

## 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	:	
	:	FINAL DECISION AND ORDER
KENNETH L. MARTIN,	:	
RESPONDENT.	:	<b>ORDER 0008956</b>

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Division of Legal Services and Compliance Case No. 21 APP 068

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

Kenneth L. Martin  
Stoughton, WI 53589

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 Kenneth L. Martin (Birth Year 1962) is licensed by the State of Wisconsin as a licensed appraiser, having certificate of licensure number 2105-4, first issued on March 18, 2010 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 Stoughton, Wisconsin 53589.

2. On November 10, 2020, in Case Number 19 APP 028, the Board ordered Respondent to complete remedial education (Order #0007076), after finding he had performed an appraisal with multiple deficiencies.

3. On December 20, 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 068 for investigation.

4. On April 26, 2021, Respondent prepared an appraisal report for a property located at 157 Jackson Street, Madison, Wisconsin 53704.

5. Respondent's appraisal report was reviewed by the DLSC and was found to be deficient in the following ways:

- a. In the Neighborhood Section of the report, Respondent incorrectly reported the subject's neighborhood boundaries. [Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule (SR) 2-1 (a) and (b)]
- b. In the Neighborhood Section of the report, Respondent incorrectly reported that property values were stable, when research and analysis of the subject's neighborhood shows that property values were increasing. [SR 1-3 (a)(v)]
- c. In the Improvement Section of the report, Respondent reported on the number of appliances, but failed to analyze their effect on the value of the property. [SR 1-4 (g)]
- d. In the Improvement Section of the report, Respondent incorrectly reported the square footage of the second floor. Further, in the perimeter sketch of the second floor, Respondent incorrectly reported there was a balcony on the right side, when there is none. Respondent also incorrectly reported the location of the kitchen and bedrooms in the sketch, which made the sketch of the second floor of the improvements incorrect and misleading. [SR 1-1 (c), SR 1-2 (e)(i), SR 2-1 (a), SR 2-2 (a)(iv)]
- e. In the report, Respondent did not address the property's solar panels correctly. Respondent stated that the solar panels are an over-improvement and are not typical. However, in the Cost Approach section of the report, Respondent did not list any functional depreciation for the solar panels being an over-improvement. Respondent also did not segregate out the cost of the solar panels. Additionally, with the appraisal report Respondent included the Appraisal Institute Form 820.05 (Residential Green and Energy Efficient Addendum), dated October 2019, which shows the estimated annual energy savings for the solar panels based on 2018 rates. Respondent failed to address whether the estimate was accurate, given its age. Respondent told the Department that he had taken one course on appraising properties with solar panels but had never completed a prior appraisal on a property with solar panels. [USPAP Competency Rule]
- f. In the Cost Approach Section of the report, Respondent reported that the site value was based on vacant land sales, but failed to include a summary of comparable land sales and his analysis of the land sales. [USPAP Scope of Work Rule, SR 2-1 (b), SR 2-2 (a)(x) (1 and 5)]

- g. In the Sales Comparison Approach Section of the report, Respondent made several adjustments, but he failed to include support for all of the adjustments in his workfile, and there was no reference to another location for this information. [USPAP Record Keeping Rule]

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 (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 1-2 (e)(i) by failing to identify, from sources the appraiser reasonably believes to be reliable, 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 1-3 (a)(v) by, when necessary for credible assignment results in developing a market value opinion, failing to identify and analyze the effect on use and value of market area trends.
8. By the conduct described in the Findings of Fact, Respondent violated SR 1-4 (g) by when personal property, trade fixtures, or intangible items are included in the appraisal, failing to analyze the effect on value of such non-real property items.
9. By the conduct described in the Findings of Fact, Respondent violated SR 2-1 (a) and (b) by failing to clearly and accurately set forth the appraisal in a manner that will not be misleading and failing to include sufficient information to enable the intended user(s) of the appraisal to understand the report properly:

10. By the conduct described in the Findings of Fact, Respondent violated SR 2-2 (a)(iv) by failing to include in the appraisal report information, documents, and/or exhibits sufficient to identify the real estate involved in the appraisal, including the physical, legal, and economic property characteristics relevant to the assignment.

11. By the conduct described in the Findings of Fact, Respondent violated SR 2-2 (a)(x) (1 & 5) by failing to provide sufficient information to indicate that the appraiser complied with the requirements of standard 1 by:

- a. summarizing the appraisal methods and techniques employed.
- b. summarizing the information analyzed and the reasoning that supports the analyses, opinions, and conclusions, including reconciliation of the data and approaches.

12. As a result of the above violations, Respondent is subject to discipline pursuant to 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 Kenneth L. Martin is REPRIMANDED.
3. Respondent Kenneth L. Martin's licensed appraiser certificate of licensure (no. 2105-4) is LIMITED as follows:
  - a. Within 120 days of the date of this Order, Respondent shall successfully complete education on the topics listed below. Each course attended in satisfaction of this Order must be pre-approved by the Board or its designee. Respondent shall be responsible for locating courses satisfactory to the Board and for obtaining the required approval of the courses from the Board or its designee. Respondent must take and pass any exam offered for the courses.
    - i. National USPAP Course (15 hours) (must be taken online).
    - ii. Complex Properties: The Odd Side of Appraisal (7 hours).
    - iii. Valuation of Residential Solar (3 hours).
    - iv. Residential Appraisal Review and USPAP Compliance (7 hours).
    - v. That's a Violation (4 hours).
    - vi. Residential Property Measurement and ANSI Z765 (4 hours).

- 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.
- c. The education completed pursuant to this Order may not be used to satisfy any other continuing education requirements with the Board.

4. Within ninety (90) days from the date of this Order, Respondent shall pay the COSTS of this matter in the amount of \$2,834. If costs are not paid within ninety (90) days from the date of this Order, interest shall accrue at the statutory rate of 12%, pursuant to Wis. Stat. § 440.22(2).

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](mailto: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 2105-4), 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

1/30/2024  
Date

STATE OF WISCONSIN  
BEFORE THE REAL ESTATE APPRAISERS BOARD

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IN THE MATTER OF DISCIPLINARY  
PROCEEDINGS AGAINST

KENNETH L. MARTIN,  
RESPONDENT.

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STIPULATION

**ORDER 0008956**

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Division of Legal Services and Compliance Case No. 21 APP 068

Respondent Kenneth L. Martin and the Division of Legal Services and Compliance, Department of Safety and Professional Services stipulate as follows:

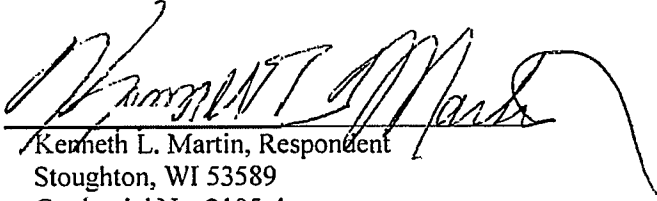
1. This Stipulation is entered into as a result of a pending investigation by the Division of Legal Services and Compliance. Respondent consents to the resolution of this investigation by Stipulation.
2. Respondent understands that by signing this Stipulation, Respondent voluntarily and knowingly waives 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.

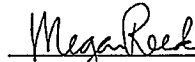
6. The parties to this Stipulation agree that the attorney or other agent for the Division of Legal Services and Compliance and any member of the Board ever assigned as an advisor in this investigation may appear before the Board in open or closed session, without the presence of Respondent, for purposes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

  
Kenneth L. Martin, Respondent  
Stoughton, WI 53589  
Credential No. 2105-4

10/23/2023  
Date

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

10/27/2023  
Date