

## 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

JOHN M. GUARISCO,  
RESPONDENT.

:  
:  
: FINAL DECISION AND ORDER  
:  
:

0004699

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Division of Legal Services and Compliance Case No. 15 APP 011

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

John M. Guarisco  
117 North Highway 141  
Crivitz, WI 54114

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 John M. Guarisco (DOB May 9, 1958) is licensed by the State of Wisconsin as a Licensed Appraiser, having certificate of licensure number 432-4, first issued on April 20, 1993 and current through December 14, 2017. John M. Guarisco's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is 117 North Highway 141, Crivitz, Wisconsin 54114

2. On March 11, 2013, Respondent performed an appraisal of a residential property located at W6444 County Road K, Amberg, Wisconsin 54102.

3. On August 16, 2013, Respondent performed an appraisal of a commercial property located at N12080 Allison Lane, Silvercliff, Wisconsin 54104.

4. The transaction value of Respondent's appraisal of the commercial property located at N12080 Allison Lane was over \$250,000.

5. Respondent placed his Wisconsin licensed appraiser title and certificate of licensure number on the appraisal report for the N12080 Allison Lane.

6. In 2014, Respondent submitted the above appraisals as part of an application for AQB qualification.

7. On or about December 3, 2014, the Real Estate Appraisers Application Advisory Committee referred the appraisals to the Division of Legal Services and Compliance (Division) for review. Division Case Number 15 APP 011 was subsequently opened for investigation.

8. Respondent's appraisal of property located at W6444 County Road K 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. Respondent's workfile did not contain data to support his opinion of site value or cost figures used in the Cost Approach. [Record Keeping Rule.]

b. In the Sales Comparison Approach, Respondent did not explain lot size adjustments, did not explain why he made no adjustments for differences in bedroom utility, made inconsistent adjustments for basement crawl space and fireplace, and did not identify comparable sale two as an REO/foreclosure sale. [SR 1-1(b), SR 1-4(a), Competency Rule.]

c. In the Cost Approach, Respondent did not state what method was used to determine his opinion of site value. [Scope of Work Rule, SR 1-1(a,b,c).]

d. Respondent did not provide a reconciliation of all of the approaches used, explain why he excluded the Income Approach, or provide an opinion of reasonable exposure time. [SR 1-2(c), SR 1-6(b), SR 2-2(b)(viii).]

9. Respondent's appraisal of property located at N12080 Allison Lane 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 based his final value opinion on the Market Approach. However, in the Market Approach in Respondent's appraisal report, he analyzed only the subject property's site value and did not analyze the value of its improvements. Further, Respondent's Market Approach value conclusion is not supported by either the analysis in his appraisal report or the data in his workfile. [Competency Rule, Record Keeping Rule, SR 2-1(a,b).]

- b. Respondent included a signed certification from a preprinted Fannie Mae form 1004B dated June 1993, which is outdated and is not similar in content to the form found in USPAP. [SR 2-3.]
- c. Respondent did not identify whether his appraisal report was a self-contained, summary, or restricted use appraisal report. The appraisal report was not sufficient to inform the intended users about the subject property, and Respondent did not disclose how his use of a hypothetical condition would affect the assignment results. [SR 2-1(b), SR 2-2, SR 2-2(b)(x).]
- d. Respondent's workfile did not include data to support the cost figures he utilized in the Cost Approach. [Record Keeping Rule.]
- e. Respondent did not state the intended use of the appraisal and did not provide an opinion of reasonable exposure time. [SR 1-2(c), SR 2-2(b)(ii,v).]
- f. Respondent did not reconcile the data in the Cost Approach, and Respondent's appraisal report did not include an analysis of how he developed his opinion of value in the Cost Approach. [SR 1-6(a).]

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, John M. Guarisco violated Wis. Admin. Code § SPS 86.01(4) and Wis. Stat. § 458.16(2) by using the title Wisconsin licensed appraiser on an appraisal report pertaining to commercial real estate having a transaction value of more than \$250,000.
3. By the conduct described in the Findings of Fact, John M. Guarisco violated the USPAP Competency Rule by failing to be competent to perform the assignment.
4. By the conduct described in the Findings of Fact, John M. Guarisco violated the USPAP Record Keeping Rule by failing to retain in his workfile all data, information and documentation necessary to support his opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other documentation.
5. By the conduct described in the Findings of Fact, John M. Guarisco violated the USPAP Scope of Work rule by failing to gather and analyze information about those assignment elements necessary to properly identify the appraisal problem to be solved.
6. By the conduct described in the Findings of Fact, John M. Guarisco 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 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, John M. Guarisco violated USPAP SR 1-2(c) by failing to identify the type and definition of value by failing to develop an opinion of reasonable exposure time linked to the value opinion.

8. By the conduct described in the Findings of Fact, John M. Guarisco violated USPAP SR 1-4(a) by failing to analyze such comparable sales data as were available to indicate a value conclusion.

9. By the conduct described in the Findings of Fact, John M. Guarisco violated USPAP SR 1-6(b) by failing to reconcile the applicability and relevance of the approaches, methods and techniques used to arrive at the value conclusion(s).

10. By the conduct described in the Findings of Fact, John M. Guarisco 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 the appraisal report 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, John M. Guarisco violated USPAP SR 2-2 by failing to prominently state which option was used in preparing the appraisal report: Self-Contained Appraisal Report, Summary Appraisal Report, or Restricted Use Appraisal Report.

12. By the conduct described in the Findings of Fact, John M. Guarisco violated USPAP SR 2-2(b)(ii) by failing to state the intended use of the appraisal.

13. By the conduct described in the Findings of Fact, John M. Guarisco violated USPAP SR 2-2(b)(v) by failing to state the type and definition of value and cite the source of the definition.

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

15. By the conduct described in the Findings of Fact, John M. Guarisco violated USPAP SR 2-2(b)(x) by failing to clearly and conspicuously state all extraordinary assumptions and hypothetical conditions and state that their use might have affected the assignment results.

16. By the conduct described in the Findings of Fact, John M. Guarisco violated USPAP SR 2-3 by failing to include in a real property appraisal report a signed certification that is similar in content to the form provided in USPAP.

17. As a result of the above violations, John M. Guarisco 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 is REPRIMANDED.
3. The Licensed Appraiser certificate of licensure issued to John M. Guarisco (number 432-4) is LIMITED as follows:
  - a. Within ninety (90) days from the date of this Order, Respondent shall successfully complete forty-five (45) 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. USPAP (15 hours), and
    - ii. Residential Sales Comparison and Income Approach (30 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. The Licensed Appraiser certificate of licensure issued to John M. Guarisco (number 432-4) is further LIMITED as follows:

- a. Respondent shall not perform any appraisals of commercial property until he has successfully completed sixty (60) additional 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. General Appraiser Highest and Best Use (30 hours), and
  - ii. General Appraiser Income Approach Part 1 (30 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.

5. Within ninety (90) days from the date of this Order, John M. Guarisco shall pay COSTS of this matter in the amount of \$1,045.00.

6. 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

7. Respondent may not request additional time to submit payment of the costs as ordered or comply with the ordered education as set forth above.

8. In the event Respondent fails to submit payment of the costs as ordered or comply with the ordered education as set forth above, Respondent's certificate of licensure (number 432-4), or Respondent's right to renew his certificate of licensure, shall be immediately SUSPENDED, without further notice or hearing, for at least fifteen (15) days or until Respondent has complied with payment of the costs and completion of the education, whichever is longer.

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: Larry Nicholson  
A Member of the Board

5/5/2016  
Date





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.

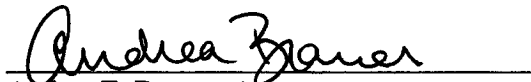
7. Respondent is informed that should the Board adopt this Stipulation, the Board's Final Decision and Order is a public record and will be published in accordance with standard Department procedure.

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.



John M. Guarisco, Respondent  
117 N. Highway 141  
Crivitz, WI 54114  
Credential no. 432-4

February 27, 2016  
Date



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

2/29/16  
Date