

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 & INDUSTRY,
6 STATE OF NEVADA,

7 Petitioner,

8 vs.

9 BRADLEY W. CORN,
10 (License No. A.0005827-CR),

11 Respondent.

Case No. 2021-512, AP21.038.N

FILED

MAY 01 2024

NEVADA COMMISSION OF APPRAISERS

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12 **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER**

13 This matter came on for hearing before the Nevada Commission of Appraisers of Real Estate (the
14 "Commission"), on Tuesday, April 23, 2024. (the "Hearing") Bradley W. Corn ("Respondent") did not
15 appear in person, through counsel, or otherwise. Phil W. Su, Esq., Senior Deputy Attorney General with
16 the Nevada Attorney General's Office, appeared on behalf of Petitioner Sharath Chandra, Administrator
17 of the Real Estate Division, Department of Business and Industry, State of Nevada
(the "Division").

18 Mr. Su advised the Commission that RESPONDENT was aware of the complaint filed in this
19 matter, that his attendance was required, and that his hearing was scheduled for the April 23-25, 2024,
20 hearing stack. Mr. Su also noted that RESPONDENT never filed an Answer as part of the record in the
21 proceedings.

22 Therefore, the Division proceeded with a default pursuant to NAC 645C.500(13). The Division's
23 Commission Coordinator, Maria Gallo, testified regarding proper notice to the RESPONDENT. After
24 further discussion, the Commission found that the Division issued effective service of the notice of the
25 hearing, the complaint and notice thereof, the Notice of Documents with documents numbered 0001 to
26 0157, and all other efforts taken to inform the RESPONDENT of the matter before the Commission. The
27 Commissioners also admitted the Division's documents 0001 to 0157 as exhibits to these proceedings.

28 ...

1 Therefore, the Commission, having considered the evidence introduced by the Division and being
2 fully advised, enters the following Findings of Fact, Conclusions of Law, and Order:

3 **I. JURISDICTION**

4 The Respondent is a Certified Residential Appraiser licensed by the Division, License No.
5 A.0005827-CR (inactive as of January 10, 2024), and therefore is subject to the Jurisdiction of the
6 Division and the provisions of NRS and NAC Chapter 645C. By availing himself of the benefits and
7 protections of the laws of the State of Nevada, the Respondent has submitted to the jurisdiction of the
8 Division.

9 **II. FINDINGS OF FACT**

10 The matter having been submitted for decision based upon the allegations of the Complaint, the
11 Commission now, based upon the evidence presented during the hearing, finds that there is substantial
12 evidence in the record to establish each of the following:

13 **PROCEDURAL HISTORY**

14 1. On May 7, 2021, the Division received a complaint from Complainant David S. Jones
15 asserting that RESPONDENT Bradley W. Corn's appraisal report (hereinafter "Appraisal Report") of
16 Jones' property at 295 Andrew Ln., Reno, NV 89521, ("the Property") incorrectly reports that
17 Respondent completed an interior and exterior inspection of the Property.

18 2. Instead, Complainant contends that Respondent never entered the Property and only took
19 pictures from outside.

20 3. On May 10, 2021, the Division issued an open investigation letter for Case No. 2021-512,
21 AP21.038.N, via certified mail to RESPONDENT at his address of record, instructing him to provide his
22 response and the entire work file and documentation to the Division by May 24, 2021.

23 4. On June 18, 2021, the Division sent a second letter to Respondent, via certified mail to
24 his address of record, indicating that it did not receive his response to the May 10, 2021, letter by the
25 deadline indicated and providing a further deadline of July 2, 2021, to provide response to the
26 investigation.

27 5. On July 26, 2021, the Division sent a third letter to Respondent, via certified mail to his
28 address of record, indicating that it still had not received a response to its open investigation letter and

1 that the Division had obtained sufficient information to seek disciplinary action against him by filing a
2 Complaint with the Appraisal Commission.

3 6. On August 3, 2021, the Respondent emailed the Division with a response to the
4 Complaint, indicating that “this [was] a simple misunderstanding on the part of the property owner,” that
5 “the assignment was completed on form 1004 under FHA exterior only protocol” pursuant to the
6 “modified set of instructions... included in every report like this due to COVID-19,” and that the “USPAP
7 Identification and Exposure Time form... was incorrectly checked interior and exterior. An honest
8 mistake.”

9 7. Contemporaneously with his August 3, 2021, emailed response, the Respondent also
10 provided his work file to the Division.

11 8. On February 9, 2023, the Division commissioned a Standard 3 Review of the
12 Respondent’s Appraisal Report, which was completed on February 27, 2023.

13 9. Following the investigation and Standard 3 Review, the investigator recommended the
14 case be heard by the Appraisal Advisory Review Committee (“AARC”).

15 **FACTUAL ALLEGATIONS**

16 10. The Respondent prepared an Appraisal Report for a 1,632 sq. ft., one-story, 3 br/2 bath
17 single family residence, built in 1975 and located at 295 Andrew Ln., Reno, NV 89521, APN # 017-342-
18 17 (the “Property”).

19 11. The Appraisal Report was generated on “Fannie May Form 1004 March 2005,” indicated
20 assignment type as “Other/Reverse Mortgage” and indicated a value conclusion of \$540,000.00 by Sales
21 Comparison Approach.

22 12. The effective date of the report was indicated as March 10, 2021, and the date of signature
23 of the report was March 24, 2021.

24 13. On page 2 of the Appraisal Report under “Reconciliation,” the report notes that its market
25 value determination is “[b]ased on a complete visual inspection of the interior and exterior areas of the
26 subject property, defined scope of work, statement of assumptions and limiting conditions, and
27 appraiser’s certification.”

28 14. On page 4 of the Appraisal Report the “Scope of Work” indicated that

1 “The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior
2 areas of the subject property.”

3 15. On page 5 of the Appraisal Report, Item #2 of Respondent’s Certification Statement
4 indicated that “2. I performed a complete visual inspection of the interior and exterior areas of the subject
5 property. I reported the condition of the improvements in factual, specific terms. I identified and reported
6 the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.”

7 16. According to the Complainant, Respondent “never entered the home and property only
8 took photos from the street.”

9 17. Included in Respondent’s work file is a document entitled “FHA Exterior-Only
10 Inspection,” which includes a modified set of instructions, Scope of Work, Statement of Limiting
11 Conditions, and Certification for Appraisals with FHA Exterior-only Inspection.

12 18. Specifically, the Instructions for an “FHA Exterior-Only Inspection” required copying
13 and texting of the *entire text* into the modified appraisal report.

14 19. The Respondent failed to utilize the modified language in the “FHA Exterior-Only
15 Inspection” instructions.

16 20. In the Neighborhood section on page 1 of the Appraisal Report, Respondent comments
17 that market conditions are “stable to slightly increasing,” despite steadily declining median sales prices
18 for the past year; this contradiction is not reconciled in the Appraisal Report.

19 21. In the Improvements section on page 1 of the Appraisal Report, the Respondent asserts
20 that he “has limited information regarding the subject’s improvements and makes the extraordinary
21 assumption that the condition rating is accurate, that there are no latent defects, and that the improvements
22 are in general good repair,” but the Respondent fails to provide an explanation for having limited
23 information or for the extraordinary assumption.”

24 22. The Improvements section on page 1 of the Appraisal Report states “See addendum for
25 additional disclosures. The improvements are well maintained and feature limited physical depreciation
26 due to normal wear and tear,” yet there are no “additional disclosures” regarding improvements in the
27 supplemental addendum.

28 23. In the Improvements section on page 1 of the Appraisal Report the Respondent asserts

1 that he “has limited information regarding the subject’s improvements and makes the extraordinary
2 assumption that the condition rating is accurate, that there are no latent defects, and that the improvements
3 are in general good repair,” but the Respondent fails to provide an explanation for having limited
4 information or for the extraordinary assumption.”

5 24. The Appraisal Report provided a Cost Approach to Value of \$379,660, without
6 reconciling it to the Value Opinion of \$540,000.00 and, instead, only indicating that “the cost approach
7 is developed for information purposes only and is not relied upon in the market value conclusion.”

8 25. The Appraisal Report provides an opinion of site value of \$140,000.00 without including
9 an analysis of the “approx. 8 comparable vacant lot sales within the past 12 months” that were used for
10 comparison.

11 26. Following hearing of this matter by the AARC, it issued an October 17, 2023, Committee
12 Report recommending “this case be forwarded to the Commission because the Respondent is not
13 prepared, making excuses, stating he never received notification from the Division.”

14 27. The AARC Committee Report also noted that Respondent confirmed his address of record
15 during the meeting.

16 28. The AARC Committee Report also noted that the May 10 open investigation letter was
17 “returned undeliverable on May 24, 2021;” the June 18 letter was “returned unopened but partially signed
18 for on July 8, 2021;” and the 233B letter dated July 26, 2021, was signed for on August 2, 2021, after
19 which point Respondent finally provided his work file to the Division.

20 **III. CONCLUSIONS OF LAW**

21 The Commission, based upon the preponderance of the evidence, makes the following
22 legal conclusions:

23 The Respondent failed to prepare the appraisal report for the Property in Compliance with the
24 Standards of the Appraisal Foundation and the law. The Standards are published in the Uniform Standards
25 of Professional Appraisal Practice (“USPAP”) adopted by the Appraisal Standards Board of the Appraisal
26 Foundation, as authorized by Congress, and adopted in Nevada by NAC 645C.400(1).

27 **First Violation**

28 USPAP Standards Rule 1-1(b) requires an appraiser to (b) not commit a substantial error of

1 omission or commission that significantly affects an appraisal.

2 Respondent violated Standards Rule 1-1(b) by relying on untested or unexplained extraordinary
3 assumptions regarding property value trends, market conditions and improvements on the property;
4 improperly developed adjustments and conclusions; by providing contradictory data in the Appraisal
5 Report that is not reconciled; and by improperly indicating that he conducted an interior/exterior
6 inspection when he in fact did not.

7 The Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2), as
8 determined by NAC 645C.405(1) and (2) and grounds for disciplinary action pursuant to NRS
9 645C.460(1)(a) and/or (b).

10 **Second Violation**

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

14 Respondent violated Standards Rule 1-1(c) by relying on untested or unexplained extraordinary
15 assumptions regarding property value trends, market conditions and improvements on the property;
16 improperly developed adjustments and conclusions; and by providing contradictory data in the Appraisal
17 Report that is not reconciled.

18 The Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2), as
19 determined by NAC 645C.405(1) and (2) and grounds for disciplinary action pursuant to NRS
20 645C.460(1)(a) and/or (b).

21 **Third Violation**

22 USPAP Standards Rule 1-2(e) requires an appraiser to (e) Identify, from sources the appraiser
23 reasonably believes to be reliable, the characteristics of the property relevant to the type and definition
24 of value and the Intended use of the appraisal.

25 Respondent violated Standards Rule 1-2(e) by relying on untested or unexplained extraordinary
26 assumptions regarding property value trends, market conditions and improvements on the property;
27 improperly developed adjustments and conclusions; and by providing contradictory data in the Appraisal
28 Report that is not reconciled.

1 The Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2), as
2 determined by NAC 645C.405(1) and (2) and grounds for disciplinary action pursuant to NRS
3 645C.460(1)(a) and/or (b).

4 **Fourth Violation**

5 USPAP Standards Rule 1-2(f) requires an appraiser to (f) identify any extraordinary assumptions
6 necessary in the assignment.

7 Respondent violated Standards Rule 1-2(f) by relying on untested or unexplained extraordinary
8 assumptions improvements on the property.

9 The Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2), as
10 determined by NAC 645C.405(1) and (2) and grounds for disciplinary action pursuant to NRS
11 645C.460(1)(a) and/or (b).

12 **Fifth Violation**

13 USPAP Standards Rule 1-3(a) requires an appraiser to (a) identify and analyze the effect on use
14 and value of existing land use regulations, reasonably probable modifications of such land use
15 regulations, economic supply and demand, the physical adaptability of the real estate, and market area
16 trends.

17 Respondent violated Standards Rule 1-3(a) by relying on untested or unexplained extraordinary
18 assumptions regarding property value trends and market conditions.

19 The Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2), as
20 determined by NAC 645C.405(1) and (2) and grounds for disciplinary action pursuant to NRS
21 645C.460(1)(a) and/or (b).

22 **Sixth Violation**

23 USPAP Standards Rule 1-4(a) requires an appraiser to collect, verify, and analyze all information
24 necessary for credible assignment results: (a) When a sales comparison approach is necessary for credible
25 assignment results, an appraiser must analyze such comparable sales data as are available to indicate a
26 value conclusion.

27 Respondent violated Standards Rule 1-4(a) by relying on untested or unexplained extraordinary
28 assumptions regarding market conditions; improperly developed adjustments and conclusions; and by

1 providing contradictory data in the Appraisal Report that is not reconciled.

2 The Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2), as
3 determined by NAC 645C.405(1) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a)
4 and/or (b).

5 **Seventh Violation**

6 USPAP Standards Rule 1-4(b) requires that when a cost approach is necessary for credible
7 assignment results, the appraiser must (i) develop an opinion of site value by an appropriate appraisal
8 method or technique; (ii) analyze such comparable cost data as are available to estimate the cost new of
9 the improvements (if any); and (iii) analyze such comparable data as are available to estimate the
10 difference between the cost new and the present worth of the improvements (depreciation).

11 The Respondent violated Standards Rule 1-4(b) by relying improperly developed site value
12 adjustments and conclusions.

13 The Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2), as
14 determined by NAC 645C.405(1) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a)
15 and/or (b).

16 **Eighth Violation**

17 USPAP Standards Rule 1-6(a) and 1-6(b) requires an appraiser to (a) reconcile the quality and
18 quantity of data available and analyzed within the approaches used, and (b) reconcile the applicability
19 and relevance of the approaches, methods and techniques used to arrive at the value conclusion(s).

20 The Respondent violated Standards Rules 1-6(a) and 1-6(b) by not reconciling his cost approach
21 value to his Appraisal Report's final value opinion.

22 The Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2), as
23 determined by NAC 645C.405(1) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a)
24 and/or (b).

25 **Ninth Violation**

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

28 The Respondent violated Standards Rule 2-1(a) by relying on untested or unexplained

1 extraordinary assumptions regarding property market conditions and improvements on the property;
2 improperly developed adjustments and conclusions; and by providing contradictory data in the Appraisal
3 Report that is not reconciled.

4 The Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2), as
5 determined by NAC 645C.405(1) and (2) and grounds for disciplinary action pursuant to NRS
6 645C.460(1)(a) and/or (b).

7 **Tenth Violation**

8 USPAP Standards Rule 2-1(b) requires each written or oral real property appraisal report to (b)
9 contain sufficient information to enable the intended user(s) of the appraisal to understand the report
10 properly.

11 The Respondent violated Standards Rule 2-1(b) by relying on untested or unexplained
12 extraordinary assumptions regarding property value trends and market conditions; improperly developed
13 adjustments and conclusions; and by providing contradictory data in the Appraisal Report that is not
14 reconciled.

15 The Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2), as
16 determined by NAC 645C.405(1) and (2) and grounds for disciplinary action pursuant to NRS
17 645C.460(1)(a) and/or (b).

18 **Eleventh Violation**

19 USPAP Standards Rule 2-1(c) requires each written or oral real property appraisal report to (c)
20 clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and
21 limiting conditions used in the assignment.

22 The Respondent violated Standards Rule 2-1(c) by relying on untested or unexplained
23 extraordinary improvements on the property, and improperly developed adjustments and conclusions.

24 The Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2), as
25 determined by NAC 645C.405(1) and (2) and grounds for disciplinary action pursuant to NRS
26 645C.460(1)(a) and/or (b).

27 **Twelfth Violation**

28 USPAP Standards Rule 2-2(a)(x)(2) and (5) requires each written or oral real property appraisal

1 report to provide sufficient information to indicate that the appraiser complied with the requirements of
2 Standard 1 by (2) stating the reasons for excluding the sales comparison, cost or income approach(es) if
3 any have not been developed; and (5) summarizing the information analyzed and the reasoning that
4 support the analyses, opinions, and conclusions, including reconciliation of the data and approaches.

5 The Respondent violated Standards Rule 2-2(a)(x)(2) by not reconciling his cost approach value
6 to his Appraisal Report's final value opinion.

7 The Respondent violated Standards Rule 2-2(a)(x)(5) by relying on untested or unexplained
8 extraordinary assumptions regarding property value trends, market conditions and improvements on the
9 property; improperly developed adjustments and conclusions; and by providing contradictory data in the
10 Appraisal Report that is not reconciled.

11 The Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2), as
12 determined by NAC 645C.405(1) and (2) and grounds for disciplinary action pursuant to NRS
13 645C.460(1)(a) and/or (b).

14 **Thirteenth Violation**

15 USPAP Standards Rule 2-2(a)(xiii) requires each written or oral real property appraisal report to
16 (xiii) clearly and conspicuously, state all extraordinary assumptions and hypothetical conditions; and
17 state that their use might have affected the assignment results.

18 The Respondent violated Standards Rule 2-2(a)(xiii) by relying on untested or unexplained
19 extraordinary assumptions regarding improvements on the property.

20 The Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2), as
21 determined by NAC 645C.405(1) and (2) and grounds for disciplinary action pursuant to NRS
22 645C.460(1)(a) and/or (b).

23 **Fourteenth Violation**

24 The Respondent violated NRS 645C.460(1)(a) pursuant to NRS 645C.480(1)(a) by failing to
25 address the Division's investigator's initial requests for response to the Division's investigation and to
26 produce his work file to the Division as requested.

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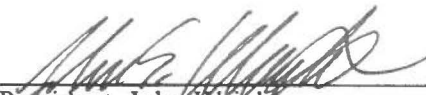
1 **ORDER**

2 The Commission, being fully apprised in the premises and good cause appearing,
3 hereby ORDERS:

- 4 1. Respondent's license (License No. A.0005827-CR) is revoked;
- 5 2. Respondent shall pay to the Division a fine of \$10,000 per violation for committing the
6 above-stated fourteen (14) violations of law for a total administrative fine of \$140,000.00;
- 7 3. Respondent shall pay the costs of the investigation and the hearing in the amount of
8 \$5,619.51 which are actual, reasonable, and necessary;
- 9 4. The total amount the Respondent shall pay is \$145,619.51, paid in full within eighteen
10 (18) months of this Order;
- 11 5. If the payment is not actually received by the Division on or before its due date, it shall
12 be construed as an event of default by Respondent. In the event of default, the unpaid
13 balance of the costs and fees, together with any attorney's fees and costs that may have
14 been assessed, shall be due in full to the Division within ten (10) calendar days of the date
15 of default. The Division may institute debt collection proceedings for failure to timely
16 pay the total fine; and
- 17 6. The Commission retains jurisdiction for correcting any errors that may have occurred in
18 the drafting and issuance of this document.

19 DATED this ____ day of April, 2024.

20 NEVADA REAL ESTATE COMMISSION

21 By: 
22 President, John Wright
23 Nevada Real Estate Commission

24 Submitted by:

25 By: /s/ Phil W. Su
26 PHIL W. SU (Bar No 10450)
27 Senior Deputy Attorney General
28 555 E. Washington Ave., #3900
Las Vegas, NV 89101
(702) 486-3655
psu@ag.nv.gov
Attorneys for Real Estate Division