

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 CRAIG E. JIU
(License No. A.0002330-CG),

11 Respondent.

Case No. 2016-4145 & AP 17.021.S

**FIRST AMENDED FINDINGS OF
FACT AND CONCLUSIONS OF LAW**

FILED

FEB 27 2019

NEVADA COMMISSION OF APPRAISERS

12 This matter came for a hearing before the Nevada Commission of Appraisers of Real
13 Estate, State of Nevada (“Commission”) on Wednesday, October 9-11, 2018 and again on
14 January 29-30, 2019, at the Nevada State Business Center, 3300 W. Sahara Avenue, Las
15 Vegas, Nevada 89102. Respondent Craig E. Jiu (“Respondent”) appeared without
16 counsel. Peter K. Keegan, Deputy Attorney General, appeared and prosecuted the
17 Complaint on behalf of petitioner Sharath Chandra, Administrator of the Real Estate
18 Division, Department of Business & Industry, State of Nevada (“Division”). This matter
19 was consolidated with Case No. 2016-4146 due to the overlapping facts and both matters
20 were heard jointly by the Commission.

21 **I. JURISDICTION**

22 The Respondent is a Certified General Appraiser licensed by the Division, and
23 therefore, is subject to the Jurisdiction of the Division and Commission pursuant to the
24 provisions of NRS and NAC Chapter 645C.

25 **II. FINDINGS OF FACT**

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

1 1. The Respondent is currently licensed by the Division as a Certified General
2 Appraiser, License No. A.0002330-CG. Respondent was first issued a license on June 11,
3 1996 and reinstated on July 1, 2008.

4 2. On or about December 8, 2016, the Division received a complaint/statement
5 of fact asserting that the Respondent had completed an appraisal in violation of several
6 provision of the Uniform Standards of Professional Appraisal Practice ("USPAP").

7 3. Respondent was engaged to conduct a Real Estate Damages Analysis
8 ("Damages Analysis") for the property located at 590 Lairmont Place, Henderson, Nevada
9 89012, APN 178-27-218-003 ("590 Lairmont") by analyzing the nature, quality, value, or
10 use of the property, and offered an opinion as to the nature, quality, value or use of the
11 property for or with the expectation of compensation.

12 4. The opinion contained in the Damages Analysis concerned the impact of a
13 detrimental condition, further identified as a Class V: Detrimental Condition.

14 5. The effective date of the Damages Analysis was May 15, 2013.

15 6. The date of transmittal on the Damages Analysis was November 25, 2014.

16 7. The intended use of the Damages Analysis was litigation.

17 8. The Scope of Work identified in the Respondent's Damages Analysis fails to
18 determine and perform the scope of work necessary to develop credible assignment
19 results based upon the problem identified.

20 9. 590 Lairmont was originally listed on March 13, 2013, for \$2,160,000, but
21 closed with an "all cash" sale price of \$2,303,000 on May 15, 2013, after 13 days on the
22 market.

23 10. The Damages Analysis accepted the "As Is" (unimpaired value) expressed in
24 the expert appraisal report completed by Valbridge Property Advisors with an effective
25 date of May 15, 2013, and a cited value opinion of \$2,500,000.00 under an Extraordinary
26 Assumption.

27 11. The real property, commonly known as 594 & 598 Lairmont Place, to the
28 east of 590 Lairmont were vacant at the time of sale.

1 12. As of the effective date, the purchase of additional parcel had not closed and
2 the owners of the real property adjacent to the east of 590 Lairmont had not completed
3 their plans to develop.

4
5 13. The Damages Analysis failed to recognize that borrowed views across
6 adjacent properties are not guaranteed in perpetuity by laws or any agreement in this
7 case.

8 14. The Damages Analysis failed to identify permissible landscaping as a
9 possible obstruction of the borrowed views.

10 15. Respondent is not trained in statistical analysis or experienced in generating
11 surveys.

12 16. The Damages Analysis failed to include paired sales or any sales data
13 analysis to support a 30 to 40% value loss.

14 17. The Damages Analysis applies bias to the survey results.

15 18. The Damages Analysis survey results are not supported by transactional
16 data.

17 19. The Damages Analysis fails to account for existing topographic, physical,
18 and developed features of the surrounding land that create fishbowl conditions that
19 diminish the privacy of 590 Lairmont.

20 20. The Case Studies included in the Damages Analysis, independent of
21 transactional data, do not provide reliable support for the value conclusion.

22 **III. CONCLUSIONS OF LAW**

23 The Commission, based upon the preponderance of the evidence, makes the
24 following legal conclusions:

25 1. By failing to (1) identify the problem to be solved; (2) determine and perform
26 the scope of work necessary to develop credible assignment results; and (3) fully disclose
27 the scope of work in the report, the Respondent violated the USPAP Scope of Work Rule,
28 as codified in NAC 645C.405(1). The Respondent's actions constitute unprofessional

1 conduct, pursuant to NRS 645C.470(2) and grounds for disciplinary action pursuant to
2 NRS 645C.460(1)(a) and/or (b).

3 2. By engaging in the Real Estate Damage Analysis of 590 Lairmont Place and
4 failing to perform the assignment with impartiality, objectivity, independence, and
5 without accommodation of personal interests, Respondent demonstrated bias and
6 appeared to advocate for the interest of his clients. Furthermore, Respondent failed to
7 promote and protect the public trust inherent in appraisal practice. Respondent thereby
8 violated the USPAP Ethics Rule, as codified in NAC 645C.405(1). The Respondent's
9 actions constitute unprofessional conduct, pursuant to NRS 645C.470(2) and grounds for
10 disciplinary action pursuant to NRS 645C.460(1)(a) and/or (b).

11 3. By failing to conduct a thorough analysis of comparable sales or use other
12 methods to evaluate transactional level data in support of the survey results, the
13 Respondent failed to be aware of, understand, and correctly employ the recognized
14 methods and techniques that are necessary to produce a credible market value appraisal,
15 or retrospective Damages Analysis. As a result, the Respondent violated USPAP Rule 1-
16 1(a), as codified in NAC 645C.405(1). The Respondent's actions constitute unprofessional
17 conduct, pursuant to NRS 645C.470(2) and grounds for disciplinary action pursuant to
18 NRS 645C.460(1)(a) and/or (b).

19 4. By failing to support the value conclusion, which was based upon a survey of
20 realtors, with available market or sales comparison data, the Respondent failed to
21 reconcile the applicability or suitability of the approaches used to arrive at the value
22 conclusions. As a result, the Respondent violated USPAP Standards Rule 1-6(a) and 1-
23 6(b), as codified in NAC 645C.405(1). The Respondent's actions constitute professional
24 incompetence pursuant to NRS 645C.470(3) and grounds for disciplinary action pursuant
25 to NRS 645C.460(1)(a) and/or (b).

26 5. By failing to clearly and adequately disclose and explain the application of a
27 hypothetical condition to the Damages Analysis, the Respondent failed to communicate
28 the analysis, opinion, and conclusion in a manner that was not misleading.

1 ///

2 ///

3 As a result, the Respondent violated USPAP Standards Rule 2-1(a) and Rule 2-1(c), as
4 codified in NAC 645C.405(1). The Respondent's actions constitute unprofessional conduct
5 pursuant to NRS 645C.470(2) and grounds for disciplinary action pursuant to NRS
6 645C.460(1)(a) and/or (b).

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ORDER

IT IS HEREBY ORDERED that Respondent shall pay to the Division a total fine of \$6,078.29. The total fine reflects a fine of \$2,500.00 for committing each of the above five violations of law, plus \$3,578.29 for hearing and investigative costs. Respondent shall pay the total fine to the Division within ninety (90) days of the effective date of this Order.

IT IS FURTHER ORDERED that Respondent's Certified General Appraiser license is hereby suspended for a period of one (1) year from the effective date of this order and Respondent must appear before the Commission to apply for his Certified General Appraiser license to be reactivated.

IT IS FURTHER ORDERED that Respondent must complete thirty (30) hours of appraisal practice, thirty (30) hours of appraisal procedures, and fifteen (15) hours of USPAP live course continuing education credits within one (1) year of the effective date of the Commission's order. The total seventy-five (75) hours of continuing education course work shall not count towards the required continuing education requirements and must be completed before Respondent can reapply for reinstatement of this Certified General Appraiser's license.

If the payment or proof of completion of the continuing education is not actually received by the Division on or before its due date, it shall be construed as an event of default by Respondent. In the event of default, Respondent's licenses and permit shall be immediately suspended, and the unpaid balance of the administrative fine and costs, together with any attorney's fees and costs that may have been assessed, shall be due in full to the Division within ten calendar days of the date of default. The Division may institute debt collection proceedings for failure to timely pay the total fine.

///
///

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

///
///
///

The Commission retains jurisdiction for correcting any errors that may have occurred in the drafting and issuance of this Decision.

This Order shall become effective on the 2 day of ~~March~~ ^{April}, 2019.

DATED this 27 day of February, 2019.

COMMISSION OF APPRAISERS OF REAL ESTATE
STATE OF NEVADA

By: Chris C. Langer
President, Commission of Appraisers of Real Estate