

REAL ESTATE DIVISION,  
DEPARTMENT OF BUSINESS AND INDUSTRY,  
STATE OF NEVADA

FILED

JUN 04 2021

NEVADA COMMISSION OF APPRAISERS

*Billy Kaladey*

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SHARATH CHANDRA, Administrator,  
REAL ESTATE DIVISION,  
DEPARTMENT OF BUSINESS AND  
INDUSTRY, STATE OF NEVADA,

Petitioner,

vs.

RICHARD J POTTER  
A.0003476-CR

Respondent.

STIPULATION FOR SETTLEMENT  
OF DISCIPLINARY ACTION  
PURSUANT TO NAC 645C.610 (3)

Case No. 2020-55, AP20.028.S

STIPULATION FOR SETTLEMENT OF DISCIPLINARY  
ACTION PURSUANT TO NAC 645C.610 (3)

1. PARTIES. This Stipulation is entered into by and between the Petitioner, the REAL ESTATE DIVISION, DEPARTMENT OF BUSINESS AND INDUSTRY, STATE OF NEVADA (the "Division"), by and through its Administrator, SHARATH CHANDRA (the "Administrator"), and the Respondent, RICHARD J. POTTER (whether one or more hereinafter the "Respondent"), who at relevant times was licensed by the State of Nevada, license number(s) A.0003476-CR. This Stipulation is entered into upon mutual agreement with the decision of the Appraisal Advisory Review Committee (the "AARC"), which was reached at its informal conference held on April 27, 2021, in LAS VEGAS, NEVADA. Members of the AARC present were John Wright, Chairperson, Kristen Lowe and R. Scott Dugan.

2. AUTHORITY OF THE APPRAISAL ADVISORY REVIEW COMMITTEE. The Appraisal Advisory Review Committee has authority to enter into this Stipulation with the Respondent pursuant to NAC 645C.610 (3).

3. FINDINGS. The AARC has found that the Respondent, while licensed, certified or registered as a Nevada Appraiser, committed violations of chapter 645C of Nevada Revised Statutes



1 set forth below, and that once this Stipulation is approved and fully performed, the DIVISION will  
2 close its file in this matter. RESPONDENT understands that the public records law may require the  
3 DIVISION to make available for inspection this Stipulation and related documents. RESPONDENT  
4 also understands that the DIVISION may share the content of this Stipulation and related  
5 documents with any governmental or professional organization or member of the public.

6 **c. Newsletter.** RESPONDENT and the DIVISION agree that the DIVISION, at its  
7 discretion, may publish in the newsletter an anonymous summary of the alleged offenses of  
8 RESPONDENT and the terms of this Stipulation, with the understanding of all parties that such  
9 publication will not specifically name RESPONDENT or make reference to any other party;  
10 RESPONDENT will be referred to only as a licensee in the State of Nevada. It is further understood  
11 by the parties that this publication is for educational purposes only and to advise other licensees  
12 of the alleged violation(s) and that disciplinary action has been taken by the DIVISION.

13 **d. Failure to perform, hearing on complaint.**  
14 RESPONDENT agrees that if the required education is not completed in the time allowed above,  
15 RESPONDENT'S license will be automatically suspended until such time as the fine is paid and  
16 continuing education requirement satisfied. The DIVISION may, at its option, rescind this  
17 Stipulation and proceed with filing a Complaint before the Commission. Further, recovery actions  
18 for the administrative fines may be instituted by the DIVISION.

19 **e. No other remedies.** Assuming Respondent complies with the terms of this  
20 stipulation, the Division agrees not to pursue any other or greater remedies or fines in connection  
21 with the conduct referenced in above unless stipulation is rescinded.

22 **f. Waiver by Respondent.** RESPONDENT agrees and understands that by entering  
23 into this Stipulation, RESPONDENT is waiving his/her right to a hearing at which RESPONDENT may  
24 present evidence in his/her defense and to be represented by counsel, to judicial review of any  
25 adverse decision by the Commission, and to present his/her defense to a Commission which has  
26 had no prior familiarity with the instant matter. The Commission members who review this  
27 matter for approval of this Stipulation may be the same members who ultimately hear the  
28 DIVISION'S complaint if this Stipulation is either not approved by the Commission or is not timely  
performed by RESPONDENT; and

**g. Attorney fees and other costs.** Each party shall bear its own attorney's fees and  
other costs not specifically set forth in this Stipulation.

1           **6.     RELEASE.** In consideration of execution of this Stipulation, the Respondent for  
2 himself/herself or his/her heirs, executors, administrators, successors, and assigns, hereby  
3 release, remiss, and forever discharge the State of Nevada, the Department of Business and  
4 Industry of the State of Nevada, the Division, and each of their members, agents, and employees  
5 in their individual and representative capacities, from any and all manner of actions, causes of  
6 action, suits, debts, judgments, executions, claims, and demands whatsoever, known and  
7 unknown, in law or equity, that the Respondents ever had, now has, may have, or claims to have  
8 against any or all of the persons or entities named in this section, arising out of or by reason of the  
9 Division's investigation, this disciplinary action, or any other matter relating thereto.

10           **7.     INDEMNIFICATION.** Respondent hereby indemnifies and holds harmless the State  
11 of Nevada, the Department of Business and Industry of the State of Nevada, the Division, and each  
12 of their members, agents, and employees in their individual and representative capacities against  
13 any and all claims, suits, and actions brought against said persons and/or entities by reason of the  
14 investigation of the allegations in the Complaint, this disciplinary action and all other matters  
15 relating thereto, and against any and all expenses, damages, and costs, including court costs and  
16 attorney fees, which may be sustained by the persons and/or entities named in this section as a  
17 result of said claims, suits, and actions.

18           **8.     COMMISSION APPROVAL OF STIPULATION NECESSARY.**  
19 Once executed, this Stipulation will be filed with the Commission and will be put on the agenda  
20 for approval at its meeting, which by Nevada law is a public meeting. At that time, the DIVISION  
21 will recommend to the Commission approval of the Stipulation. RESPONDENT acknowledges and  
22 agrees that the Commission may approve this Stipulation, reject it, or suggest different terms  
23 which must be communicated to RESPONDENT and accepted or rejected by RESPONDENT before  
24 any such amendment shall become effective.

25           **9.     SETTLEMENT DISCUSSIONS NOT EVIDENCE.** Any statements made during the  
26 discussions leading up to this Stipulation may not be discussed or introduced into evidence at any  
27 hearing. However, evidence of the Respondent's failure to abide by the terms of any Stipulation  
28 entered into with the Division, may be introduced at a hearing and used against the Respondent.

**10.    STIPULATION IS NOT A BAR TO FUTURE PROCEEDINGS.** This Stipulation shall not  
constitute an estoppel, merger or bar to any administrative or civil proceeding by the Division with  
respect to any future matters or other matters that were not consideration for this Stipulation.

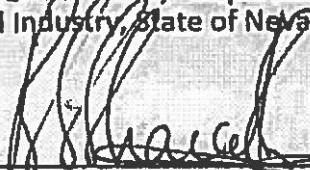
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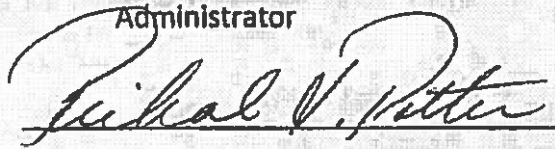
SO STIPULATED.

Dated: 05/13/2021

REAL ESTATE DIVISION, Department of  
Business and Industry, State of Nevada

By:   
Sharath Chandra  
Administrator

Dated: 5/8/2021

  
Respondent (Richard J. Potter)

**ORDER**

The foregoing Stipulation was approved by a vote of the Nevada Commission of Appraisers  
of Real Estate on.

DATED this 4<sup>th</sup> day of June, 2021.

NEVADA COMMISSION OF APPRAISERS OF  
REAL ESTATE

  
Appraisal Commission President

**Exhibit A- Richard J. Potter case # 2020-55**

1 **Violation found:**

2 **Record Keeping Rule:**

3 An appraiser must prepare a work file for each appraisal or appraisal review assignment. A work file  
4 must be in existence prior to the issuance of any report or other communication of assignment results. A  
5 written summary of an oral report must be added to the work file within a reasonable time after the  
issuance of the oral report.

6 **Competency Rule:**

7 An appraiser must:

- 8 (1) be competent to perform the assignment;  
9 (2) acquire the necessary competency to perform the assignment; or  
10 (3) decline or withdraw from the assignment. In all cases, the appraiser must perform competently when  
11 completing the assignment.

12 **Scope of Work Rule:**

13 For each appraisal and appraisal review assignment, an appraiser must:

- 14 1. identify the problem to be solved;  
15 2. determine and perform the scope of work necessary to develop credible assignment results; and  
16 3. disclose the scope of work in the report.

17 An appraiser must properly identify the problem to be solved in order to determine the appropriate  
18 scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to  
19 produce credible assignment results.

20 **Standards Rule 1:**

21 In developing a real property appraisal, an appraiser must identify the problem to be solved, determine  
22 the scope of work necessary to solve the problem, and correctly complete research and analyses  
23 necessary to produce a credible appraisal.

24 **Standards Rule1-1:**

25 In developing a real property appraisal, an appraiser must:

- 26 (a) be aware of, understand, and correctly employ those recognized methods and techniques that are  
27 necessary to produce a credible appraisal;  
28 (c) not render appraisal services in a careless or negligent manner, such as by making a series of errors  
that, although individually might not significantly affect the results of an appraisal, in the aggregate  
affects the credibility of those results.

29 **Standards Rule 1-3:**

30 When necessary, for credible assignment results in developing a market value opinion, an appraiser  
31 must:

- 32 (a) identify and analyze the effect on use and value of existing land use regulations, reasonably  
33 probable modifications of such land use regulations, economic supply and demand, the physical  
34 adaptability of the real estate, and market area trends;

35 **Standards Rule 1-4:**

36 In developing a real property appraisal, an appraiser must collect, verify, and analyze all information  
37 necessary for credible assignment results.

1 (a) When a sales comparison approach is necessary for credible assignment results, an appraiser must  
2 analyze such comparable sales data as are available to indicate a value conclusion.

3 **Standards Rule 1-5:**

4 When the value opinion to be developed is market value, an appraiser must, if such information is  
5 available to the appraiser in the normal course of business.

6 (a) analyze all agreements of sale, options, and listings of the subject property current as of the  
7 effective date of the appraisal;

8 **Standards Rule 1-6:**

9 In developing a real property appraisal, an appraiser must:

10 (a) reconcile the quality and quantity of data available and analyzed within the approaches used;

11 **Standard Rule 2:**

12 In reporting the results of a real property appraisal, an appraiser must communicate each analysis,  
13 opinion, and conclusion in a manner that is not misleading.

14 **Standards Rule 2-1:**

15 Each written or oral real property appraisal report must:

16 (a) clearly and accurately set forth the appraisal in a manner that will not be misleading;

17 (b) contain sufficient information to enable the intended users of the appraisal to understand the report  
18 properly;

19 **Standards Rule 2-2:**

20 Each written real property appraisal report must be prepared under one of the following options and  
21 prominently state which option is used: Appraisal Report or Restricted Appraisal Report

22 (a) The content of an Appraisal Report must be consistent with the intended use of the appraisal and, at a  
23 minimum:

24 (vii) summarize the scope of work used to develop the appraisal;

25 (viii) summarize the information analyzed, the appraisal methods and techniques employed, and the  
26 reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison  
27 approach, cost approach, or income approach must be explained;

28 **Facts and Rationale for Finding:**

**AARC Education Recommendations**

Not less than 4 hours Self Protection-Documentation and Record Keeping Course

Not less than 4 hours Residential Adjustment Course

Not less than 14 hours of residential report writing and case studies course.

For a total of not less than 22 hours of continued education to be completed within one year of the  
Appraisal President signing the stipulated agreement, none of the above listed education will count  
towards license renewal.

Once all education is completed the respondent will supply the Real Estate Division with two months of  
Appraisal logs, the Division will select random appraisals for USPAP review. This will be done once,  
unless the Division finds additional issues with the appraisals reviewed.