisconsin 53215.

15 APP 004

2. On June 28, 2014 and December 4, 2014, Respondent signed appraisal reports as a supervisor appraiser for appraisals of properties located at 2705 Wedemeyer Street, Sheboygan, Wisconsin 53081 and 5310 S. 9th Street, Milwaukee, Wisconsin 53221, respectively.

3. Both appraisal reports were prepared and signed by a trainee appraiser under the supervision of Respondent.

4. In both appraisal reports, Respondent certified that he agreed with the analysis, opinions, statements, and conclusions and that he accepted full responsibility for the contents of the appraisal reports.

5. On or about September 3, 2014, the trainee appraiser submitted the appraisal reports to the Board as part of an application for a Licensed Appraiser certificate of licensure.

6. On or about January 20, 2015, the Real Estate Appraisers Application Advisory Committee voted to refer the appraisals to the Division of Legal Services and Compliance (Division) for review. Division Case Number 15 APP 004 was subsequently opened for investigation.

7. The 2705 Wedemeyer Street appraisal was reviewed by the Division, and it was determined that the appraisal and appraisal report violated the Uniform Standards of Professional Appraisal Practice (USPAP) Rules and/or Standards Rules (SR) as follows:

a. The appraisal report incorrectly identified the owner/seller as the bank rather than the actual owner of the subject property. [Scope of Work Rule, SR 1-1(c).]

b. The appraisal report incorrectly stated the subject property had not been listed for sale in the prior twelve (12) months when in fact the subject property had been listed twice within the prior twelve (12) months. [Scope of Work Rule, SR 1-1(c).]

c. Although the extraction method was utilized in the Cost Approach, the appraisal report did not include a summary of the extraction method, and the workfile did not include data or analysis to show how the extraction method was used to support the opinion of site value. [Record Keeping Rule, Scope of Work Rule, SR 1-4(b)(i).]

8. The 5310 S. 9th Street appraisal was reviewed by the Division, and it was determined that the appraisal and appraisal report violated USPAP Rules and/or SR as follows:

a. The appraisal report incorrectly stated that the subject property was not for sale as of the effective date of the appraisal when in fact, on the effective date of the appraisal, the subject property had been for sale for almost two (2) months. Respondent and the trainee appraiser also failed to analyze the listing. [Scope of Work Rule, SR 1-1(c), SR 1-5(a).]

- b. Respondent and the trainee appraiser did not report that the subject property is located across the street from a commercial/industrial park and did not analyze or report the resulting external obsolescence. [Competency Rule, Scope of Work Rule, SR 1-1(a,b,c), SR 1-4, SR 2-1(b).]
- c. In the Sales Comparison Approach, Respondent and the trainee appraiser failed to properly research and analyze whether adjustments were necessary for location and for the fact that some of the comparable sales utilized were short sales and REO sales. [Scope of Work Rule, SR 1-4(a), SR 2-1(b).]
- d. Respondent and the trainee appraiser did not properly research or analyze the impact of the subject property's vicinity to the airport as compared to the comparable sales utilized. [Scope of Work Rule, SR 1-1(b,c), SR 1-4(a).]
- e. Although the extraction method was utilized in the Cost Approach, the appraisal report did not include a summary of the extraction method, and the workfile did not include data or analysis to show how the extraction method was used to support the opinion of site value. [Record Keeping Rule, Scope of Work Rule, SR 1-4(b)(i).]

15 APP 030

9. On March 25, 2015, Respondent performed an appraisal of property located at 1580 Cedar Creek Parkway, Grafton, Wisconsin 53024.

10. On or about May 26, 2015, the Division received a complaint alleging Respondent's appraisal violated USPAP. Division Case Number 15 APP 030 was subsequently opened for investigation.

11. Respondent's appraisal was reviewed by the Division, and it was determined that the appraisal and appraisal report violated USPAP Rules and/or SR as follows:

- a. Respondent did not identify in the appraisal report that the subject property is located in the Town of Cedarburg. [SR 1-1(c), SR 1-2(e)(i).]
- b. Respondent failed to competently delineate the subject property's neighborhood because the area he chose was too large and also incorrectly characterized the delineated neighborhood as rural, although it included urban and suburban areas. [Competency Rule.]
- c. Respondent did not report the correct zoning for the subject property, did not report that the subject property had frontage on a creek, and did not report that part of the subject property was located in a flood hazard area. [SR 1-1(b,c), SR 1-2(e)(i), SR 1-3(a), SR 2-1(a).]
- d. Respondent's appraisal report did not describe the support and rationale for his opinion of the subject property's highest and best use. [SR 2-2(a)(x).]

e. Respondent did not correctly report the subject property's gross living area, and Respondent's sketch of the subject property's second floor was also incorrect. [SR 1-1(b,c), SR 1-2(e)(i).]

f. In the Sales Comparison Approach, Respondent utilized comparable sales from Mequon, which is a superior market area, without making the necessary location adjustments. [Scope of Work Rule, SR 1-1(c), SR 1-4(a), SR 2-1(b).]

g. In the Cost Approach, Respondent compared assessed values to develop his opinion of site value. [Competency Rule, SR 1-4(b)(i).]

12. 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, Dragan Radjenovic violated the USPAP Competency Rule by failing to be competent to perform the assignment.

3. By the conduct described in the Findings of Fact, Dragan Radjenovic violated the USPAP Record Keeping Rule by failing to retain in his workfile all 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.

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

5. By the conduct described in the Findings of Fact, Dragan Radjenovic violated USPAP SR 1-1(a) through (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 affected 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.

6. By the conduct described in the Findings of Fact, Dragan Radjenovic 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.

7. By the conduct described in the Findings of Fact, Dragan Radjenovic violated USPAP SR 1-3(a) by, in developing his market value opinion, 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.

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

9. By the conduct described in the Findings of Fact, Dragan Radjenovic violated USPAP SR 1-4(a) by failing to analyze such comparable sales data as were available to indicate a value conclusion when a Sales Comparison Approach was necessary for credible assignment results.

10. By the conduct described in the Findings of Fact, Dragan Radjenovic 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 was necessary for credible assignment results.

11. By the conduct described in the Findings of Fact, Dragan Radjenovic violated USPAP SR 1-5(a) by, when the value opinion to be developed is market value, failing to analyze all agreements of sale, options, and listings of the subject property current as of the effective date of the appraisal.

12. By the conduct described in the Findings of Fact, Dragan Radjenovic violated USPAP SR 2-1(a) and (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 in his appraisal report 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, Dragan Radjenovic violated USPAP SR 2-2(a)(x) by failing to summarize the support and rationale for his opinion of highest and best use.

14. As a result of the above violations, Dragan Radjenovic 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 Dragan Radjenovic is REPRIMANDED.
3. The Licensed Appraiser certificate of licensure issued to Dragan Radjenovic (number 2082-4) is LIMITED as follows:
 - a. Within ninety (90) days from the date of this Order, Respondent shall successfully complete sixty (60) hours of education consisting of the following courses offered by a provider pre-approved by the Board's monitoring liaison, including taking and passing any exam offered for the courses:
 - i. Residential Sales Comparison and Income Approaches (30 hours),
 - ii. USPAP (15 hours), and
 - iii. Residential Site Valuation and Cost Approaches (15 hours).
 - b. The courses may be taken in person in a classroom setting or online.
 - 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. This limitation shall be removed from Respondent's certificate of licensure after satisfying the Board or its designee that Respondent has successfully completed all of the ordered education.
4. Within ninety (90) days from the date of this Order, Dragan Radjenovic shall pay COSTS of this matter in the amount of \$1,600.
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

6. 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 (number 2082-4), or Respondent's right to renew his certificate of licensure, 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: Lawrence R. Nicholson
A Member of the Board

2/10/2016
Date

STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST

DRAGAN RADJENOVIC,
RESPONDENT.

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:

STIPULATION

0004534

Division of Legal Services and Compliance Case Nos. 15 APP 004 and 15 APP 030

Respondent Dragan Radjenovic 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. Respondent is represented by Attorney Noah D. Fiedler.

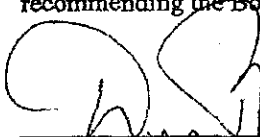
4. Respondent agrees to the adoption of the attached Final Decision and Order by the Wisconsin Real Estate Appraisers Board (Board). The parties to the Stipulation consent to the entry of the attached Final Decision and Order without further notice, pleading, appearance or consent of the parties. Respondent 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 or Respondent's attorney, 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.

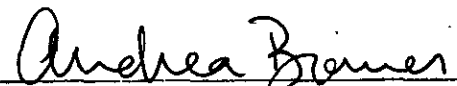
8. The Division of Legal Services and Compliance joins Respondent in recommending the Board adopt this Stipulation and issue the attached Final Decision and Order.


Dragan Radjenovic, Respondent
908 South 32nd Street
Milwaukee, WI 53215
Credential no. 2082-4

02/01/2016
Date


Noah E. Fiedler, Attorney for Respondent
Hinshaw & Culbertson LLP
100 East Wisconsin Avenue, Suite 2600
Milwaukee, WI 53202-4115

2/1/16
Date


Andrea E. Brauer, Attorney
Division of Legal Services and Compliance
P.O. Box 7190
Madison, WI 53707-7190

2/1/16
Date