

## 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

BRIAN J. HAFERMAN,  
RESPONDENT.

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FINAL DECISION AND ORDER

**ORDER 0008665**

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Division of Legal Services and Compliance Case No. 21 APP 033

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

Brian J. Haferman  
Plover, WI 54467

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 Brian J. Haferman (Birth Year 1977) is licensed by the State of Wisconsin as a licensed appraiser, having certificate of licensure number 2146-4, first issued on December 2, 2013 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 Plover, Wisconsin 54467.

2. On February 12, 2019, the Board issued a Final Decision and Order for Remedial Education (Order #0006039) against Respondent in Case Number 17 APP 044 for performing an inadequate appraisal.

3. On July 7, 2021, the Department received a complaint alleging that Respondent had performed an inadequate appraisal. The Division of Legal Services and Compliance (DLSC) subsequently opened Case Number 21 APP 033 for investigation.

4. On July 6, 2021, Respondent performed an appraisal of a property located at 115960 Riverside Road, Marshfield, WI 54449.

5. Respondent'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, Respondent reported a contract price for the property of \$374,000, when the actual contract price was \$369,000. [Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule (SR) 1-1(c), 2-1(a)].
- b. In the Site section of the report, Respondent reported the site dimensions as "5.00 ac" instead of reporting the actual dimensions of the site. [Scope of Work Rule, SR 2-1(b)].
- c. In the Site section of the report, Respondent reported the specific zoning classification for the subject property as F-A and the zoning description as "Farmland Preservation." However, the county GIS mapping program shows the specific zoning classification to be RR and the zoning description to be "rural residential." [SR 2-1(a)].
- d. In the Site section of the report, Respondent marked the "yes" box to indicate that the highest and best use of the subject property as improved was the present use. Respondent added, "The highest and best use of the subject property is as a single family home. It is Legally Permissible, Physically Possible, Financially Feasible, and Maximally Productive for single family home." However, this statement did not provide a summary of the support and rationale for his opinion. [SR 2-2(a)(x)].
- e. In the Improvements section of the report, Respondent did not report on an outbuilding that is shown in a photo in an addendum. Under the photo, it states, "30ft x 50ft outbuilding," but nowhere in the report did Respondent report any other information about it, such as its quality, condition, or construction. Respondent nevertheless placed a contributory value on it of \$25,000, which is about 7% of the opinion of value. There were also no notes or sketches in Respondent's workfile to show any gathering of information on the outbuilding from his inspection. [Scope of Work Rule, SR 1-2(e)(i), SR 2-1(b)].
- f. In the Sales Comparison Approach section of the report, Respondent indicated that there were 2 comparable properties for sale that had a price range from \$275,000 to \$520,000 and 6 comparable sales that had a price range of \$275,000 to \$520,000. This reporting of the price range appears to be Respondent's search criteria and not the actual price range of the comparable properties. Therefore, Respondent failed to report the actual price ranges for comparable properties for sale and comparable sold properties. Further, there was no data in Respondent's workfile to support the price ranges reported. [Record Keeping Rule, SR 2-1(a)].

- g. In the Cost Approach section of the report, Respondent reported his opinion of value for the subject's site and stated that he had "used comparable lot sales in the market area in the last 24 months to support site value." However, Respondent did not provide a summary of those lot sales. [Scope of Work Rule, SR 2-1(b), SR 2-2(a)(viii)].
- h. In the Cost Approach section of the report, Respondent reported that the subject's outbuilding had an as-is improvement value of \$40,000, whereas he had reported a \$25,000 contributory value in the Sales Comparison Approach section. This shows a lack of competency in the cost approach analysis in dealing with the outbuilding. [Competency Rule, SR 1-1(a)].

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

### CONCLUSIONS OF LAW

1. The 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 Record Keeping Rule by failing to include in Respondent's workfile all other data, information, and documentation necessary to support Respondent's opinions and conclusions and to show compliance with USPAP.
3. By the conduct described in the Findings of Fact, Respondent violated the USPAP Competency Rule by failing to determine, prior to agreeing to perform an assignment, that he can perform the assignment competently, or to acquire competency.
4. By the conduct described in the Findings of Fact, Respondent 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.
5. By the conduct described in the Findings of Fact, Respondent violated SR 1-1(a), (c) by:
  - a. Failing to be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.
  - 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, Respondent violated 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 characteristics.

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 the 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), (a)(x) by:

- a. Failing to summarize the scope of work used to develop the appraisal.
- b. Failing to provide sufficient information to indicate that the appraiser complied with the requirements of standard 1.

9. As a result of the above violations, Respondent has violated Wis. Admin. Code § SPS 86.01(1) and (2), and is therefore subject to discipline pursuant to Wis. Stat. § 458.26(3)(c) and (i).

#### ORDER

- 1. The attached Stipulation is accepted.
- 2. Respondent Brian J. Haferman is REPRIMANDED.

3. Respondent Brian J. Haferman's licensed appraiser certificate of licensure (no. 2146-4) is LIMITED as follows:

#### Practice Limitations

- a. Within thirty (30) days of the date of this Order, Respondent shall, at his own expense, retain a Wisconsin certified residential appraiser to serve as a mentor ("Mentor Appraiser").
- b. The Mentor Appraiser retained by Respondent must be approved by the Board or its designee. Approval shall be obtained through correspondence with the Department of Safety and Professional Services Monitor (Department Monitor) at the address below.
- c. Respondent shall maintain a roster for each appraisal he completes. The Mentor Appraiser shall review the roster monthly and select 1-3 reports to review for compliance with USPAP and Wisconsin practice of real estate appraising. The number of reports reviewed will depend on the number of appraisals Respondent conducted that month. If 1-5 appraisals, the Mentor Appraiser shall review 1, if 6-10 appraisals, the Mentor Appraiser shall review 2, and if 11 or more appraisals, the Mentor Appraiser shall review 3. The Mentor Appraiser shall meet with Respondent at least once per

month to discuss and provide feedback on his work. These meetings can be held remotely or in person.

- d. Beginning ninety (90) days from the date of this Order, Respondent shall arrange for quarterly reports to be provided by the Mentor Appraiser directly to the Department Monitor. These reports shall address Respondent's compliance with this Order and quality of his work product, including whether he has practiced in compliance with all laws governing the practice of real estate appraising.
- e. Respondent may petition the Board for termination of the Mentor Appraiser requirement after either one (1) year of successful compliance with the terms of this Order, including at least four (4) consecutive periods in which all quarterly reports required to be submitted under this Order are satisfactory to the Board or its designee, or after taking and passing the National Uniform Licensing and Certification Exam (National Exam). Any such petition shall include a letter from the Mentor Appraiser stating their opinion on whether the Mentor Appraiser requirement should be terminated or not, or documentation of Respondent's successful completion of the National Exam. The Board may grant or deny any such petition, in its discretion, or may modify this Order as it sees fit. A denial of such a petition shall not be deemed a denial of license under Wis. Stat. § 227.42 or Wis. Admin. Code SPS 1, and shall not be subject to any right to further hearing or appeal.

#### Education

- f. Within 90 days of the date of this Order, Respondent shall, at his own expense, take and successfully complete the following remedial education:
  - i. National USPAP course (15 hours) (must be taken online).
  - ii. Residential Appraiser Site Valuation and Cost Approach (15 hours).
  - iii. Residential Appraisal Review and USPAP Compliance (7 Hours).
  - iv. Workfile: Your Best Defense Against an Offense (5 hours).
- g. Each course attended in satisfaction of this Order must be offered by a provider pre-approved by the Board or its designee. Respondent shall be responsible for locating courses satisfactory to the Board or its designee and for obtaining the required approval of the courses from the Board or its designee. Respondent must take and pass any exam(s) offered for the courses.

- h. Respondent 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.

Other

- i. Respondent is responsible for compliance with all of the terms and conditions of this Order, including the timely submission of reports by others. Respondent shall promptly notify the Department Monitor of any suspected violations of any of the terms and conditions of this Order.

4. Within 180 days from the date of this Order, Respondent Brian J. Haferman shall pay the COSTS of this matter in the amount of \$1,748.

5. All submissions, including 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) 266-2112; Fax (608) 266-2264  
DSPSMonitoring@wisconsin.gov

Submissions may also be made online at: <https://dpsmonitoring.wi.gov/>

6. In the event Respondent violates any term of this Order, Respondent's certificate of licensure (number 2146-4), or Respondent's right to renew his certificate of licensure, may, in the discretion of the Board or its designee, be 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.

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

WISCONSIN REAL ESTATE APPRAISERS BOARD

by:

  
A Member of the Board

8/1/2023  
Date

STATE OF WISCONSIN  
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF DISCIPLINARY  
PROCEEDINGS AGAINST

BRIAN J. HAFERMAN,  
RESPONDENT.

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STIPULATION

ORDER 00002445

Division of Legal Services and Compliance Case No. 21 APP 033

Respondent Brian J. Haferman 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 Peyton Engel.

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

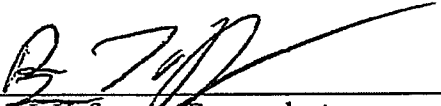


of Legal Services and Compliance for further proceedings. In the event that the Stipulation is not accepted by the Board, the parties agree not to contend that the Board has been prejudiced or biased in any manner by the consideration of this attempted resolution.

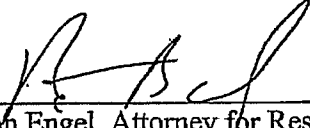
6. The parties to this Stipulation agree that the attorney or other agent for the Division of Legal Services and Compliance and any member of the Board ever assigned as an advisor in this investigation may appear before the Board in open or closed session, without the presence of Respondent, for purposes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

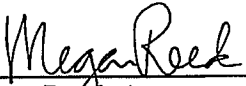
8. The Division of Legal Services and Compliance joins Respondent in recommending the Board adopt this Stipulation and issue the attached Final Decision and Order.

  
\_\_\_\_\_  
Brian J. Haferman, Respondent  
Plover, WI 54467  
Credential No. 2146-4

6/9/2023  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Peyton Engel, Attorney for Respondent  
Hurley Burish, S.C.  
33 E. Main St. Suite 400  
P.O. Box 1528  
Madison, WI 53701

6/9/2023  
\_\_\_\_\_  
Date

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

6/12/2023  
\_\_\_\_\_  
Date