

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, STATE OF NEVADA,

6 Petitioner,

7 vs.

8 PATRICIA WOOD,
9 (License No. A.0001344-CR – Closed),

10 Respondent.

Case No. 2021-387, AP21.037.S

FILED

DEC 05 2023

NEVADA COMMISSION OF APPRAISERS

m. gallo

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12 **COMPLAINT AND NOTICE OF HEARING**

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 Christal Park Keegan, hereby notifies PATRICIA WOOD
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 At all times relevant to this Complaint, the Respondent was a Certified Residential
24 Appraiser licensed by the Division, and therefore, is subject to the Jurisdiction of the
25 Division and the provisions of NRS and NAC Chapter 645C. By availing herself of the
26 benefits and protections of the laws of the State of Nevada, the Respondent has submitted
27 to the jurisdiction of the Division.

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1 **PROCEDURAL HISTORY**

2 1. The Division received a complaint alleging that the Respondent's Appraisal
3 Report contained gross inaccuracies and omissions that negatively impacted the value of
4 the Subject Property. 000002 - 000004.

5 2. The Division commissioned a Standard 3 Review of the underlying appraisal
6 performed by the Respondent. 000115 - 000147.

7 3. The Respondent provided a story to the Division that her work files were
8 lost. 000058.

9 4. The Respondent has moved out of state, and therefore, the Division
10 determined that this matter should be heard by the Nevada Commission of Appraisers of
11 Real Estate ("Commission"). 000153.

12 **FACTUAL ALLEGATIONS**

13 1. The Respondent's Nevada Certified Residential Appraiser, License
14 No. A.0001344-CR, has been in closed, expired status for nearly two years as of
15 November 30, 2021.

16 2. The Respondent prepared an Appraisal Report on a Fannie Mae Form 1004
17 for an attached, 2-story townhome located at 1626 Aspen Meadows Drive, Henderson,
18 Nevada 89014 ("Subject Property"). 000032 - 000057.

19 3. On February 3, 2021, Respondent signed the Appraisal Report accepting full
20 responsibility for the contents of the Report including her analysis, opinions, statements,
21 conclusions, and certification. 000037.

22 4. The Respondent alleged her work file was lost and therefore could not be
23 produced to the Division. 000058.

24 5. The Appraisal Report's Neighborhood section, Characteristics subsection,
25 indicated one-unit housing trends at "3-6 months", however, the Market Conditions
26 Addendum ("1004MC") demonstrated "Under 3 months" should have been indicated
27 instead. 000032, 000045 and 000132.

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1 6. The Neighborhood section, Description subsection, provided the Subject
2 Property was located in Henderson market area, however, the entire City of Henderson
3 comprises of many market areas. *000032, and 000132.*

4 7. Further, in the Neighborhood section, Market Conditions subsection,
5 commentary to aid the User in understanding the market analysis was absent. *000032,*
6 *and 000133.*

7 8. The Appraisal Report's Site section indicated the Property's present use was
8 the highest and best use, however, a statement or summary of analysis in the Appraisal
9 Report was not provided. *000032, and 000143.*

10 9. In the Appraisal Report's Improvements section, Condition subsection,
11 inconsistent representations were reported as to what remodeling was reconciled in the
12 value opinion with regards to the new carpet, and the "as-is" representations. *000032,*
13 *and 000133.*

14 10. Further, the Improvements section, Physical Deficiencies subsection,
15 indicated "No" and referred to the Attached Addendum, however, the comments in the
16 Addendum did not describe any physical deficiency or adverse condition. *000032, 000041,*
17 *and 000133.*

18 11. The Appraisal Report's Sales Comparison Approach section stated Property
19 Comparable #3 had a driveway when it did not. *000033, and 000124.*

20 12. In the Sales Comparison Approach section, Comparable #3, the impact of
21 parking availability was not accounted for as a market factor. *000033 and 000124.*

22 13. Further, in the Sales Comparison Approach section, Comparable #3 received
23 an atypically low adjustment for the garage bay. *000033, and 000124.*

24 14. Also, in the Sales Comparison Approach section, adjustments were made
25 for a prefabricated patio cover at \$5,000 but only \$2,500 for a garage bay. *000033,*
26 *and 000124.*

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1 15. In the Sales Comparison Approach, the unit number in the address of
2 Comparable #3 was not included when there were three (3) homes in this particular
3 townhome building. *000033, and 000133.*

4 16. In the Sales Comparison Approach, Comparable #1 listed the wrong
5 document number as “200824002542” when the actual document number was
6 “202008240002542”. (**emphasis added**). *000033.*

7 17. The Appraisal Report did not reconcile and/or provide commentary regarding
8 the quantity and quality of data available in the Las Vegas valley. *000032 – 000057,*
9 *and 000131.*

10 18. The Appraisal Report’s Reconciliation section did not reconcile the
11 approaches utilized in terms of applicability and relevance. *000033, and 000132.*

12 19. The Reconciliation section also did not provide a reason why the income
13 approach was not developed for the subject market segment. *000033, and 000142.*

14 20. Further, the Income Approach Section included generalized statements
15 regarding why the income approach was not utilized, however, a reason why such
16 approach was not developed for the subject market segment, or the Subject Property, was
17 not provided. *000034, and 000142.*

18 21. The Appraisal Report’s Additional Comments section identified the USPAP
19 defined “Exposure Time”, but no definition was provided. *000034, and 000134.*

20 22. In the Appraisal Report’s Cost Approach section, higher base costs for
21 average or good quality construction were indicated at \$155 per sq. ft., however,
22 estimations are between \$100 to \$125 per sq. ft. *000034, and 000125.*

23 23. Also, in the Cost Approach section, the cost data source was indicated as
24 Marshall & Swift, however, quality ratings from the Uniform Appraisal Dataset
25 Definitions (“UADD”) were provided. *000034, 000039, and 000134.*

26 24. Further, in the Cost Approach section, figures were represented to be
27 derived from the Marshall & Swift Residential Cost Handbook, however, no lump sum

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1 adjustments were made to account for extras aside from the base cost. 000034,
2 and 000149.

3 25. The Cost Approach section reported inconsistencies of the physical
4 depreciation at 70% however, were figured at \$36,165 (14%). 000034, and 000150.

5 26. The Cost Approach section opined the Subject Property effective at 10 years,
6 however, the remaining economic life was estimated at 60 years. 000034, and 000125.

7 27. The Cost Approach section did not describe or note any deferred
8 maintenance, unfinished modification, abnormal depreciation, or other considerations
9 regarding a higher percentage of physical depreciation in the analysis. 000034,
10 and 000125.

11 28. The Cost Approach section did not provide a method for determining
12 physical depreciation. 000034, and 000134.

13 29. The Cost Approach section estimated site improvements at \$2,000, however,
14 there was no indication that figure accounted for lot grading, pulling utilities, flatwork
15 landscaping, fencing, etc. 000034, and 000125.

16 30. Due to errors committed, estimation of site value in the Cost Approach
17 section was made by abstraction and the sales utilized for such are unknown since there
18 is no work file. 000034, and 000125.

19 31. The Appraisal Report's Addendum comments misrepresented the
20 comparables themselves bracket and support the degree of value adjustments. 000041,
21 000134 - 000135

22 32. The Addendum's Comments on Sales Comparison misstated the Fannie Mae
23 guideline's for when a comparable utilized for analysis is located more than 1 mile from
24 the subject. 000041, and 000134.

25 33. The Addendum's Comments on Sales Comparison did not include any reason
26 to support the assertion that the commonality of main thoroughfares in residential areas
27 had no adverse effect to market reaction. 000041, 000134.

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1 **Third Violation**

2 The Respondent violated USPAP Standards Rule 1-1(a) by failing to correctly
3 employ the Sales Comparison and Cost Approaches necessary to produce a credible
4 appraisal.

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

8 **Fourth Violation**

9 The Respondent violated USPAP Standards Rule 1-1(c) by rendering appraisal
10 services in a careless or negligent manner, by committing a series of errors, including but
11 not limited to, in both the Sales Comparison and Cost Approaches.

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

15 **Fifth Violation**

16 The Respondent violated USPAP Standards Rule 1-6(a) by failing to provide
17 reconciliation and/or commentary in the report regarding the quantity and quality of data
18 in the Las Vegas valley.

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

22 **Sixth Violation**

23 The Respondent violated USPAP Standards Rule 1-6(b) by failing to reconcile the
24 Sales Comparison Analysis and the Cost approaches utilized, and not the Income
25 approach, in terms of applicability and relevance.

26 The Respondent's actions constitute unprofessional conduct pursuant to NRS
27 645C.470(2), as determined by NAC 645C.405(1) and grounds for disciplinary action
28 pursuant to NRS 645C.460(1)(a) and/or (b).

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Seventh Violation

The Respondent violated USPAP Standards Rule 2-1(a) by failing to set forth the appraisal clearly and accurately in a non-misleading manner through her minimal reporting, much of it confusing, and some mistaken.

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

Eighth Violation

The Respondent violated USPAP Standards Rule 2-2(a)(x) by making generalized statements rather than stating the reasons why the Income Approach was not developed.

Further, the Respondent violated Standards Rule 2-2(a)(x) for failing to have a reconciliation of the data and approaches.

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

Ninth Violation

The Respondent violated USPAP Standards Rule 2-2(a)(xii) by failing to opine and/or summarize the support and rationale for the indication that the Subject Property's highest & best use was its present use.

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

DISCIPLINE AUTHORIZED

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

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

4 3. Therefore, the Division requests the Commission to impose such discipline as
5 it determines is appropriate under the circumstances and to award the Division its costs
6 and attorney's fees for this proceeding.

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

11 **THE HEARING WILL TAKE PLACE** at the Commission meeting scheduled
12 for January 16 - 18, 2024, beginning at approximately 9:00 a.m. each day, or until
13 such time as the Commission concludes its business. The Commission meeting
14 will be held at the Nevada State Business Center, 3300 W. Sahara Avenue, Tahoe
15 Room 4th Floor, Las Vegas, Nevada 89102, with video conference to: Department
16 of Business & Industry, 1818 E. College Parkway, Suite 103, Carson City,
17 Nevada 89076.

18 **STACKED CALENDAR:** Your hearing is one of several hearings that may
19 be scheduled at the same time as part of a regular meeting of the Commission
20 that is expected to take place on January 16-18, 2024. Thus, your hearing may
21 be continued until later in the day or from day to day. It is your responsibility
22 to be present when your case is called. If you are not present when your case is
23 called, a default may be entered against you, and the Commission may decide
24 the case as if all allegations in the Complaint were true. If you need to
25 negotiate a more specific time for your hearing in advance, because of
26 coordination with out-of-state witnesses or the like, please call Maria Gallo,
27 Commission Coordinator, at (702) 486-4074.

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

7 As the Respondent, you are specifically informed that you have the right to appear
8 and be heard in your defense, either personally or through your counsel of choice. At the
9 hearing, the Division has the burden of proving the allegations in the Complaint and will
10 call witnesses and present evidence against you. You have the right to respond and to
11 present relevant evidence and argument on all issues involved. You have the right to call
12 and examine witnesses, introduce exhibits, and cross-examine opposing witnesses on any
13 matter relevant to the issues involved.


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

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20 DATED the 4 day of December, 2023.

DATED the 4th day of December, 2023.

21 NEVADA REAL ESTATE DIVISION

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