

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 :
 : FINAL DECISION AND ORDER
LUCAS T. SCHREIBER, :
RESPONDENT. :

00047 01

Division of Legal Services and Compliance Case No. 15 APP 007

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

Lucas T. Schreiber
E3581 Green Valley Dr.
LaValle, WI 53941

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 Lucas T. Schreiber (DOB July 28, 1978) is certified by the State of Wisconsin as a Licensed Appraiser, having certificate of licensure number 2083-4, first issued on June 24, 2008 and current through December 14, 2017. Lucas T. Schreiber's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is E3581 Green Valley Drive, LaValle, Wisconsin 53941.

2. On October 2, 2013, Respondent performed an appraisal of property located at 3659 State Road 23, Dodgeville, Wisconsin 53533.

3. On October 14, 2013, Respondent performed an appraisal of property located at 206 South West Street, Plainfield, Wisconsin 54966.

4. On October 17, 2013, Respondent performed an appraisal of property located at 806 East Cook Street, Portage, Wisconsin 53901.

5. In 2014, Respondent submitted the above referenced appraisals to the Board as part of an application for certification as a Certified Residential Appraiser.

6. The Real Estate Application Review Committee reviewed the above referenced appraisals and found they violated the Uniform Standards of Professional Appraisal Practice (USPAP). Division of Legal Services and Compliance (Division) Case Number 15 APP 007 was subsequently opened for investigation.

7. Respondent's appraisal of property located at 3659 State Road 23, Dodgeville, Wisconsin 53533 was reviewed by the Division and it was determined that the appraisal and appraisal report violated USPAP Rules and/or Standards Rules (SR) as follows:

a. Respondent falsely asserted in the appraisal report that "The appraiser has completed 40 +/- appraisals in the subject area within the last 6 months." [SR 2-1(a,b).]

b. 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(b)(ix).]

c. In the appraisal report, Respondent identified the subject property's neighborhood as rural but the neighborhood boundaries he delineated included the city of Dodgeville, which is an urban area. [SR 1-1(c), SR 1-2(e).]

d. Respondent improperly described the subject property's dimensions as "Multiple", which is not a description of site dimensions. [SR 1-1(c).]

e. In the Sales Comparison Approach, Respondent made a total net adjustment of 262.7% and a total gross adjustment of 374.1% for Comparable Sale #3 and did not sufficiently explain why he chose to utilize Comparable Sale #3. [SR 1-1(c), SR 1-4(a).]

f. In the Cost Approach, Respondent stated "No functional or external obsolescence was observed" but applied a \$13,335 adjustment for external depreciation. [SR 1-1(a,c).]

8. Respondent's appraisal of property located at 206 South West Street, Plainfield, Wisconsin 54966 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 falsely asserted in the appraisal report that "The appraiser has completed 40 +/- appraisals in the subject area within the last 6 months." [SR 2-1(a,b).]

- b. 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(b)(ix).]
- c. In the appraisal report, Respondent identified the subject property's neighborhood boundaries as suburban but the neighborhood boundaries he delineated included rural area. [SR 1-1(c), SR 1-2(e).]
- d. In the Sales Comparison Approach,
 - i. Respondent reported Comparable Sale #1 was located in Waupaca when in fact it is located in the Village of Iola, which is eighteen (18) miles north of Waupaca. [SR 1-1(c), SR 1-4(a).]
 - ii. Respondent reported Comparable Sale #1 as an arm's length transaction when in fact it was an REO sale, and Respondent's appraisal report and workfile do not show that Respondent analyzed Comparable Sale #1 to verify whether it sold at market value. [SR 1-1(c), SR 1-4(a).]
 - iii. Respondent failed to verify his data. He reported the age and gross living area of his comparable sales based upon the information in the MLS data sheets, although this information conflicted with the assessor's records and Respondent listed public records as one of his data sources. [Scope of Work Rule, SR 1-1(b,c), SR 1-4(a), SR 2-1(a).]
- e. In the Cost Approach, Respondent stated he estimated site value based on the "assessment extraction method", which is not a recognized appraisal method, and failed to provide a summary of the method used for estimating site value. [Scope of Work Rule, SR 1-1(a), SR 1-4(b)(i).]
- f. In the appraisal report, Respondent utilized MLS photos rather than original photos of the comparable sales without explaining why the MLS photos were used. [Scope of Work Rule.]

9. Respondent's appraisal of property located at 806 East Cook Street, Portage, Wisconsin 53901 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 falsely asserted in the appraisal report that "The appraiser has completed 40 +/- appraisals in the subject area within the last 6 months." [SR 2-1(a,b).]
- b. 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(b)(ix).]
- c. Respondent's appraisal report did not include an analysis of the subject property's contract for sale, which was current as of the report date. [SR 1-5(a).]

d. Respondent listed the subject property's zoning description as "Residential" but the zoning map in his workfile states the zoning is "Single Family". [SR 1-1(c).]

e. In the Cost Approach, Respondent utilized Marshall and Swift cost figures for single-family residences although the subject property is a two-family residence. [SR 1-1(a,c).]

f. In the appraisal report, Respondent utilized MLS photos rather than original photos of the comparable sales without explaining why the MLS photos were used. [Scope of Work Rule.]

10. During the Division's investigation of Case Number 15 APP 007, the Division requested, on behalf of the Board, that Respondent submit original photos of the comparable sales utilized in the above appraisal reports and identify the dates on which he took the photos.

11. Respondent submitted the requested photos but falsified the dates on which he took the photos and falsely stated he took the photos prior to the date of the appraisal.

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, Lucas T. Schreiber 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.

3. By the conduct described in the Findings of Fact, Lucas T. Schreiber 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.

4. By the conduct described in the Findings of Fact, Lucas T. Schreiber violated USPAP SR 1-2(e) 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.

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

6. By the conduct described in the Findings of Fact, Lucas T. Schreiber violated USPAP SR 1-4(b)(i) by failing to develop an opinion of site value by an appropriate appraisal method or technique.

7. By the conduct described in the Findings of Fact, Lucas T. Schreiber violated USPAP SR 1-5(a) by, when the value opinion to be developed was 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.

8. By the conduct described in the Findings of Fact, Lucas T. Schreiber 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.

9. By the conduct described in the Findings of Fact, Lucas T. Schreiber violated USPAP SR 2-2(b)(ix) by failing to summarize the support and rationale for his opinion of highest and best use.

10. By the conduct described in the Findings of Fact, Lucas T. Schreiber violated Wis. Admin. Code § SPS 86.01(13) by engaging in conduct which reflects adversely on his fitness to practice as a real estate appraiser.

11. By the conduct described in the Findings of Fact, Lucas T. Schreiber is subject to discipline pursuant to Wis. Stat. § 458.26(3)(a) for making a material misstatement in information furnished to the Board or Department.

12. As a result of the above violations, Lucas T. Schreiber 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. The Licensed Appraiser certificate of licensure issued to Lucas T. Schreiber (number 2083-4) is SUSPENDED for fifteen (15) days, beginning ten (10) days after the date of this Order.
3. The Licensed Appraiser certificate of licensure issued to Lucas T. Schreiber (number 2083-4) 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. USPAP (15 hours),
- ii. Residential Site Valuation and Cost Approach (15 hours), and
- iii. Basic Appraisal Principles (30 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 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, Lucas T. Schreiber shall pay COSTS of this matter in the amount of \$1,500.

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 2083-4), 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: Larry Nicholson
A Member of the Board

5/5/2016
Date

STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST

LUCAS T. SCHREIBER,
RESPONDENT.

:
:
:
:
:

STIPULATION

00047 01

Division of Legal Services and Compliance Case No. 15 APP 007

Respondent Lucas T. Schreiber 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 David Hanus.

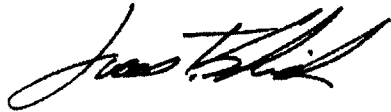
4. Respondent agrees to the adoption of the attached Final Decision and Order by the Wisconsin Real Estate Appraisers Board (Board). The parties to the Stipulation consent to the entry of the attached Final Decision and Order without further notice, pleading, appearance or consent of the parties. Respondent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

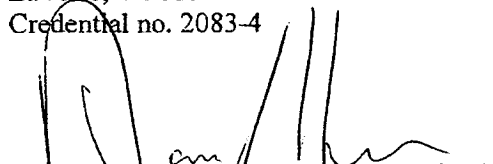
8. The Division of Legal Services and Compliance joins Respondent in recommending the Board adopt this Stipulation and issue the attached Final Decision and Order.



Lucas T. Schreiber, Respondent
E3581 Green Valley Drive
LaValle, WI 53941
Credential no. 2083-4

04/01/2016

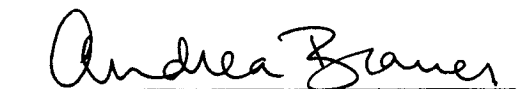
Date



David J. Hanus, Attorney for Respondent
Hinshaw & Culbertson LLP
100 East Wisconsin Avenue, Suite 2600
Milwaukee, WI 53202-4115

4-1-16

Date



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

4/4/16

Date