

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 :
TIMOTHY M. FREUDENTHAL, : FINAL DECISION AND ORDER
LICENSEE. : FOR REMEDIAL EDUCATION
:

ORDER 0008930

Division of Legal Services and Compliance Case No. 22 APP 004 and 22 APP 005

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

Timothy M. Freudenthal
Wautoma, WI 54982

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 Timothy M. Freudenthal (Birth Year 1954) is certified by the State of Wisconsin as a certified general appraiser, having certificate of licensure and certification number 405-10, first issued on April 13, 1993 and current through December 14, 2025. Licensee's most recent address on file with the Wisconsin Department of Safety and Professional Services (Department) is in Wautoma, Wisconsin 54982.

2. According to Department records, Licensee was previously disciplined (Final Decision and Order # LS9809303APP) in Case Number 97 APP 024. Licensee was ordered to complete education and pay costs.

22 APP 004

3. On February 5, 2022, the Department received a complaint alleging that Licensee performed an inadequate appraisal. The Division of Legal Services and Compliance (Division) subsequently opened Case Number 22 APP 004 for investigation.

4. On December 6, 2021, Licensee performed an appraisal of a property located at 9522 1st St., Plainfield, WI 54966.

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

- a. In the Subject Section of the report, Licensee incorrectly reported the county in which the subject property was located and incorrectly reported the listing date for the property. [Uniform Standards of Professional Appraisal Practice (USPAP) Standards Rule (SR) 1-1(c)]
- b. In the Contract Section of the report, Licensee reported that he analyzed the purchase contract for the property, but his workfile only contained two pages of the 10-page purchase contract. [USPAP Record Keeping Rule]
- c. In the Sales Comparison Approach Section of the report, Licensee adjusted the comparable sales for significant differences, and he indicated that the adjustments were based on an actual paired sales analysis. However, Licensee's workfile did not contain any paired sales analysis. [USPAP Record Keeping Rule]
- d. In the Cost Approach Section of the report, Licensee reported his opinion of market value for the subject's site and indicated that he developed his opinion using the sales comparison approach with land sales from the subject's market area and also indicated that he used the allocation method. However, Licensee did not provide a summary of support for his opinion of site value or the data used in the allocation method. Further, this data was not in his workfile and there was no reference to its location. [USPAP Record Keeping Rule, USPAP Scope of Work Rule, SR 2-1(b), and SR 2-2 (a)(x) (1 & 5)]

22 APP 005

6. On February 5, 2022, the Department received a complaint alleging that Licensee performed an inadequate appraisal. The DLSC subsequently opened Case Number 22 APP 005 for investigation.

7. On December 6, 2021, Licensee performed an appraisal of a property located at 2516 W. Killarney Drive, Tomahawk, WI 54487.

8. 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 reported that the subject's neighborhood was built up 25-75% but also reported the present land use as 90% one-units and 10% other. Licensee therefore either misreported the percentage that was built-up or misreported the allocation of land use found within the neighborhood. [SR 1-1(c), SR 2-1(b)]

- b. Also, in the Neighborhood Section of the report, Licensee reported the subject's neighborhood as being over 2,000 square miles. When asked about his reporting on the neighborhood characteristics, Licensee indicated that he reported the characteristics based on the area around the lake. Therefore, Licensee's reporting of the neighborhood boundaries is misleading and makes it hard for the intended user(s) to understand his appraisal. [SR 2-1(a) and (b)]
- c. In the Site Section of the report, Licensee made several errors. First, Licensee failed to fully report the site dimensions for the subject property. Licensee reported the site dimensions as "100' x 170' +/-". However, according to the county GIS map, the site dimensions are 100' x 158.57' x 100' x 181.78'. Licensee also incorrectly reported the zoning to be RS-1 Single Family Residential – Shoreline, when it is actually zoned Recreational (District 5). Further, Licensee failed to note that the subject property is a legal non-conforming use. Licensee also marked that the subject property is not located in a FEMA Special Flood Hazard Area, which is not correct, as a portion of the property, though not the residential structure, is in a Flood Hazard Area. Finally, Licensee also reported the wrong FEMA map panel for the property. [USPAP Scope of Work Rule, SR 1-3(a), SR 2-1(a) and (b)]
- d. In the Sales Comparison Approach Section of the report, Licensee reported incorrect information about the size, water frontage, amenities, and condition of the comparable sales. Additionally, Licensee made contradictory statements in the comments. He stated that there were no prior sales of the subject property in the past 36 months, but then stated that, "the prior sale of the subject was open market." He also reported no prior sales of the comparable properties, but then stated, "Comp #1 did sell previously as indicated." Further, Licensee reported that all of the comparable sales were within the last 6 months, but in fact Sale #1 was 10 months old as of the effective date of the report. [SR 1-1(c), SR 1-4(a)]
- e. Also in the Sales Comparison Approach Section of the report, Licensee adjusted the comparable sales for significant differences, but did not provide reasoning or support for the adjustments, and there was no support for the adjustments in his workfile. [USPAP Record Keeping Rule]
- f. In the Cost Approach Section of the report, Licensee reported his opinion of market value for the subject's site and indicated that he developed his opinion using the sales comparison approach with land sales from the subject's market area and also indicated that he used the extraction method. However, Licensee did not provide a summary of support for his opinion of site value or the data used in the extraction method. Further, this data was not in his workfile and there was no reference to its location. [USPAP Scope of Work Rule, USPAP Record Keeping Rule, SR 2-1(b), SR 2-2(a)(x) (1 & 5)]

9. 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 his fitness to practice as a real estate appraiser as set forth in Wis. Admin. Code § SPS 86.01(13).

10. 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 his own expense, take and successfully complete the following remedial education courses:
 - a. 2024 – 2025 National USPAP course (15 hours) (must be taken online).
 - b. GSE Appraisal Requirements and Guidelines (7 hours).
 - c. Practical Applications of the Residential Sales Comparison Approach (4 hours).
 - d. Appraiser Self Protection: Documentation and Record Keeping (4 hours).
 - e. Each course attended in satisfaction of this Order must be pre-approved by the Board or its designee. Licensee 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. Licensee must take and pass any exam offered for the courses.
 - 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

Submissions may also be made online at: <https://dspsmonitoring.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: *David N. Figurski*
A Member of the Board

1/30/2024
Date

STATE OF WISCONSIN
BEFORE THE REAL ESTATE APPRAISERS BOARD

IN THE MATTER OF THE CERTIFICATE OF :
TIMOTHY M. FREUDENTHAL, : STIPULATION
LICENSEE. :

ORDER 0008960

Division of Legal Services and Compliance Case No. 22 APP 004 and 22 APP 005

Licensee Timothy M. Freudenthal 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.

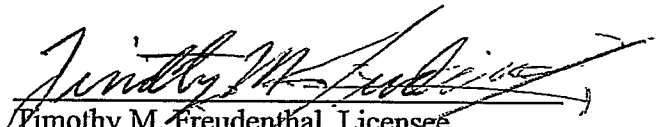
5. If the terms of this Stipulation are not acceptable to the Board, the parties shall not be bound by the contents of this Stipulation, and the matter shall then be returned to the Division of Legal Services and Compliance for further proceedings. In the event that the Stipulation is

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.


Timothy M. Freudenthal, Licensee
Wautoma, WI 54982
Credential No. 405-10

1/10/2024
Date


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

1/10/2024
Date