

## 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

MICHAEL S. RYNEARSON,  
RESPONDENT.

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:  
: FINAL DECISION AND ORDER  
:  
: **0005349**  
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Division of Legal Services and Compliance Case No. 16 APP 043

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

Michael S. Rynearson  
N1032 Franklin Road  
Oconomowoc, WI 53066

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 Michael S. Rynearson (DOB 06/17/1963) is certified by the State of Wisconsin as a Certified Residential Appraiser, having certificate of licensure and certificate number 1228-9, first issued on July 25, 2001 and current through December 14, 2017. Respondent's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is N1032 Franklin Road, Oconomowoc, Wisconsin 53066.

2. On May 11, 2011, the Board limited Respondent's certificate of licensure and certification for violating Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule (SR) 1-4(a),(b)(i) and 2-2(b)(viii). (Order No. 0000848).

3. On July 21, 2016, Respondent performed an appraisal of property located at 468 West Wisconsin Avenue, Pewaukee, Wisconsin 53072.

4. On or about August 4, 2016, the Department received a complaint alleging that the subject appraisal violated USPAP. The Division of Legal Services and Compliance (DLSC) subsequently opened Case Number 16 APP 043 for investigation.

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

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

b. In the Improvement Section, Respondent incorrectly included a three seasons room in the subject property's gross living area. [SR 1-1(c).]

c. In the Sales Comparison Approach Section, Respondent indicated he applied a \$5,000 per acre adjustment for the site size of his comparable properties but actually intended to apply a \$5,000 per quarter acre adjustment for his comparable properties; additionally, Respondent failed to adequately explain how this adjustment was calculated in his report. [SR 1-1(c), SR 2-1(b).]

d. In the Sales Comparison Approach Section, Respondent failed to adequately research, analyze, and verify the MLS data for the comparable properties. [SR 1-1(b,c), SR 1-4, SR 1-4(a).]

e. In the Sales Comparison Approach Section, Respondent failed to make an adjustment to comparable sale #1 for not having deeded lake access. [SR 1-1(b,c), SR 1-4, SR 1-4(a).]

f. In the Cost Approach Section, Respondent did not summarize the data used in the report to develop the estimated site value. [Scope of Work Rule.]

6. In resolution of this matter, Respondent neither admits nor denies the Findings of Fact but, in the interest of resolving this matter, 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, Michael S. Rynearson violated the USPAP Scope of Work Rule by failing to properly identify the problem to be solved in order to determine the appropriate scope of work and by failing to gather and analyze information

about those assignment elements that are necessary to properly identify the appraisal problem to be solved.

3. By the conduct described in the Findings of Fact, Michael S. Rynearson violated USPAP SR 1-1(b) and (c) by:

a. committing a substantial error or omission or commission that significantly affects an appraisal; and

b. 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, Michael S. Rynearson violated USPAP SR 1-4 by failing to collect, verify, and analyze all information necessary for a credible assignment result.

5. By the conduct described in the Findings of Fact, Michael S. Rynearson violated USPAP SR 1-4(a) by failing to analyze available comparable sales data to indicate a value conclusion, when the sales comparison approach is necessary for a credible assignment result.

6. By the conduct described in the Findings of Fact, Michael S. Rynearson violated USPAP SR 2-1(b) by failing to include in his appraisal report sufficient information to enable the intended users of the appraisal to understand the report properly.

7. By the conduct described in the Findings of Fact, Michael S. Rynearson violated USPAP SR 2-2(a)(x) by failing to summarize the support and rationale for his opinion of highest and best use.

8. As a result of the above USPAP violations, Michael S. Rynearson violated Wis. Admin. Code § SPS 86.01(1) and (2).

9. As a result of the above violations and conduct, Respondent 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 Michael S. Rynearson is REPRIMANDED.

3. The Certified Residential Appraiser certificate of licensure and certification issued to Michael S. Rynearson (number 1228-9) is LIMITED as follows:

a. Within 60 days from the date of this Order, Respondent shall successfully complete 30 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(s) offered for the courses:

- i. USPAP (15 hours) (must be taken online), and
- ii. Residential Report Writing and Case Studies (15 hours) (may be taken in person in a classroom setting or online).

b. 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.

4. Within 90 days from the date of this Order, Michael S. Rynearson shall pay COSTS of this matter in the amount of \$1,815.

5. 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 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 and certification (number 1228-9), or Respondent's right to renew his certificate of licensure and certification, 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

6/20/2017  
Date

STATE OF WISCONSIN  
BEFORE THE REAL ESTATE APPRAISERS BOARD

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IN THE MATTER OF DISCIPLINARY  
PROCEEDINGS AGAINST

MICHAEL S. RYNEARSON,  
RESPONDENT.

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STIPULATION

**0005349**

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Division of Legal Services and Compliance Case No. 16 APP 043

Respondent Michael S. Rynearson 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 James A. Guyette.

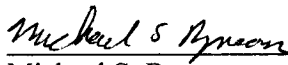
4. Respondent agrees to the adoption of the attached Final Decision and Order by the Wisconsin Real Estate Appraisers Board (Board). The parties to the Stipulation consent to the entry of the attached Final Decision and Order without further notice, pleading, appearance or consent of the parties. Respondent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

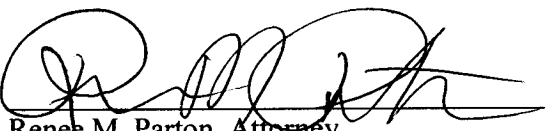
8. The Division of Legal Services and Compliance joins Respondent in recommending the Board adopt this Stipulation and issue the attached Final Decision and Order.

  
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Michael S. Rynearson, Respondent  
N1032 Franklin Road  
Oconomowoc, WI 53066  
Credential no. 1228-9

6-8-17  
Date

  
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James A. Guyette, Attorney for Respondent  
Guyette & Poehlmann  
12700 W. Bluemound Rd., Ste. 125  
Elm Grove, WI 53122

6-8-17  
Date

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

6/16/2017  
Date