1	BEFORE THE COMMISSION OF APPRAISERS OF REAL ESTATE		
2	STATE OF NEVADA		
3	SHARATH CHANDRA, Administrator, REAL ESTATE DIVISION,	Case No. 2020-1080, AP21.024.S	
4	DEPARTMENT OF BUSINESS AND		
5	INDUSTRY, STATE OF NEVADA,		
6	Petitioner,	STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY	
7	vs.	ACTION	
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9	JOSHUA RYAN STALK (License No. A.0207120-RES),		
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11	Respondent.		
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13	This Stipulation and Order for Settlement of Disciplinary Action (the "Stipulation")		
14	is entered into by and between the State of Nevada, Department of Business and		
15	Industry, Real Estate Division ("the Division"), through its Administrator Sharath		
16	Chandra ("Petitioner"), by and through their attorney of record, Phil W. Su, Senior		
17	Deputy Attorney General, and Respondent Joshua Ryan Stalk, ("RESPONDENT"), by		
18	and through his attorney of record, Paul Larsen, Esq.		
19	The RESPONDENT, at all relevant times mentioned in the Complaint, was		
20	licensed by the Division as a Licensed Residential Appraiser and, therefore, is subject to		
21	the Jurisdiction of the Division and the Commission and the provisions of NRS 645C and		
22	NAC Chapter 645C.		
23	JURISDICTION		
24	The Respondent was at all relevant times mentioned in this Complaint licensed by		
25	the Division as a Residential Appraiser under license number A.0207120-RES, and		
26	therefore, is subject to the Jurisdiction of the Division and the provisions of NRS and		
27	NAC Chapter 645C. By availing himself of the benefits and protections of the laws of the		
28	State of Nevada, the Respondent has submitted to the jurisdiction of the Division.		

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1 SUMMARY OF PROCEDURAL AND FACTUAL ALLEGATIONS 2 The Complaint filed by the Division alleges the following Procedural and Factual 3 Allegations against RESPONDENT: 4 1. On December 2, 2020, the Division received a complaint from Fannie Mae Loan Quality Center, which stated that the RESPONDENT's appraisal report 5 (hereinafter "Appraisal Report") contained inappropriate comparable sales. 6 2. 7 The Division opened an investigation into this matter on December 3, 2020, 8 and issued an open investigation letter to RESPONDENT requesting a response and the entire work file and documentation. 9 3. The Division commissioned a Standard 3 Review of the Appraisal Report. 10 11 4. The Respondent's counsel submitted a December 23, 2020, response letter to the Standard 3 Review, as well as RESPONDENT'S work file. 12 13 5. Following the investigation and Standard 3 Review, the investigator recommended the case be heard by the Appraisal Advisory Review Committee ("AARC"). 14 6. This case was heard by the AARC on April 18, 2023, and the Committee's 15 Report recommended that this case 2020-1080 be forwarded to the Commission. 16 17 7. The Respondent prepared an Appraisal Report for a 2,395 sq. ft., one-story, 4 br/3 bath single family residence, built in 1963 and located at 4105 Via Vaquero, Las 18 Vegas, Nevada 89102, APN # 162-06-812-071 ("Property"). 19 20 8. The Appraisal Report's assignment type was noted as "Refinance Transaction" and indicated value conclusion of \$399,000.00 by Sales Comparison $\mathbf{21}$ 22 Approach. 9. The effective date of the report was indicated as May 18, 2019, and the date 23of signature of the report was May 30, 2019. 24 On May 29, 2019, Respondent received a clarification request noting that 2510. "[m]arket data suggests that [Respondent's selected] comps may be from a superior 26 market" and requesting that Respondent consider additional sales. 27 Respondent prepared a May 30, 2019, addendum in response to the May 29, 28 11.

1	2019, request for clarification.				
2	12. The Appraisal Report's work file lacked items to substantiate proof of				
3	market stability, housing statistic value, or proof that the subject property "has no				
4	observed functional or external obsolescence."				
5	13. The Appraisal Report and work file lacked support for adjustments to sales				
6	grid, size of site adjustment, bath count adjustment, GLA adjustment, garage count				
7	adjustment, porch/patio/deck adjustment, pool adjustment, fireplace adjustment, upgrade				
8	adjustment, and location adjustment for all comparables.				
9	14. The work file lacked proof, analysis or testing to support the following				
10	statements found in the Appraisal Report:				
11	a. Statements found in the cost approach section that "land value derived by				
12	allocation" and "[a]verage list price to sales price ratio is 109%. Average				
13	marketing time is 20 +/- days."				
14	b. Site comments that "[t]he external influence, if any, may or might not be a				
15	factor in the sale of the subject", "[t]he appraiser was unable to isolate and				
16	quantify an adjustment for comparison," and "[t]he comparables are located				
17	within the subject development and adjoining development are similarly				
18	affected;"				
19	c. Comment in the sales comparison approach section "[a]s set by the				
20	appraisers' peers for the subject market area and/or a combination thereof;"				
21	d. Statements that "no location adjustment is warranted" and that "[t]he gross				
22	living area adjustments were derived from the allocation method;" and				
23	e. Statements that "[a]ll comparables are located in the same zip code (89102)				
24	and the same market area (MLS#501). Therefore; there was no adjustment				
25	for market area location."				
26	15. The work file contained no analysis related to real estate values correlating				
27	with postal zip codes and MLS market area and contained no MLS or tax data sheets.				
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1 16. On or about April 26, 2023, the Division mailed to the Respondent a follow-2 up letter pursuant to NRS 233B, indicating that the Division's investigation had 3 uncovered sufficient evidence to recommend the filing of a formal complaint by the 4 Division with the Commission of Appraisers of Real Estate.

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SUMMARY OF ALLEGED VIOLATIONS OF LAW

6 The Complaint filed by the Division alleges that RESPONDENT committed the 7 following violations of law:

8 17. RESPONDENT violated USPAP RECORD KEEPING RULE by failing to 9 maintain an adequate work file that meets the minimum standards of USPAP. The 10 appraisal report work file is considered "very weak" and indicates a lack of understanding 11 of what is required to meet the RECORD KEEPING RULE.

12 18. RESPONDENT violated USPAP COMPETENCY RULE by demonstrating a 13 lack of knowledge of what constitutes a "Comparable Market Area," the concept and 14 development of location adjustments, and the concept and development of market-derived 15 adjustments. The Respondent also demonstrated a lack of understanding of a home that 16 is an over-improvement for the market and lacked the knowledge and development of 17 adjustments caused by externalities.

18 19. RESPONDENT violated Standards Rule 1-1(a) and Rule 1-1(b) by relying on 19 untested assumptions, improperly developed adjustments, and a lack of understanding of 20 externalities, market definition, location adjustments and overimproved properties, and 21 by erring in market selection, comparable selection, effects of externalities, and location 22 differences.

23 20. RESPONDENT violated Standards Rule 1-3(b) by providing only a minimal
24 discussion of highest and best use in the Appraisal Report or work file.

25 21. RESPONDENT violated Standards Rule 1-4(a) by limiting comparable
26 selection to larger Gross Living Area homes in superior neighborhoods, while overlooking
27 many sales nearby, including within the property's subject subdivision, within the 12
28 months prior to date of value.

 RESPONDENT violated Standards Rule 1-4(b)(i) by referring to "allocation method" yet providing no evidence of allocation calculations in either the Appraisal Report or work file.

4 23. RESPONDENT violated Standards Rule 1-6(a) by failing to discuss the 5 quality and quantity of data in the reconciliation section of the Appraisal Report.

6 24. RESPONDENT violated Standards Rule 2-1(a) and Rule 2-1(b) by using 7 sales that were measurably superior in location, failing to use market supported 8 adjustments (location, externality, GLA, etc.), and failing to discuss and analyze the 9 subject property's over improvement in relation to the market; and by lacking discussion 10 and application of market supported location adjustments that left the reader unable to 11 understand the report.

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PROPOSED SETTLEMENT AGREEMENT

By entering into this Stipulation, the RESPONDENT does not admit the above factual and legal allegations made by the Petitioner, but nevertheless agrees to waive his right to contest the above alleged facts and legal violations if the Stipulation is approved by the Commission. Accordingly, in an effort to avoid the time and expense of litigating these legal and factual issues before the Commission, as well as any possible further legal appeals from any such decision, and the parties desire to compromise and settle the instant controversy upon the following terms and conditions:

- 20 1. The RESPONDENT agrees to take a minimum of sixteen (16) hours of
 21 Continuing Education Credits ("CEC") in the each of the following areas:
 - a. Not less than four (4) hours on Appraiser Self Protection: Documentation and Record Keeping;

c. Not less than (4) hours on Ethics, Competency, and Negligence; and

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- b. Not less than (4) hours on Missing Explanations;
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d. Not less (4) hours on Residential Report Writing vs. Form Filling.

These courses shall be completed within six (6) months of the effective date of the Commission's order approving this Stipulation. These courses will not count toward the RESPONDENT's continuing education requirements. Proof of completion must be
 submitted to the Division upon completion of all the required education.

2. RESPONDENT agrees to pay the Division a total amount of THIRTY SIX THOUSAND TWO HUNDRED TWO DOLLARS and 41/100 cents (\$36,202.41) ("Amount Due"), consisting of THIRTY TWO THOUSAND DOLLARS AND NO CENTS (\$32,000.00) in administrative fines imposed by the Division and the Division's prehearing attorney's fees in the amount of THREE THOUSAND ONE HUNDRED EIGHTY SEVEN DOLLARS and 91/100 cents (\$3,187.91), and investigative costs incurred in the total amount of ONE THOUSAND FOURTEEN DOLLARS and 50/100 cents (\$1,014.50).

The Amount Due shall be payable to the Division in twelve (12) monthly
 installments of THREE THOUSAND SIXTEEN DOLLARS and 87/100 cents (\$3,016.87),
 with the first payment due thirty (30) days after approval of this Stipulation by the
 Commission. Lump sums can be made in pre-payment with no penalties.

RESPONDENT and the Division agree that once this Agreement is approved
 and fully performed, the Division will close its file in this matter and the Division agrees
 not to pursue any other or greater remedies or fines in connection with RESPONDENT
 alleged conduct referenced herein. The Division further agrees that unless
 RESPONDENT fails to make timely payment, the Division will not bring any claim or
 cause directly or indirectly based upon any of the facts, circumstances, or allegations
 discovered during the Division's investigation and prosecution of this case.

5. RESPONDENT agrees and understands that by entering into this Stipulation, RESPONDENT is waiving his right to a hearing in each matter at which RESPONDENT may present evidence in his defense, his right to a written decision on the merits of the complaint, his rights to reconsideration and/or rehearing, appeal and/or judicial review, and all other rights which may be accorded by the Nevada Administrative Procedure Act, the Nevada Real Estate Appraisers statutes and accompanying regulations, and the federal and state Constitutions.

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6. RESPONDENT understands that this Agreement and other documentation

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may be subject to public records laws. The Commission members who review this matter
 for approval of this Stipulation may be the same members who ultimately hear, consider,
 and decide the Complaints if this Stipulation is either not approved by the Commission or
 is not timely performed by RESPONDENT.

7. RESPONDENT fully understands that he has the right to be represented by
legal counsel in these matters at his own expense.

8. Each party shall bear their own attorney's fees and costs, except as provided
above.

9 9. Approval of Stipulation. Once executed, this Stipulation will be filed with the 10 Commission and will be placed on the agenda for approval at its next public meeting. The 11 Division will recommend to the Commission approval of the Stipulation. RESPONDENT 12 agrees that the Commission may approve, reject, or suggest amendments to this 13 Stipulation that must be accepted or rejected by RESPONDENT before any amendment 14 is effective.

15 10. Withdrawal of Stipulation. If the Commission rejects this Stipulation or
16 suggests amendments unacceptable to RESPONDENT, RESPONDENT may withdraw
17 from this Stipulation, and the Division may pursue its Complaint before the Commission.
18 This Stipulation then shall become null and void and unenforceable in any manner
19 against either party.

Release. In consideration of the execution of this Stipulation, 20 11. RESPONDENT for himself, his heirs, executors, administrators, successors, and assigns, $\mathbf{21}$ 22 hereby releases, remises, and forever discharges the State of Nevada, the Department of Business and Industry, and the Division, and each of their respective members, agents, 23 employees, and counsel in their individual and representative capacities, from any and all 24 manner of actions, causes of action, suits, debts, judgments, executions, claims, and 25demands whatsoever, known and unknown, in law or equity, that RESPONDENT ever 26 had, now has, may have, or claim to have against any or all of the persons or entities 27named in this section, arising out of or by reason of the Division's investigations, these 28

1 disciplinary actions, and all other matters relating thereto.

2 12. Indemnification. **RESPONDENT** hereby agrees to indemnify and hold harmless the State of Nevada, the Department of Business and Industry, Petitioner, the 3 Division, and each of their respective members, agents, employees, and counsel, in their 4 5 individual and representative capacities, against any and all claims, suits, and actions brought against said persons and/or entities by reason of the Division's investigations, 6 7 these disciplinary actions, and all other matters relating thereto, and against any and all expenses, damages, and costs, including court costs and attorney fees, which may be 8 9 sustained by the persons and/or entities named in this section as a result of said claims, suits, and actions. 10

11 13. Default. In the event of default under this Stipulation, RESPONDENT 12 agrees that his license shall be immediately suspended, and the unpaid balance of the 13 administrative fine and costs, together with any attorneys' fees and costs that may have 14 been assessed, shall be due in full to the Division within ten calendar days of the date of 15 default. Debt collection actions for unpaid monetary assessments in this case may be 16 instituted by the Division or its assignee.

17 14. RESPONDENT has signed and dated this Stipulation only after reading and
18 understanding all terms herein.

19	IT IS SO STIPULATED.	
20	Dated: January, <u>10</u> , 2024.	NEVADA REAL ESTATE DIVISION Dept. of Business and Industry, State of Nevada
21		Dept. of Busiliess and Industry, plate of Nevada
22		By:
23		SHARATH CHANDRA, Administrator 3300 West Sahara Avenue, Suite 350
24		Las Vegas, Nevada 89102
25		Authentision
26	Dated: January 8th_ 2024.	Joshua Ryan Stalk 01/08/24
27		JOSHUA RYAN STALK (License No. A.0207120-RES)
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1	Approved as to form:			
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3	BLACK & WADHAMS AARON D. FORD Attorney General			
4				
5	By:/s/ Phil W. SuPAUL E. LARSEN (Bar No. 3756)By:PHIL W. SU (Bar No. 10450)			
6	10777 W Twain Ave, Suite 300 Senior Deputy Attorney General			
7	Las Vegas, NV 89135 555 E. Washington Ave. #3900 (702) 308-6153 Las Vegas, Nevada 89101			
8	Attorneys for Respondent (702) 486-3420			
9	Joshua Ryan Stalk Attorneys for Real Estate Division			
10	ORDER			
11	IT IS ORDERED that the foregoing Stipulation for Settlement of Disciplinary			
12	Action, submitted by Petitioner and Respondent, is approved in full.			
13	Dated: this day of, 2024.			
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15	COMMISSION OF APPRAISERS OF REAL ESTATE			
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17	By: President, Commission of Appraisers of Real Estate			
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