

WISCONSIN DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES



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STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF THE CERTIFICATE OF :
: FINAL DECISION AND ORDER
JAMES C. JOHNSON, :
: FOR REMEDIAL EDUCATION
LICENSEE. :
0005313

Division of Legal Services and Compliance Case Nos. 15 APP 053, 15 APP 054, & 16 APP 029

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

James C. Johnson
N7231 7th Avenue
New Lisbon, WI 53950

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. Licensee James C. Johnson (DOB 09/21/1956) is certified by the State of Wisconsin as a certified general appraiser, having certificate of licensure and certification number 1383-10, first issued on January 24, 2006 and current through December 14, 2017. Licensee's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is N7231 7th Avenue, New Lisbon, Wisconsin 53950.

15 APP 053

2. On June 15, 2015, Licensee performed an appraisal of property located at 3002 Linnerud Drive, Stoughton, Wisconsin 53589.

3. On or about October 30, 2015, 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 15 APP 053 was subsequently opened for investigation.

4. Licensee's appraisal was reviewed by the Division of Legal Services and Compliance and was found deficient in the following ways:

- a. In the Neighborhood Section, Licensee incorrectly characterized the subject property's neighborhood as rural but included a city and town in the delineated neighborhood. Licensee reported inconsistent data for neighborhood characteristics by reporting the neighborhood had 25-75% Built-Up but also indicated Present Land Use as 90% One-Unit, 5% 2-4 Unit, 3% Multi-Family, and 2% Commercial. Licensee failed to correctly report land use because the delineated neighborhood included agriculture and vacant land. Licensee misreported the sales price range of One-Unit Housing for the delineated neighborhood. [Scope of Work Rule, Standards Rule (SR) 1-1(c), SR 2-1(c).]
- b. In the Site Section, Licensee misreported the site dimensions as "See Attached Plat Map" but the plat map did not contain any site dimensions. Licensee failed to summarize the support and rationale for his opinion of the highest and best use. [SR 1-1(c), SR 2-2(a)(x).]
- c. In the Improvement Section, Licensee did not correctly sketch the perimeter of the house and included the open foyer as square footage for the second floor. Licensee failed to report that the subject property is a concrete formed home. [SR 1-1(b,c).]
- d. In the Sale Comparison Approach, Licensee failed to properly analyze the locations of the comparable sales. [Scope of Work Rule, SR 1-1(a,b,c), SR 1-2(e)(i), SR 1-4(a).]
- e. In the Cost Approach Section, Licensee's report did not include a summary of the sales data used to develop his opinion of site value nor did his workfile support the opinion of site value. Licensee provided sales data that does not support the opinion of site value and used increases in assessed value to adjust the sales data, which is not a recognized appraisal method or technique. [Record Keeping Rule, Scope of Work Rule, SR 1-1(a,c), SR 2-1(b).]
- f. In the Cost Approach Section, Licensee did not provide adequate information on the cost figures and calculations to be replicated. Licensee did not correctly report the effective date of the cost data and did not use the depreciation tables from the data source he noted in the report. [Record Keeping Rule, Scope of Work Rule, SR 1-1(c), SR 2-1(b).]

15 APP 054

5. On May 15, 2015, Licensee performed an appraisal of property located at 2693 Richardson Street, Fitchburg, Wisconsin 53711.

6. On or about October 30, 2015, the Department received a complaint alleging that the subject appraisal violated USPAP. Division of Legal Services and Compliance Case Number 15 APP 054 was subsequently opened for investigation.

7. Licensee's appraisal 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 SR as follows:

- a. In the Neighborhood Section, Licensee misreported present land uses found in the delineated neighborhood. [Scope of Work Rule, SR 1-1(c), SR 2-1(c).]
- b. In the Site Section, Licensee incorrectly reported the subject property's Specific Zoning Classification and Zoning Description. Licensee failed to summarize and support his rationale of the subject property's highest and best use. [SR 1-1(c), SR 2-2(a)(x).]
- c. In the Site Section, Licensee failed to report external influences on the subject property, such as the fact that the subject property backs up to a church. [SR 1-1(c), SR 2-1(a,b).]
- d. In the Improvement Section, Licensee failed to provide sufficient information regarding the subject property's building type and design as a semi-detached single family home, as well as, the market appeal for a semi-detached single family home. [SR 1-1(c), SR 1-2(e)(i), SR 2-1(a,b).]
- e. In the Sales Comparison Approach Section, Licensee did not include a comparable sale of a semi-detached single family home. [Scope of Work Rule, SR 1-1(a,b,c), SR 1-2(e)(i), SR 1-4(a).]
- f. In the Cost Approach Section, Licensee's report did not include a summary of the sales data used to develop his opinion of site value nor did his workfile support the opinion of site value. [Record Keeping Rule, Scope of Work Rule, SR 1-1(c), SR 2-1(b).]
- g. In the Cost Approach Section, Licensee did not provide adequate information on the cost figures and calculations to be replicated. Licensee did not correctly report the effective date of the cost data and did not use the depreciation tables from the data source he noted in the report. [Record Keeping Rule, Scope of Work Rule, SR 1-1(c), SR 2-1(b).]

16 APP 029

8. On April 28, 2016, Licensee performed an appraisal of property located at N7050 Switzke Road, Watertown, Wisconsin 53094.

9. On or about May 31, 2016, the Department received a complaint alleging that the subject appraisal violated USPAP. Division of Legal Services and Compliance Case Number 16 APP 029 was subsequently opened for investigation.

10. Licensee's appraisal 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 SR as follows:

a. In the Neighborhood Section, Licensee incorrectly delineated the subject property's neighborhood. [Scope of Work Rule, SR 1-1(c), SR 2-1(c).]

b. In the Neighborhood Section, Licensee did not disclose that the subject property is located less than a half mile from an active landfill and whether this external influence has any influence on the marketability and/or value of the subject property. [SR 1-1(c), SR 1-2(e)(i), SR 2-1(c).]

c. In the Site Section, Licensee failed to summarize and support his rationale of the subject property's highest and best use. [SR 2-2(a)(x).]

d. In the Sales Comparison Approach Section, Licensee did not include a comparable sale of a log home. Licensee utilized search criteria that prevented him from developing credible results. Licensee elected to use a comparable property for which a \$133,210 (36%) adjustment was applied for one feature. [Scope of Work Rule, SR 1-1(a,b,c), SR 1-2(e)(i), SR 1-4(a).]

e. In the Cost Approach Section, Licensee failed to provide a summary of the sales data used to develop his opinion of site value in the report. [Scope of Work Rule, SR 1-1(c), SR 2-1(b).]

f. In the Cost Approach Section, Licensee did not provide adequate information on the cost figures and calculations to be replicated. Licensee did not correctly report the effective date of the cost data and did not use the depreciation tables from the data source he noted in the report. [Scope of Work Rule, SR 1-1(c), SR 2-1(b).]

11. In resolution of this matter, Licensee consents to the entry of the following Conclusions of Law and Order.

CONCLUSIONS OF LAW

1. The Wisconsin Real Estate Appraisers Board is authorized to enter into the attached stipulation pursuant to Wis. Stat. §§ 227.44(5) and 458.26.

ORDER

1. The attached Stipulation is accepted.
2. Within 90 days from the date of this Order, James C. Johnson shall, at his own expense, take and successfully complete 45 hours of education as follows:
 - a. USPAP (15 hours), and
 - b. General Appraiser Sales Comparison Approach (30 hours).
 - c. The USPAP (15 hours) course shall be taken online; however, all other courses listed above may be taken online or in person in a classroom setting.
 - d. Each course attended in satisfaction of this Order must be offered by a provider pre-approved by the Board or its designee. Licensee shall be responsible for locating course(s) satisfactory to the Board and for obtaining the required approval of the course(s) from the Board or its designee. Licensee must take and pass any exam offered for the course(s).
 - e. Licensee 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.
3. Licensee James C. Johnson shall pay COSTS of this matter in the amount of \$3,581 pursuant to the following schedule:

<u>Payment Date</u>	<u>Amount</u>
July 1, 2017	\$896
August 15, 2017	\$895
September 30, 2017	\$895
November 15, 2017	\$895

4. Requests for pre-approval, proof of successful course completion and payment of costs (made payable to the Wisconsin Department of Safety and Professional Services) shall be sent by Licensee 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

5. This Order does not constitute discipline.
6. This Order is effective on the date of its signing.

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: 
A Member of the Board

5-23-17
Date

STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF THE CERTIFICATE OF :
: STIPULATION
JAMES C. JOHNSON, :
LICENSEE. :
: 0005313

Division of Legal Services and Compliance Case Nos. 15 APP 053, 15 APP 054, & 16 APP 029

Licensee James C. Johnson 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. Licensee consents to the resolution of this investigation by Stipulation.

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

- the right to a hearing on the allegations against Licensee, 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 Licensee;
- the right to call witnesses on Licensee's behalf and to compel their attendance by subpoena;
- the right to testify on Licensee'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 Licensee under the United States Constitution, the Wisconsin Constitution, the Wisconsin Statutes, the Wisconsin Administrative Code, and other provisions of state or federal law.

3. Licensee is aware of Licensee's right to seek legal representation and has been provided an opportunity to obtain legal counsel before signing this Stipulation. Licensee is represented by Attorney Joseph J. Klein.

4. Licensee 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. Licensee waives all rights to any appeal of the Board's order, if adopted in the form as attached.

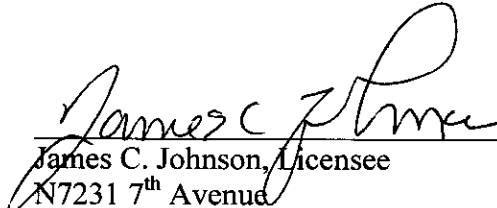
5. If the terms of this Stipulation are not acceptable to the Board, the parties shall not be bound by the contents of this Stipulation, and the matter shall then be returned to the Division

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.

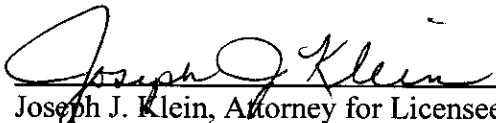
6. The parties to this Stipulation agree that the attorney or other agent for the Division of Legal Services and Compliance and any member of the Board ever assigned as an advisor in this investigation may appear before the Board in open or closed session, without the presence of Licensee, for purposes 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. Licensee 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.

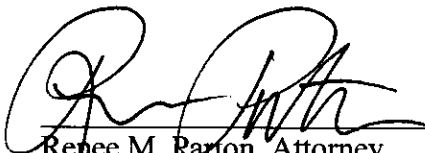
8. The Division of Legal Services and Compliance joins Licensee in recommending the Board adopt this Stipulation and issue the attached Final Decision and Order.


James C. Johnson, Licensee
N7231 7th Avenue
New Lisbon, WI 53950
Credential no. 1383-10

05/02/2017
Date


Joseph J. Klein, Attorney for Licensee
Klein Law Office
131 W. Wilson St., Ste. 904
Madison, WI 53703

05/02/2017
Date


Renee M. Barton, Attorney
Division of Legal Services and Compliance
P.O. Box 7190
Madison, WI 53707-7190

05/11/2017
Date