

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 :
COLLEEN M. DAAVETILA, : FINAL DECISION AND ORDER
LICENSEE. : FOR REMEDIAL EDUCATION
:
ORDER 0008222

Division of Legal Services and Compliance Case No. 21 APP 023

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

Colleen M. Daavetila
Pleasant Prairie, WI 53158

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 Colleen M. Daavetila (Birth Year 1969) is certified by the State of Wisconsin as a certified residential appraiser, having certificate of licensure and certification number 1835-9, first issued on May 9, 2011 and current through December 14, 2023. Licensee's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is in Pleasant Prairie, Wisconsin 53158.

2. In February 2021, an individual applied for a licensed appraiser credential. The appraisals the applicant submitted as a demonstration of his work experience were signed by Licensee and failed to follow the Uniform Standards of Professional Appraisal Practice (USPAP). The Division of Legal Services and Compliance (DLSC) subsequently opened Case Number 21 APP 023 for investigation.

3. On November 9, 2020, Licensee performed an appraisal of a property located at 4331 288th Ave., Salem, Wisconsin 53168.

4. Licensee's appraisal was reviewed by the DLSC and was found to be deficient in the following ways:

- a. In the Contract section of the report, Licensee reported the purpose of the appraisal was both the site purchase contract and the new construction contract, instead of the only the new construction contract. This was misleading because she listed a contract price of \$588,203 when there was no one contract for that amount. No contract was found in the workfile for the construction of the new home or the site purchase. [USPAP Record Keeping Rule, Standard Rule (SR) 2-1(a)]
- b. In the Neighborhood section of the report, Licensee delineated the subject property's neighborhood as an area that was 85 square miles which did not include the subject property. Licensee told the Department she had made an error and she meant to use a different road as the north boundary, which would have made the neighborhood much larger than 85 square miles. In the delineated neighborhood that was reported, there are several different neighborhoods that include urban, rural and suburban areas. Licensee stated she delineated such a large neighborhood in order to include similar comparables which is contrary to federal guidelines. [Scope of Work Rule, SR 2-1(a)]
- c. Also in the Neighborhood section of the report, Licensee did not report any land uses as vacant and/or agricultural, when there are several large areas of the delineated neighborhood that are vacant and agricultural. [Scope of Work Rule, SR 1-1(c), SR 2-1(a)]
- d. In the Sale Comparison Approach section of the report, Licensee reported there were six properties for sale that were comparable to the subject, but her workfile did not contain the six comparable listings and she could not produce them when asked for them. [Record Keeping Rule]
- e. In the Cost Comparison Approach section of the report, Licensee indicated that her data source was the 2017 Craftsman National Building Cost Manual and when asked for a copy of the data she used from this source and asked for her support for adjusting the cost figures by 20% because of Covid, she was not able to provide this data. [Record Keeping Rule]
- f. The report was submitted to the Board's Application Committee as an example of an applicant's work experience, but the report does not disclose that it was prepared by the applicant or with significant real property appraisal assistance from another person. [SR 2-2(a)(viii) and (ix), SR 2-3(a)]

5. On December 9, 2020, Licensee performed an appraisal of a property located at 7803 43rd Avenue, Kenosha, Wisconsin 53142.

6. Licensee's appraisal was reviewed by the DLSC and was found to be deficient in the following ways:

- a. In the Neighborhood section of the report, Licensee delineated a 57-square-mile area as the neighborhood, which included all of the City of Kenosha, part of the Village of Pleasant Prairie, and part of the Town of Somers. Licensee stated she originally delineated a smaller neighborhood but expanded it in order to find similar comparables which is contrary to federal guidelines. [Scope of Work Rule, SR 2-1(a)]
- b. Also in the Neighborhood section of the report, Licensee reported only 1% of the neighborhood as vacant when about 20% of the delineated neighborhood has agricultural uses and vacant lands. [Scope of Work Rule, SR 2-1(a)]
- c. In the Neighborhood and/or Site section of the report, Licensee did not disclose that the subject property is located across the street from a commercial retail center parking lot, nor did Licensee analyze how this might affect the value of the property. [Scope of Work Rule, SR 1-2(e) and (i)]
- d. In the Improvement section of the report, Licensee reported on the number of appliances in the property, but did not analyze the effect on value of the non-real property items. [SR 1-4(g)]
- e. In the Subject Rent Schedule section of the report, Licensee reported the market rent of the two-bedroom unit was \$1,100 and the market value of the three-bedroom unit was \$1,000. Licensee stated this was an error and she had transposed those numbers. Even with the two-bedroom at \$1,000, there is no support in the report for this 948-square-foot unit to rent for \$1.05 per square foot. The comparables rent for between \$.086 and \$1.00 per square foot. The three-bedroom unit is currently rented for \$1000. At \$1,100 this equates to \$0.99 per square foot for the 1,000 square foot unit. [SR 1-4(c)]
- f. In the Sales Comparison Approach section of the report, Comparable Sale #1 is advertised as needing "TLC," suggesting the condition is inferior. Licensee failed to adjust Comparable Sale #1 for its condition. Also, Licensee made adjustments for the number of bathrooms and bedrooms in Comparable Sale #1, but failed to adjust for one of Comparable Sale #1's units having an extra half bathroom utility. [SR 1-4(a)]
- g. The report was submitted to the Board's Application Committee as an example of an applicant's work experience, but the report does not disclose that it was prepared by the applicant or with significant real property appraisal assistance from another person. [SR 2-2(a)(viii) and (ix), SR 2-3(a)]

7. Licensee agrees that failure to submit proof of successful completion of the ordered education as set forth below shall constitute conduct which reflects adversely on her fitness to practice as a real estate appraiser as set forth in Wis. Admin. Code § SPS 86.01(13).

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

CONCLUSIONS OF LAW

1. The 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 of the date of this Order, Licensee shall, at her own expense, take and successfully complete 27 hours of education as follows:

- a. National USPAP course (15 hours) (must be taken online).
- b. Practical Applications of the Residential Sales Comparison Approach (4 Hours).
- c. That's a Violation (4 Hours).
- d. Appraiser Self-Protection: Documentation and Record Keeping (4 hours).
- e. 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(s) offered for the course(s).
- f. Licensee shall submit proof of successful completion of the 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 Department and may not be used in any future attempt to upgrade a credential.

3. Requests for course approval and proof of successful course completion 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) 266-2112; Fax (608) 266-2264
DSPSMonitoring@wisconsin.gov

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

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by: *Carl N. Churs*
A Member of the Board

10/24/2022
Date

STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF THE CERTIFICATE OF	:	
	:	STIPULATION
COLLEEN M. DAAVETILA,	:	
LICENSEE.	:	ORDER 0008222

Division of Legal Services and Compliance Case No. 21 APP 023

Licensee Colleen M. Daavettila and the Division of Legal Services and Compliance, Department of Safety and Professional Services stipulate as follows:

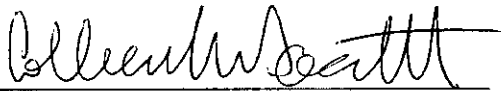
1. This Stipulation is entered into as a result of a pending investigation by the Division of Legal Services and Compliance. Licensee consents to the resolution of this investigation by Stipulation.
2. Licensee understands that by signing this Stipulation, Licensee voluntarily and knowingly waives the 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.
4. Licensee agrees to the adoption of the attached Final Decision and Order for Remedial Education by the Real Estate Appraisers Board (Board). The parties to the Stipulation consent to the entry of the attached Final Decision and Order for Remedial Education 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 for Remedial Education.

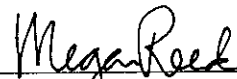
7. Licensee is informed that should the Board adopt this Stipulation, the Board's Final Decision and Order for Remedial Education is a public record and will be published in accordance with standard Department procedure.

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 for Remedial Education.



Colleen M. Daavettila, Licensee
Pleasant Prairie, WI 53158
Credential No. 1835-9

10/3/22
Date



Megan Reed, Attorney
Division of Legal Services and Compliance
P.O. Box 7190
Madison, WI 53707-7190

10/03/2022
Date