

1                   **BEFORE THE COMMISSION OF APPRAISERS OF REAL ESTATE**  
2   **STATE OF NEVADA**

3 SHARATH CHANDRA, Administrator,  
4 REAL ESTATE DIVISION,  
5 DEPARTMENT OF BUSINESS AND  
6 INDUSTRY,  
7 STATE OF NEVADA,

8   Petitioner,

9 vs.

10 BRETT J. PIERCE  
11 (License No. A.0205486-CR),

12   Respondent.

Case No. 2019-316, AP19.026.N

**COMPLAINT AND NOTICE OF  
HEARING**

**FILED**

**AUG 12 2020**

NEVADA COMMISSION OF APPRAISERS

*Kelley Valadez*

13           State of Nevada, Department of Business and Industry, Real Estate Division (“the  
14 Division”), by and through counsel, Attorney General AARON D. FORD and Deputy  
15 Attorney General PETER K. KEEGAN, hereby notifies BRETT J. PIERCE  
16 (“Respondent”) of an administrative complaint and hearing which is to be held pursuant  
17 to Chapter 233B and Chapter 645C of the Nevada Revised Statutes (“NRS”) and Chapter  
18 645C of the Nevada Administrative Code (“NAC”). The purpose of the hearing is to  
19 consider the allegations stated below and to determine if the Respondent should be  
20 subject to a disciplinary penalty as set forth in NRS 645C and or NAC 645C, if the stated  
21 allegations are proven at the hearing by the evidence presented.

22   **JURISDICTION**

23           The Respondent is a Certified Residential Appraiser licensed by the Division, and  
24 therefore, is subject to the Jurisdiction of the Division and the provisions of NRS and  
25 NAC Chapter 645C. By availing himself of the benefits and protections of the laws of the  
26 State of Nevada, the Respondent has submitted to the jurisdiction of the Division.

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1 **FACTUAL ALLEGATIONS**

2 1. The Respondent has been licensed by the Division as a Certified Residential  
3 Appraiser, License No. A.0205486-CR since September 2008.

4 2. On or about March 25, 2019, the Division received a complaint/statement of  
5 fact asserting that the Respondent completed a uniform residential appraisal report  
6 ("Appraisal Report") for Homeowners Financial Group USA, through the Appraisal  
7 Management Company ("AMC") Appraisal Mark.

8 3. The complaint/statement of fact stated that the Respondent's Appraisal  
9 Report contained several violations of the Uniform Standards of Professional Appraisal  
10 Practice ("USPAP").<sup>1</sup>

11 4. The complaint/statement contained an internal appraisal review conducted  
12 by Summit Funding Inc.'s staff appraisers.

13 5. The Respondent's Appraisal Report was prepared for a condominium  
14 property within the Idlewild Riverfront 2 Condominiums complex, located at 2875  
15 Idlewild Drive, Unit 108, APN 010-543-32 ("Property"), built in 1987.

16 6. The gross living area of the Property recorded as 1,259 sq. ft.

17 7. The intended use of the appraisal performed by the Respondent was  
18 specified as "lender/client to evaluate the property that is the subject of this appraisal for  
19 a mortgage finance transaction."

20 8. The intended user of the Respondent's Appraisal Report is identified as  
21 "lender/client."

22 9. The Respondent's Appraisal Report states the appraised value is  
23 \$359,000.00.

24 10. The effective date of Respondent's Appraisal Report is identified as January  
25 11, 2019, and the signature date is January 30, 2019.

26 11. No supporting information was provided for the opinion of highest and best  
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28 <sup>1</sup> The 2018-2019 edition of the Uniform Standards of Professional Appraisal Practice ("USPAP") is applicable here.

1 use, where the Respondent checked the box present use.

2 12. The Respondent's work file has no documented information on any of the  
3 sales, or a verification of the sales utilized in the Appraisal Report.

4 13. The Respondent's work file does not contain any supporting MLS sheets.

5 14. The lack of supporting documentation combined with the report stating the  
6 information was obtained from the MLS makes the report misleading.

7 15. The work file does not contain a copy of the purchase agreement contract.

8 16. The Appraisal Report indicates that the streets are public, when in fact, all  
9 the interior roads of the Idlewild complex are private and privately maintained.

10 17. The Appraisal Report indicates the flood zone as "AE," when in fact the flood  
11 zone is "X."

12 18. The Appraisal Report indicates that the number of parking spaces is 228  
13 with a 2% ratio, when in fact there are only 171 parking spaces with a 1.5% ratio.

14 19. The Appraisal Report indicates that there are 20 units rented and 94 owner  
15 occupied units when the Washoe County Assessor's Office ownership database reported  
16 51 of the 114 units are owner occupied.

17 20. The work file does not include supporting information or analysis as to why  
18 the income approach is not included in the scope of work.

19 21. The Appraisal Report includes an addendum referencing changes made on  
20 January 29, 2019; however, the work file does not include a copy of the original report,  
21 the engagement letter, or the request for an amendment.

22 22. The Respondent's work file does not include analysis or calculations for the  
23 noted 5% and 10% quality adjustments, and the 10% market supported quality  
24 adjustments.

25 23. The Respondent's work file does not include calculations or analysis  
26 regarding the non-adjustments for HOA dues.

27 24. The Appraisal Report does not include commentary regarding the market  
28 reaction regarding HOA fee disparities in the sales comparables.

1           25. The work file does not contain supporting information, analysis, or  
2 calculations regarding the adjustments for bathroom count, gross living area, or garage  
3 capacity.

4           26. The 1004MC, Market Conditions Addendum, noted the medium comparable  
5 sales prices were increasing, stating “[t]he market analysis and research indicated that  
6 values in this area have been increasing over the past year;” however, the Appraisal  
7 Report stated that property values are stable.

8           27. The work file includes no evidence of the appropriate methods and  
9 techniques necessary to develop adjustments applied to the sales comparison approach.

10          28. The Appraisal Report included a series of errors that, although individually  
11 might not significantly affect the results, in the aggregate, affect the credibility of the  
12 results.

13          29. The neighborhood description erroneously references the North Lake Tahoe  
14 community, when the subject property location is in Reno, NV.

15          30. The market conditions section of the Appraisal Report identifies that  
16 “[c]urrent market conditions in the area reflect current market conditions in California,”  
17 but fails to clarify if these conditions are relevant to the Reno, Nevada market area.

18          31. By making a series of errors, including inaccurate neighborhood and market  
19 area descriptions, erroneous market area reporting, unsupported adjustments and non-  
20 adjustments, which individually may not significantly affect the results of the report, the  
21 errors as a whole affected the credibility of the report results.

22          32. By not including the income approach, an analysis of the subject’s FEMA  
23 designated flood zone, and/or analysis of the HOA dues as part of the scope of work, the  
24 credibility of the report results are affected.

25          33. The Respondent did not clearly and accurately set forth the appraisal in a  
26 manner that was not misleading.

27          34. The Appraisal Report did not contain sufficient information to enable the  
28 intended user of the appraisal to understand the report properly due to the number of

1 mistakes and erroneous information found within the appraisal report.

2 35. The seven comparable sales utilized by the Appraiser contained numerous  
3 mistakes and/or inconsistencies.

4 36. On or about February 28, 2020, the Division sent the Respondent, via  
5 certified mail, an NRS Chapter 233B Letter, as required by NRS 233B.237(3) indicating  
6 that the Division's investigation had uncovered sufficient evidence to recommend the  
7 filing of a formal complaint by the Division with the Nevada Appraisal Commission.

8 **VIOLATIONS OF LAW**

9 The Respondent failed to prepare the appraisal report for the Property in  
10 Compliance with the Standards of the Appraisal Foundation. These Standards are  
11 published in the Uniform Standards of Professional Appraisal Practice ("USPAP")  
12 adopted by the Appraisal Standards Board of the Appraisal Foundation, as authorized by  
13 Congress, and adopted in Nevada by NAC 645C.400.

14 **First Violation**

15 The USPAP ETHICS RULE requires that an appraiser must not willfully or  
16 knowingly violate the requirements of the RECORD KEEPING RULE; and must not  
17 perform an assignment in a grossly negligent manner.

18 Respondent violated the USPAP ETHICS RULE, as codified in NAC 645C.405(1),  
19 by performing the assignment in a grossly negligent matter. The work file contains no  
20 information as to how the adjustments were developed or quantified. The Respondent's  
21 actions constitute unprofessional conduct, pursuant to NRS 645C.470(2) and grounds for  
22 disciplinary action pursuant to NRS 645C.460(1)(a) and/or (b).

23 **Second Violation**

24 The USPAP RECORD KEEPING RULE requires that an appraiser must prepare a  
25 work file for each appraisal review assignment. The work file must be in existence prior to  
26 the issuance of any report or other communication of assignment results. The work file  
27 must include all other data, information, and documentation necessary to support the  
28 appraiser's opinions and conclusions and to show compliance with USPAP, or references

1 to the location(s) of such other data, information, and documentation.

2 The Respondent violated the USPAP RECORD KEEPING RULE, as codified in  
3 NAC 645C.405(1), by failing to keep and maintain true copies of all written reports,  
4 documented on any type of media and all other data, information, and documentation  
5 necessary to support the appraiser's opinions and conclusions, and to show compliance  
6 with USPAP, or references to the location(s) of such other data, information or  
7 documentation. The Respondent's comparable adjustments fail to provide supporting  
8 information for the adjustments of quality, bathroom count, gross living area, garage  
9 capacity, or HOA dues. The Respondent also failed to include copies of the original  
10 Appraisal Report, amendment request, and purchase contract. The Respondent's actions  
11 constitute unprofessional conduct, pursuant to NRS 645C.470(2) and grounds for  
12 disciplinary action pursuant to NRS 645C.460(1)(a) and/or (b).

### 13 **Third Violation**

14 The COMPETENCY RULE requires that an appraiser must: (1) be competent to  
15 perform the assignment; (2) acquire the necessary competency to perform the assignment;  
16 or (3) decline or withdraw from the assignment.

17 The Respondent violated the USPAP COMPETENCY RULE, as codified in NAC  
18 645C.405(1), by failing to demonstrate competency when he did not use or explain the  
19 non-use of the income approach. The Respondent also failed to demonstrate familiarity  
20 with the Reno condominium market when he misidentified the neighborhood. This is  
21 unprofessional conduct pursuant to NRS 645C.470(2) and grounds for disciplinary action,  
22 pursuant to Nevada Revised Statutes ("NRS") 645C.460(1)(a) and/or (b).

### 23 **Fourth Violation**

24 The SCOPE OF WORK RULE requires that an appraiser to: (1) identify the  
25 problem to be solved; (2) determine and perform the scope of work necessary to develop  
26 credible assignment results; and (3) disclose the scope of work in the report. An appraiser  
27 must be prepared to demonstrate that the scope of work is sufficient to produce credible  
28 assignment results.

1 The Respondent violated the SCOPE OF WORK RULE, as codified in NAC  
2 645C.405(1), by failing to include supporting information or analysis as to why the income  
3 approach was not used. The Respondent's failure to include supporting information,  
4 analysis, or calculations regarding the adjustments for bathroom count, gross living area,  
5 or garage capacity also diminished the credibility for the assignment results. This is  
6 unprofessional conduct pursuant to NRS 645C.470(2) and grounds for disciplinary action,  
7 pursuant to Nevada Revised Statutes ("NRS") 645C.460(1)(a) and/or (b).

#### 8 Fifth Violation

9 USPAP Standards Rule 1-1(a) requires that in developing a real property  
10 appraisal, an appraiser must: (a) be aware of, understand, and correctly employ those  
11 recognized methods and techniques that are necessary to produce a credible appraisal.

12 The Respondent violated USPAP Standards Rule 1-1(a), as codified in NAC  
13 645C.405(1), by making several errors in the appraisal report with several inconsistencies  
14 or misrepresentations in the body of the report making it apparent that the appraiser did  
15 not understand how to correctly employ recognized methods and techniques. This is  
16 unprofessional conduct pursuant to NRS 645C.470(2) and grounds for disciplinary action,  
17 pursuant to Nevada Revised Statutes ("NRS") 645C.460(1)(a) and/or (b).

#### 18 Sixth Violation

19 USPAP Standards Rule 1-1(c) requires that an appraiser must not render services  
20 in a careless or negligent manner, such as by making a series of errors that, although  
21 individually might not significantly affect the results of an appraisal, in the aggregate  
22 affects the credibility of those results.

23 The Respondent violated USPAP Standards Rule 1-1(c), as codified in NAC  
24 645C.405(1), by failing to provide supporting information obtained from the MLS, a copy  
25 of the sales contract, misidentifying the interior roads of the Property, the flood zone  
26 designation, the market conditions, parking space ratio, and consistently making  
27 mistakes and/or discrepancies in the 7 comparables. The Respondent's actions constitute  
28 professional incompetence pursuant to NRS 645C.470(3) and grounds for disciplinary

1 action pursuant to NRS 645C.460(1)(a) and/or (b).

2 **Seventh Violation**

3 USPAP Standards Rule 1-2(h) requires an appraiser must determine the scope of  
4 work necessary to produce credible assignment results in accordance with the SCOPE OF  
5 WORKRULE.

6 The Respondent violated USPAP Standards Rule 1-2(h), as codified in NAC  
7 645C.405(1), because of the numerous inconsistencies and mistakes found within the  
8 comparables utilized in the report and the misidentification of the 1004MC market  
9 conditions. The Respondent's actions constitute professional incompetence pursuant to  
10 NRS 645C.470(3) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a)  
11 and/or (b).

12 **Eighth Violation**

13 USPAP Standards Rule 1-5(a) requires an appraiser must analyze all agreements  
14 of sale, opinions, or listing of the subject property current as of the effective date of the  
15 appraisal.

16 The Respondent violated USPAP Standards Rule 1-5(a), as codified in NAC  
17 645C.405(1), by failing to include or analyze the purchase contract for the Property. The  
18 Respondent's actions constitute professional incompetence pursuant to NRS 645C.470(3)  
19 and grounds for disciplinary action pursuant to NRS 645C.460(1)(a) and/or (b).

20 **Ninth Violation**

21 USPAP Standards Rule 2-1(a) requires each written or oral real property appraisal  
22 report to set forth the appraisal clearly and accurately in a manner that will not be  
23 misleading.

24 Respondent violated USPAP Standards Rule 2-1(a), as codified in NAC  
25 645C.405(1), due to the lack of supporting documentation in the work file, the numerous  
26 mistakes and inconsistencies found within the report and the sales utilized. The  
27 Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2) and  
28 grounds for disciplinary action pursuant to NRS 645C.460(1)(a) and/or (b).



1 **Tenth Violation**

2 USPAP Standards Rule 2-1(b) requires each written or oral real property appraisal  
3 report to contain sufficient information to enable the intended users of the appraisal to  
4 understand the report properly.

5 Respondent violated USPAP Standards Rule 2-1(b), as codified in NAC  
6 645C.405(1), by failing to include sufficient supporting MLS information regarding the  
7 comparables, and/or discussion regarding the neighborhood analysis relative to the  
8 subject, the selection of the comparable sales and listings, and the quantification of the  
9 adjustments. The Respondent's actions constitute unprofessional conduct pursuant to  
10 NRS 645C.470(2) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a)  
11 and/or (b).

12 **Eleventh Violation**

13 USPAP Standards Rule 2-2(a)(viii) requires the content of an appraisal report to be  
14 consistent with the intended use of the appraisal and, at a minimum: (viii) summarize the  
15 information analyzed, the appraisal methods and techniques employed, and the reasoning  
16 that supports the analyses, opinions, and conclusions; exclusions of the sales comparison  
17 approach, cost approach, or income approach must be explained. The appraiser must  
18 provide sufficient information to enable the client and intended users to understand the  
19 rationale for the opinions and conclusions, including reconciliation of the data and  
20 approaches, in accordance with Standards Rule 1-6.

21 Respondent violated USPAP Standards Rule 2-2(a)(viii), as codified in NAC  
22 645C.405(1), by failing to include a summary of the information analyzed, the methods  
23 and techniques employed, and the reason that supports the analysis, opinions, and  
24 conclusions. The appraisal report includes no evidence to adequately explain the  
25 exclusions of the income approach. The Respondent's actions constitute unprofessional  
26 conduct pursuant to NRS 645C.470(2) and grounds for disciplinary action pursuant to  
27 NRS 645C.460(1)(a) and/or (b).

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1 **Twelfth Violation**

2 USPAP Standards Rule 2-2(a)(x) requires that the content of an appraisal report  
3 must be consistent with the intended use of the appraisal and, at a minimum when an  
4 opinion of highest and best use was developed by the appraiser, summarize the support  
5 and rationale for that opinion.

6 Respondent violated USPAP Standards Rule 2-2(a)(x), as codified in NAC  
7 645C.405(1), by failing to include a discussion in the report or evidence in the work file as  
8 to how the highest and best use was determined. The Respondent's actions constitute  
9 unprofessional conduct pursuant to NRS 645C.470(2) and grounds for disciplinary action  
10 pursuant to NRS 645C.460(1)(a) and/or (b).

11 **Thirteenth Violation**

12 USPAP Standards Rule 2-2(a)(xii) requires that the appraiser include a signed  
13 certification in accordance with Standards Rule 2-3.

14 Respondent violated USPAP Standards Rule 2-2(a)(xii), as codified in NAC  
15 645C.405(1), by failing to include a second certification for an amendments/second report,  
16 as of January 29, 2019. The Respondent's actions constitute unprofessional conduct  
17 pursuant to NRS 645C.470(2) and grounds for disciplinary action pursuant to NRS  
18 645C.460(1)(a) and/or (b).

19 **DISCIPLINE AUTHORIZED**

20 1. Pursuant to NRS 645C.460(2), if grounds for disciplinary action against an  
21 appraiser are found to exist for unprofessional conduct, the Commission may revoke or  
22 suspend the certificate, place conditions upon the certificate, deny the renewal of his or  
23 her certificate, and/or impose a fine up to \$10,000.00 per violation. NRS 645C.480(1)(a) is  
24 identified as an additional act of unprofessional conduct.

25 2. Additionally, under NRS Chapter 622.400, the Commission is authorized to  
26 impose the costs of the proceeding upon the Respondent, including investigative costs and  
27 attorney's fees, if the Commission otherwise imposes discipline on the Respondent.

28 3. Therefore, the Division requests the Commission to impose such discipline as

1 it determines is appropriate under the circumstances and to award the Division its costs  
2 and attorney's fees for this proceeding.

3 **PLEASE TAKE NOTICE** that a disciplinary hearing has been set to consider this  
4 Administrative Complaint against the above-named Respondent in accordance with  
5 Chapter 233B and Chapter 645C of the Nevada Revised Statutes and Chapter 645C of the  
6 Nevada Administrative Code.

7 **THE HEARING WILL TAKE PLACE** at the Commission meeting scheduled  
8 for September 15<sup>th</sup>, 16<sup>th</sup>, and 17<sup>th</sup>, 2020, beginning at approximately 9:00 a.m.  
9 each day, or until such time as the Commission concludes its business.

10 If the Governor's Emergency Directive 006 – suspending physical location  
11 requirements is extended through the date of the meeting, then the hearing will  
12 be held via teleconference and video conference. The Commission uses WebEx  
13 for its meetings. To join the hearing go to the website Webex.com and put in the  
14 Meeting ID and Password:

15 **Tuesday, September 15, 2020 - Meeting Number (Access Code): 146 304 7451**  
16 **Meeting Password: UmGC5pNkr58 (86425765 from phones and video systems)**

17 **Wednesday, September 16, 2020 - Meeting Number (Access Code): 146 321 9396**  
18 **Meeting Password: 2MfdNmnBJ28 (26336662 from phones and video systems)**

19 **Thursday, September 17, 2020 - Meeting Number (Access Code): 146 950 3290**  
20 **Meeting Password: HxamcwTN379 (49262986 from phones and video systems)**

21 If you do not have internet access, you may attend by phone at (844) 621-  
22 3956. Some mobile devices may ask attendees to enter a numeric meeting  
23 password provided above.

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1           **If Emergency Directive 006 is not extended and the meeting is held in**  
2 **person, then the meeting will be located at the following locations:**

3           **Nevada State Business Center**  
4           **Real Estate Division**  
5           **3300 West Sahara Avenue, Suite 350**  
6           **Las Vegas, Nevada 89102**

7           **If you would like an email containing this information, before the hearing,**  
8 **please contact Kelly Valadez, Commission Coordinator, at (702) 486-4606 or**  
9 **kvaladez@red.nv.gov.**

10           **STACKED CALENDAR: Your hearing is one of several hearings that may**  
11 **be scheduled at the same time as part of a regular meeting of the Commission**  
12 **that is expected to take place on September 15-17, 2020. Thus, your hearing may**  
13 **be continued until later in the day or from day to day. It is your responsibility**  
14 **to be present when your case is called. If you are not present when your case is**  
15 **called, a default may be entered against you, and the Commission may decide**  
16 **the case as if all allegations in the complaint were true. If you need to negotiate**  
17 **a more specific time for your hearing in advance, because of coordination with**  
18 **out of state witnesses or the like, please call Kelly Valadez, Commission**  
19 **Coordinator, at (702) 486-4606.**

20           **YOUR RIGHTS AT THE HEARING: Except as mentioned below, the hearing is an**  
21 **open meeting under Nevada's Open Meeting Law (OML) and may be attended by the**  
22 **public. After the evidence and arguments, the Commission may conduct a closed meeting**  
23 **to discuss your alleged misconduct or professional competence. You are entitled to a copy**  
24 **of the transcript of the open and closed portions of the meeting, although you must pay for**  
25 **the transcription.**

26           **As the Respondent, you are specifically informed that you have the right to appear**  
27 **and be heard in your defense, either personally or through your counsel of choice. At the**  
28 **hearing, the Division has the burden of proving the allegations in the complaint and will**  
29 **call witnesses and present evidence against you. You have the right to respond and to**

1 present relevant evidence and argument on all issues involved. You have the right to call  
2 and examine witnesses, introduce exhibits, and cross-examine opposing witnesses on any  
3 matter relevant to the issues involved.

4 You have the right to request that the Commission issue subpoenas to compel  
5 witnesses to testify and/or evidence to be offered on your behalf. In making this request,  
6 you may be required to demonstrate the relevance of the witnesses' testimony and/or  
7 evidence. Other important rights you have are listed in NRS Chapter 645C, NRS  
8 Chapter 233B, and NAC Chapter 645C.

9  
10 DATED the 11 day of August 2020.

DATED the 9th day of August 2020.

11  
12 NEVADA REAL ESTATE DIVISION

AARON D. FORD  
Attorney General

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14  
15 By: 

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