

## 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

LYDELL C. HUNTER,  
RESPONDENT.

FINAL DECISION AND ORDER

**ORDER 0008378**

Division of Legal Services and Compliance Case No. 21 APP 025

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

Lydell C. Hunter  
Milwaukee, WI 53223

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 Wisconsin 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 Lydell C. Hunter (Birth Year 1974) is certified by the State of Wisconsin as a certified residential appraiser, having certificate of licensure and certification number 1201-9, first issued on October 18, 2000 and current through December 14, 2023. Respondent's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is in Milwaukee, Wisconsin 53223.
2. On May 23, 2017, the Board ordered Respondent to complete 30 hours of remedial education (Final Decision and Order #0005312) in Case Number 16 APP 010, for violating the Uniform Standard of Professional Appraisal Practice (USPAP) Competency Rule, Scope of Work Rule, and Standards Rules (SR) 1-1(c), 1-2(e)(i), 1-4(a), 2-1(a) and (b), 2-2(a)(vii) and (x), and 2-3.
3. On June 9, 2021, the Department received a complaint alleging that Respondent had performed an inadequate appraisal of complainant's property. Further, complainant alleged

that when complainant sought a second opinion, Respondent accepted the assignment and submitted substantially the same appraisal report. The Division of Legal Services and Compliance (DLSC) subsequently opened Case Number 21 APP 025 for investigation.

4. On May 3, 2021, Respondent submitted to Lender A an appraisal of a property located at 8209 N. Santa Monica Blvd., Fox Point, Wisconsin 53217.

5. On May 28, 2021, Respondent submitted a second appraisal of the same property to Lender B.

6. DLSC reviewed both of Respondent's appraisals and appraisal reports and found them to be deficient in the following ways:

- a. In both appraisal reports, Respondent signed the reports as the appraiser completing the appraisals. The certification provides, "I performed a complete visual inspection of the interior and exterior areas of the subject property." Respondent admits that he did not inspect the interior of the property for the May 3<sup>rd</sup> appraisal, but instead had his assistant do the inspection. Further, Complainant states that no one inspected the property for the May 28<sup>th</sup> appraisal, and Respondent has not disputed this. Respondent told the client of the second appraisal that an inspection was scheduled for May 17, 2021, but no such inspection was ever actually scheduled with the homeowner or occurred. Additionally, Respondent did not tell the second client that he had already performed an appraisal of the subject property a few weeks earlier. [Ethics Rule, Scope of Work Rule, SR 1-1(c), 2-1(a) and (b)].
- b. In the Site section of both reports, Respondent incorrectly reported the specific zoning classification for the subject property and incorrectly stated the zoning description. [Scope of Work Rule, SR 1-1(c), 2-1(b)].
- c. In the Sales Comparison Approach section of the reports, Respondent made adjustments to the comparables based on a paired sales analysis. However, there were no paired sales analyses in the workfile provided, and there was no reference to the location of this data. [Record Keeping Rule].
- d. In the Cost Approach section of the May 3<sup>rd</sup> report, Respondent's opinion of value for the subject's site was \$88,700. In the May 28<sup>th</sup> report, Respondent's opinion of value for the subject's site was \$83,700. Respondent did not explain why his opinion of value for the site decreased \$5,000 in this short period of time. [Record Keeping Rule].
- e. Also in the Cost Approach section of the reports, in support of his opinion of site value, Respondent wrote, "Tax assessor records and extraction, no vacant land sales." However, Respondent failed to provide a summary of the sales data used or data for other methods used to develop his opinion of market value for the subject's lot. He also failed to provide a summary of his analyses and a summary of the method used. He also did not provide any data in his

workfile to show that he did the extraction method. [Record Keeping Rule, Scope of Work Rule, SR 2-1(b), 2-2(a)(viii)].

- f. Also in the Cost Approach section of the reports, Respondent failed to reflect external depreciation. Respondent indicated in the Site section of the reports that the subject is located on a through street and this locational aspect affects the value of the subject property. In the Sales Comparison Approach, Respondent utilized all comparables with locations on busy streets and therefore this was already reflected. But in the Cost Approach, the appraisal must assign part of the depreciation to the external influences that are affecting the value of the property, which Respondent did not do. Respondent indicated in the reports that the data source for cost figures was Marshall and Swift. There were no copies of a Marshall and Swift Handbook or printout in his workfile to support the opinions and conclusions found in the Cost Approach. [Record Keeping Rule, SR 1-4(b)(iii)].

7. On August 5, 2022, a Department investigator emailed Respondent with a list of questions. Respondent replied the same day and stated he was out of the country and would respond after he returned, around September 5, 2022.

8. On September 15, 2022, the Department investigator emailed Respondent again to ask for a response to his questions. Respondent replied the same day and stated that would provide a response by the end of the next week.

9. On October 12, 2022, the Department investigator emailed Respondent again to ask for a response to his questions.

10. On October 17, 2022, Respondent called the Department investigator. He apologized for not responding sooner and stated he would provide a response to the investigator's questions the following day.

11. As of November 8, 2022, Respondent has not provided a response to the investigator's questions.

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, Respondent violated the USPAP Ethics Rule by communicating assignment results with the intent to mislead or defraud and by performing an assignment in a grossly negligent manner.

3. By the conduct described in the Findings of Fact, Respondent violated 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.

4. By the conduct described in the Findings of Fact, Respondent violated USPAP Record Keeping Rule by failing to prepare a workfile for each appraisal or appraisal review assignment that includes all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or references to the location(s) of such other data, information, and documentation.

5. By the conduct described in the Findings of Fact, Respondent violated SR 1-1(c) by 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, Respondent violated SR 1-4(b)(iii) by performing a cost approach analysis and failing to analyze such comparable data as are available to estimate the difference between the cost new and the present worth of the improvements (depreciation).

7. By the conduct described in the Findings of Fact, Respondent violated SR 2-1(a), (b) by:

- a. failing to clearly and accurately set forth the appraisal in a manner that will not be misleading.
- b. failing to include in Respondent's appraisal report sufficient information to enable the intended users of the appraisal to understand the report properly.

8. By the conduct described in the Findings of Fact, Respondent violated SR 2-2(a)(viii) by failing to summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions.

9. As a result of the above violations, Respondent has violated Wis. Admin. Code § SPS 86.01(1) and (2).

10. By the conduct described in the Findings of Fact, Respondent also violated Wis. Admin. Code § SPS 86.01(10) by failing to cooperate in a timely manner with the board's investigation of a complaint against Respondent. There is a rebuttable presumption that a licensed or certified appraiser who takes longer than 10 business days to respond to a request for information by the board has not acted in a timely manner under this subsection.

11. As a result of the above violations, Respondent is subject to discipline pursuant to Wis. Stat. § 458.26(3)(c) and (i).

#### ORDER

1. The attached Stipulation is accepted.

2. The VOLUNTARY SURRENDER of Respondent Lydell C. Hunter's certificate of licensure and certification (number 1201-9) is ACCEPTED.

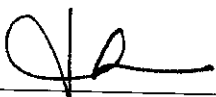
3. In the event Respondent Lydell C. Hunter petitions the Board for reinstatement of his certificate of licensure and certification as a certified residential appraiser or applies for another credential in the state of Wisconsin under Wis. Stat. Chs. 440 through 480, Respondent shall pay the COSTS of this matter in the amount of \$1,578 before any petition or application for a credential will be considered by the applicable board or the Department.

4. In the event Respondent Lydell C. Hunter petitions the Board for reinstatement of his certificate of licensure and certification as a certified residential appraiser, the Board may enter an order denying such application without further notice or hearing. Whether to grant a certificate of licensure and certification and whether to impose any limitations shall be in the sole discretion of the Board and such decision is not reviewable.

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by:

  
A Member of the Board

1/31/2023

Date

STATE OF WISCONSIN  
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY  
PROCEEDINGS AGAINST

LYDELL C. HUNTER,  
RESPONDENT.

STIPULATION

**ORDER 0008373**

Division of Legal Services and Compliance Case No. 21 APP 025

Respondent Lydell C. Hunter 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 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.



\_\_\_\_\_  
Lydell C. Hunter, Respondent  
Milwaukee, WI 53223  
Credential No. 1201-9

12/7/2022

\_\_\_\_\_  
Date



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

12/8/2022

\_\_\_\_\_  
Date