

WISCONSIN DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES



Wisconsin Department of Safety and Professional Services Access to the Public Records of the Reports of Decisions

This Reports of Decisions document was retrieved from the Wisconsin Department of Safety and Professional Services website. These records are open to public view under Wisconsin's Open Records law, sections 19.31-19.39 Wisconsin Statutes.

Please read this agreement prior to viewing the Decision:

- The Reports of Decisions is designed to contain copies of all orders issued by credentialing authorities within the Department of Safety and Professional Services from November, 1998 to the present. In addition, many but not all orders for the time period between 1977 and November, 1998 are posted. Not all orders issued by a credentialing authority constitute a formal disciplinary action.
- Reports of Decisions contains information as it exists at a specific point in time in the Department of Safety and Professional Services data base. Because this data base changes constantly, the Department is not responsible for subsequent entries that update, correct or delete data. The Department is not responsible for notifying prior requesters of updates, modifications, corrections or deletions. All users have the responsibility to determine whether information obtained from this site is still accurate, current and complete.
- There may be discrepancies between the online copies and the original document. Original documents should be consulted as the definitive representation of the order's content. Copies of original orders may be obtained by mailing requests to the Department of Safety and Professional Services, PO Box 8935, Madison, WI 53708-8935. The Department charges copying fees. *All requests must cite the case number, the date of the order, and respondent's name* as it appears on the order.
- Reported decisions may have an appeal pending, and discipline may be stayed during the appeal. Information about the current status of a credential issued by the Department of Safety and Professional Services is shown on the Department's Web Site under "License Lookup."

The status of an appeal may be found on court access websites at:

<http://ccap.courts.state.wi.us/InternetCourtAccess> and <http://www.courts.state.wi.us/wscca>

- Records not open to public inspection by statute are not contained on this website.

By viewing this document, you have read the above and agree to the use of the Reports of Decisions subject to the above terms, and that you understand the limitations of this on-line database.

Correcting information on the DSPS website: An individual who believes that information on the website is inaccurate may contact DSPS@wisconsin.gov

STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST

JEFFREY D. WHITE
RESPONDENT.

:
:
: FINAL DECISION AND ORDER
:
:

ORDER 0006326

Division of Legal Services and Compliance Case No. 18 APP 034

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

Jeffrey D. White
6731 Lowes Creek Court
Eau Claire, WI 54701

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 Jeffrey D. White (DOB 04/18/1957) is certified by the State of Wisconsin as a certified general appraiser, having certificate of licensure and certification number 324-10, first issued on November 24, 1992 and current through December 14, 2019. Respondent's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is 6731 Lowes Creek Court, Eau Claire, Wisconsin 54701.

2. On November 11, 2015, the Board reprimanded Respondent for violating the Uniform Standards of Professional Appraisal Practice (USPAP) Record Keeping Rule, Ethics Rule, and Standards Rules (SR) 1-2(g), 1-4(e), 2-2(b)(x), and 2-3 on a vacant land for development appraisal. Respondent was ordered to complete twenty-two (22) hours of education.

3. On December 21, 2017, Respondent completed an appraisal of an industrial property located at 2905 Pioneer Avenue, Rice Lake, Wisconsin 54868.

4. On or about July 20, 2018, the Department received a complaint alleging that the subject appraisal violated USPAP. The Division of Legal Services and Compliance (DLSC) subsequently opened Case Number 18 APP 034 for investigation.

5. Respondent's appraisal¹ was reviewed by DLSC and it was determined that the appraisal and appraisal reports violated USPAP Rules and/or SR as follows:

a. Respondent copied over previous versions of his appraisal report and did not retain any previous version or workfile. [Record Keeping Rule Section of the Ethics Rule].

b. Respondent's certification, in both Version A and B, is insufficient regarding prior services on the subject property. [Ethics Rule, SR 2-3].

c. In Version A, Respondent reported the subject property has its own well and septic system; however, he also reported the subject property has municipal services, sanitary sewer, sanitary sub, and water lateral. Further, he made no adjustment to land sales even though all sales comparables are reported to have municipal services. In Version B, Respondent states the subject property has municipal services available but on the comparison grid Respondent reported that the subject property has its own well and septic system. In Version B, Respondent negatively adjusted by 20% the same sales used in Version A. [Scope of Work Rule, SR 1-1(b), SR 1-2(e)(i), SR 1-3(a), SR 1-4(a)].

d. Respondent misreported the characteristics of the land sales comparables as follows:

i. three of the six sales comparables were not vacant land sales but were improved properties;

ii. one of the selected sales was not an arm's length transaction as reported by Respondent but a quit claim conveyance between a principal and his own LLC;

iii. in Version A, Respondent miscalculated the dates between sale and effective date of appraisal on the land sale comparison grid, this was corrected in Version B; and

iv. in Version A, the land parcel size for land comparables 5 and 6 were incorrect, this was corrected in Version B.

¹ Respondent and Complainant submitted different versions of the appraisal report. Complainant's version was what Respondent submitted to him (the client) and will henceforth be referenced as Version A. Respondent's revised that report. The submitted revised report will henceforth be referenced as Version B. It is unknown if the submitted revised report was provided to the complainant during the transaction.

Version B did not include these sales and the land value conclusion was less than Version A. The errors affected the credibility of Respondent's value opinion in the sales comparison approach. [Scope of Work Rule, SR 1-1(b),(c), SR 1-4(a),(b)(i), SR 2-1(b)].

e. In Version A, Respondent reported an effective age of 20 years and a physical depreciation rate of 50%; however, in Version B, Respondent reported an effective age of 25 years and a physical depreciation rate of 63%. The effective date of both versions are the same and Respondent did not provide an explanation to understand the change. [SR 1-4(b)(iii)].

f. In Version A, Respondent developed an opinion of future rent on rent estimates and did not identify any rent comparables. Further, Respondent did not state that he gave the current lease on the subject property any consideration. In his workfile was a letter which discussed that the existing lease was influenced by the tenants use of additional land and therefore not relevant to the valuation of the subject even though the existing lease was not mentioned in the report. In Version B, Respondent developed an opinion of future rent that was higher than Version A while the versions had the same effective dates. In Version B, Respondent's opinion of future rent is approximately the same value as the current lease on the subject property. [SR 1-4(c)(iv)].

g. In Version A, Respondent failed to appropriately analyze an offer made on the subject property four months after the effective date of the appraisal. Respondent failed to report a 2016 prior sale of the subject property. In Version B, Respondent reports the 2016 sale but does not analyze its effect on value. [SR 1-5(a),(b)].

h. In Version A and Version B, Respondent failed to provide sufficient reconciliation discussion given his allocation of value for land verses improvements. [SR 1-6(a),(b)].

6. 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, Jeffrey D. White violated the USPAP Scope of Work Rule by failing to gather and analyze information about the assignment elements that are necessary to properly identify the appraisal problem to be solved.

3. By the conduct described in the Findings of Fact, Jeffrey D. White violated the USPAP Ethics Rule and SR 2-3 by failing to include a certification about any services regarding

the subject property performed by the appraiser within the three year period immediately preceding the acceptance of the assignment as an appraiser or in any other capacity.

4. By the conduct described in the Findings of Fact, Jeffrey D. White violated Wis. Stat. § 458.18(1) and the USPAP Record Keeping section of the Ethics Rule by failing to retain the workfile for a period of at least five years beginning on the date the report is submitted to the client.

5. By the conduct described in the Findings of Fact, Jeffrey D. White violated USPAP SR 1-1(b) and (c) by:

- a. committing a substantial error of omission 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.

6. By the conduct described in the Findings of Fact, Jeffrey D. White 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, Jeffrey D. White violated USPAP SR 1-3(a) by failing to identify and analyze the effect on use and value of existing land use regulations, reasonably probable modifications

8. By the conduct described in the Findings of Fact, Jeffrey D. White violated USPAP SR 1-4(a) by failing to analyze comparable sales data as was available to indicate a value conclusion, when the sales comparison approach is necessary for credible assignment results.

9. By the conduct described in the Findings of Fact, Jeffrey D. White violated USPAP SR 1-4(b)(i) and (iii) by:

- a. failing to develop an opinion of site value by an appropriate appraisal method or technique in the cost approach; and
- b. failing to analyze such comparable data as are available to estimate the difference between the cost new and the present worth of the improvements (accrued depreciation) in the cost approach.

10. By the conduct described in the Findings of Fact, Jeffrey D. White violated USPAP SR 1-4(c)(iv) by failing to base projections on future rents and/or income potential and expenses on reasonably clear and appropriate evidence in the income approach.

11. By the conduct described in the Findings of Fact, Jeffrey D. White violated USPAP SR 1-5(a) and (b) by:

- a. failing to analyze all agreements of sale, options, and listings of the subject property current as of the effective date of the appraisal when such information is available in the normal course of business; and
- b. failing to analyze all sales of the subject property that occurred within three (3) years prior to the effective date of the appraisal when such information is available in the normal course of business.

12. By the conduct described in the Findings of Fact, Jeffrey D. White violated USPAP SR 1-6(a) and (b) by:

- a. failing to reconcile the quality and quantity of data available and analyzed within the approaches used; and
- b. failing to reconcile the applicability and relevance of the approaches, methods and techniques used to arrive at the value conclusion(s).

13. By the conduct described in the Findings of Fact, Jeffrey D. White 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.

14. As a result of the above violations, Jeffrey D. White has violated Wis. Admin. Code § SPS 86.01(1), (2) and (8), 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 Jeffrey D. White's certified general appraiser certificate of licensure and certification (no. 324-10) is hereby SUSPENDED for five (5) days beginning ten (10) calendar days from the date of this Order.
3. The certified general appraiser certificate of licensure and certification issued to Jeffrey D. White (no. 324-10) 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. National USPAP Course (15 hours) (must be taken online),
 - ii. Sales Comparison Approach (7 hours),
 - iii. Land and Site Valuation (7 hours),
 - iv. Environmental Hazards Impact on Value (7 hours),

v. Appraiser Self-Protection: Documentation and Record Keeping (4 hours), and

vi. Data Verification Methods (5 hours).

b. With the exception of the National USPAP Course which must be taken online, 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 and certification after satisfying the Board or its designee that Respondent has successfully completed all of the ordered education.

4. The certified general appraiser certificate of licensure and certification issued to Jeffrey D. White (no. 324-10) is FURTHER LIMITED so as to prohibit Respondent from accepting or performing industrial appraisals until Respondent successfully completes the education as listed above.

5. Within ninety (90) days from the date of this Order, Jeffrey D. White shall pay COSTS of this matter in the amount of \$2,712.

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

You may also submit this information online via DSPS' Monitoring Case Management System at: <https://app.wi.gov/DSPSMonitoring>

7. In the event Respondent violates any term of this Order, Respondent's certificate of licensure and certification (no. 324-10), or Respondent's right to renew his certificate of licensure and certification, may, in the discretion of the Board or its designee, be further SUSPENDED, without further notice or hearing, until Respondent has complied with the terms

of the Order. The Board may, in addition and/or in the alternative, refer any violation of this Order to the Division of Legal Services and Compliance for further investigation and action.

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: 
A Member of the Board

8/6/2019
Date

STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY
PROCEEDINGS AGAINST

JEFFREY D. WHITE,
RESPONDENT.

STIPULATION

ORDER 0006326

Division of Legal Services and Compliance Case No. 18 APP 034

Respondent Jeffrey D. White 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.

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.

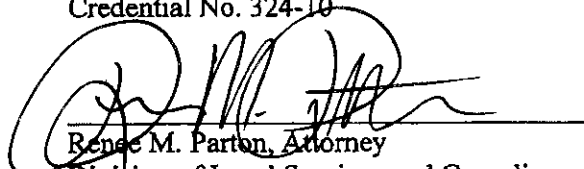
7. Respondent is informed that should the Board adopt this Stipulation, the Board's Final Decision and Order is a public record and will be published in accordance with standard Department procedure.

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.



Jeffrey D. White, Respondent
6731 Lowes Creek Court
Eau Claire, WI 54701
Credential No. 324-10

7/10/2019
Date



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

7/10/2019
Date