

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,

7   Petitioner,

8 vs.

9 BRETT J. PIERCE  
10 (License No. A.0205486-CR),

11   Respondent.

**Case No. 2019-316, AP19.026.N**

**STIPULATION FOR SETTLEMENT  
OF DISCIPLINARY ACTION**

12           This Stipulation for Settlement of Disciplinary Action (Agreement) is entered into  
13 by and between the REAL ESTATE DIVISION, DEPARTMENT OF BUSINESS AND  
14 INDUSTRY, STATE OF NEVADA (Division), by and through its Administrator,  
15 SHARATH CHANDRA, and the NEVADA COMMISSION OF APPRAISERS OF REAL  
16 ESTATE (Commission), by and through its President (collectively, Petitioner), and  
17 BRETT J. PIERCE (Respondent).

18   **JURISDICTION**

19           The Respondent is a Certified Residential Appraiser licensed by the Division, and  
20 therefore, is subject to the Jurisdiction of the Division and the provisions of NRS and  
21 NAC Chapter 645C. By availing himself of the benefits and protections of the laws of the  
22 State of Nevada, the Respondent has submitted to the jurisdiction of the Division.

23   **FACTUAL ALLEGATIONS**

24           1.     The Respondent has been licensed by the Division as a Certified Residential  
25 Appraiser, License No. A.0205486-CR since September 2008.

26           2.     On or about March 25, 2019, the Division received a complaint/statement of  
27 fact asserting that the Respondent completed a uniform residential appraisal report  
28 (Appraisal Report) for Homeowners Financial Group USA, through the Appraisal  
Management Company (AMC) Appraisal Mark.

///

1           3.     The complaint/statement of fact stated that the Respondent's Appraisal  
2 Report contained several violations of the Uniform Standards of Professional Appraisal  
3 Practice (USPAP).<sup>1</sup>

4           4.     The complaint/statement contained an internal appraisal review conducted  
5 by Summit Funding Inc.'s staff appraisers.

6           5.     The Respondent's Appraisal Report was prepared for a condominium  
7 property within the Idlewild Riverfront 2 Condominiums complex, located at 2875  
8 Idlewild Drive, Unit 108, APN 010-543-32 (Property), built in 1987.

9           6.     The gross living area of the Property recorded as 1,259 sq. ft.

10          7.     The intended use of the appraisal performed by the Respondent was  
11 specified as "lender/client to evaluate the property that is the subject of this appraisal for  
12 a mortgage finance transaction."

13          8.     The intended user of the Respondent's Appraisal Report is identified as  
14 "lender/client."

15          9.     The Respondent's Appraisal Report states the appraised value is  
16 \$359,000.00.

17          10.    The effective date of Respondent's Appraisal Report is identified as January  
18 11, 2019, and the signature date is January 30, 2019.

19          11.    No supporting information was provided for the opinion of highest and best  
20 use, where the Respondent checked the box present use.

21          12.    The Respondent's work file has no documented information on any of the  
22 sales, or a verification of the sales utilized in the Appraisal Report.

23          13.    The Respondent's work file does not contain any supporting MLS sheets.

24          14.    The lack of supporting documentation combined with the report stating the  
25 information was obtained from the MLS makes the report misleading.

26     ///

27  
28                    <sup>1</sup> The 2018-2019 edition of the Uniform Standards of Professional Appraisal  
Practice (USPAP) is applicable here.

- 1           15.    The work file does not contain a copy of the purchase agreement contract.
- 2           16.    The Appraisal Report indicates that the streets are public, when in fact, all
- 3 the interior roads of the Idlewild complex are private and privately maintained.
- 4           17.    The Appraisal Report indicates the flood zone as "AE," when in fact the flood
- 5 zone is "X."
- 6           18.    The Appraisal Report indicates that the number of parking spaces is 228
- 7 with a 2% ratio, when in fact there are only 171 parking spaces with a 1.5% ratio.
- 8           19.    The Appraisal Report indicates that there are 20 units rented and 94 owner
- 9 occupied units when the Washoe County Assessor's Office ownership database reported
- 10 51 of the 114 units are owner occupied.
- 11           20.    The work file does not include supporting information or analysis as to why
- 12 the income approach is not included in the scope of work.
- 13           21.    The Appraisal Report includes an addendum referencing changes made on
- 14 January 29, 2019; however, the work file does not include a copy of the original report,
- 15 the engagement letter, or the request for an amendment.
- 16           22.    The Respondent's work file does not include analysis or calculations for the
- 17 noted 5% and 10% quality adjustments, and the 10% market supported quality
- 18 adjustments.
- 19           23.    The Respondent's work file does not include calculations or analysis
- 20 regarding the non-adjustments for HOA dues.
- 21           24.    The Appraisal Report does not include commentary regarding the market
- 22 reaction regarding HOA fee disparities in the sales comparables.
- 23           25.    The work file does not contain supporting information, analysis, or
- 24 calculations regarding the adjustments for bathroom count, gross living area, or garage
- 25 capacity.
- 26    ///
- 27    ///
- 28    ///

1           26. The 1004MC, Market Conditions Addendum, noted the medium comparable  
2 sales prices were increasing, stating “[t]he market analysis and research indicated that  
3 values in this area have been increasing over the past year;” however, the Appraisal  
4 Report stated that property values are stable.

5           27. The work file includes no evidence of the appropriate methods and  
6 techniques necessary to develop adjustments applied to the sales comparison approach.

7           28. The Appraisal Report included a series of errors that, although individually  
8 might not significantly affect the results, in the aggregate, affect the credibility of the  
9 results.

10          29. The neighborhood description erroneously references the North Lake Tahoe  
11 community, when the subject property location is in Reno, Nevada.

12          30. The market conditions section of the Appraisal Report identifies that  
13 “[c]urrent market conditions in the area reflect current market conditions in California,”  
14 but fails to clarify if these conditions are relevant to the Reno, Nevada market area.

15          31. By making a series of errors, including inaccurate neighborhood and market  
16 area descriptions, erroneous market area reporting, unsupported adjustments and non-  
17 adjustments, which individually may not significantly affect the results of the report, the  
18 errors as a whole affected the credibility of the report results.

19          32. By not including the income approach, an analysis of the subject’s FEMA  
20 designated flood zone, and/or analysis of the HOA dues as part of the scope of work, the  
21 credibility of the report results is affected.

22          33. The Respondent did not clearly and accurately set forth the appraisal in a  
23 manner that was not misleading.

24          34. The Appraisal Report did not contain sufficient information to enable the  
25 intended user of the appraisal to understand the report properly due to the number of  
26 mistakes and erroneous information found within the appraisal report.

27          35. The seven comparable sales utilized by the Appraiser contained numerous  
28 mistakes and/or inconsistencies.

1           36. On or about February 28, 2020, the Division sent the Respondent, via  
2 certified mail, an NRS Chapter 233B Letter, as required by NRS 233B.237(3) indicating  
3 that the Division's investigation had uncovered sufficient evidence to recommend the  
4 filing of a formal complaint by the Division with the Nevada Appraisal Commission.

5                                   **ALLEGED VIOLATIONS OF LAW**

6           The Respondent failed to prepare the appraisal report for the Property in  
7 Compliance with the Standards of the Appraisal Foundation. These Standards are  
8 published in the USPAP adopted by the Appraisal Standards Board of the Appraisal  
9 Foundation, as authorized by Congress, and adopted in Nevada by NAC 645C.400.

10                                   **First Violation**

11           The USPAP ETHICS RULE requires that an appraiser must not willfully or  
12 knowingly violate the requirements of the RECORD KEEPING RULE; and must not  
13 perform an assignment in a grossly negligent manner.

14           Respondent violated the USPAP ETHICS RULE, as codified in NAC 645C.405(1),  
15 by performing the assignment in a grossly negligent matter. The work file contains no  
16 information as to how the adjustments were developed or quantified. The Respondent's  
17 actions constitute unprofessional conduct, pursuant to NRS 645C.470(2) and grounds for  
18 disciplinary action pursuant to NRS 645C.460(1)(a) and/or (b).

19                                   **Second Violation**

20           The USPAP RECORD KEEPING RULE requires that an appraiser must prepare a  
21 work file for each appraisal review assignment. The work file must be in existence prior  
22 to the issuance of any report or other communication of assignment results. The work file  
23 must include all other data, information, and documentation necessary to support the  
24 appraiser's opinions and conclusions and to show compliance with USPAP, or references  
25 to the location(s) of such other data, information, and documentation.

26           The Respondent violated the USPAP RECORD KEEPING RULE, as codified in  
27 NAC 645C.405(1), by failing to keep and maintain true copies of all written reports,  
28 documented on any type of media and all other data, information, and documentation

1 necessary to support the appraiser's opinions and conclusions, and to show compliance  
2 with USPAP, or references to the location(s) of such other data, information or  
3 documentation. The Respondent's comparable adjustments fail to provide supporting  
4 information for the adjustments of quality, bathroom count, gross living area, garage  
5 capacity, or HOA dues. The Respondent also failed to include copies of the original  
6 Appraisal Report, amendment request, and purchase contract. The Respondent's actions  
7 constitute unprofessional conduct, pursuant to NRS 645C.470(2) and grounds for  
8 disciplinary action pursuant to NRS 645C.460(1)(a) and/or (b).

### 9 **Third Violation**

10 The COMPETENCY RULE requires that an appraiser must: (1) be competent to  
11 perform the assignment; (2) acquire the necessary competency to perform the assignment;  
12 or (3) decline or withdraw from the assignment.

13 The Respondent violated the USPAP COMPETENCY RULE, as codified in NAC  
14 645C.405(1), by failing to demonstrate competency when he did not use or explain the  
15 non-use of the income approach. The Respondent also failed to demonstrate familiarity  
16 with the Reno condominium market when he misidentified the neighborhood. This is  
17 unprofessional conduct pursuant to NRS 645C.470(2) and grounds for disciplinary action,  
18 pursuant to Nevada Revised Statutes ("NRS") 645C.460(1)(a) and/or (b).

### 19 **Fourth Violation**

20 The SCOPE OF WORK RULE requires an appraiser to: (1) identify the problem to  
21 be solved; (2) determine and perform the scope of work necessary to develop credible  
22 assignment results; and (3) disclose the scope of work in the report. An appraiser must be  
23 prepared to demonstrate that the scope of work is sufficient to produce credible  
24 assignment results.

25 The Respondent violated the SCOPE OF WORK RULE, as codified in NAC  
26 645C.405(1), by failing to include supporting information or analysis as to why the income  
27 approach was not used. The Respondent's failure to include supporting information,  
28 analysis, or calculations regarding the adjustments for bathroom count, gross living area,

1 or garage capacity also diminished the credibility for the assignment results. This is  
2 unprofessional conduct pursuant to NRS 645C.470(2) and grounds for disciplinary action,  
3 pursuant to Nevada Revised Statutes ("NRS") 645C.460(1)(a) and/or (b).

4 **Fifth Violation**

5 USPAP Standards Rule 1-1(a) requires that in developing a real property  
6 appraisal, an appraiser must: (a) be aware of, understand, and correctly employ those  
7 recognized methods and techniques that are necessary to produce a credible appraisal.

8 The Respondent violated USPAP Standards Rule 1-1(a), as codified in NAC  
9 645C.405(1), by making several errors in the appraisal report with several inconsistencies  
10 or misrepresentations in the body of the report making it apparent that the appraiser did  
11 not understand how to correctly employ recognized methods and techniques. This is  
12 unprofessional conduct pursuant to NRS 645C.470(2) and grounds for disciplinary action,  
13 pursuant to Nevada Revised Statutes ("NRS") 645C.460(1)(a) and/or (b).

14 **Sixth Violation**

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

19 The Respondent violated USPAP Standards Rule 1-1(c), as codified in NAC  
20 645C.405(1), by failing to provide supporting information obtained from the MLS, a copy  
21 of the sales contract, misidentifying the interior roads of the Property, the flood zone  
22 designation, the market conditions, parking space ratio, and consistently making  
23 mistakes and/or discrepancies in the 7 comparables. The Respondent's actions constitute  
24 professional incompetence pursuant to NRS 645C.470(3) and grounds for disciplinary  
25 action pursuant to NRS 645C.460(1)(a) and/or (b).

26 ///

27 ///

28 ///

1 **Seventh Violation**

2 USPAP Standards Rule 1-2(h) requires an appraiser must determine the scope of  
3 work necessary to produce credible assignment results in accordance with the SCOPE OF  
4 WORK RULE.

5 The Respondent violated USPAP Standards Rule 1-2(h), as codified in NAC  
6 645C.405(1), because of the numerous inconsistencies and mistakes found within the  
7 comparables utilized in the report and the misidentification of the 1004MC market  
8 conditions. The Respondent's actions constitute professional incompetence pursuant to  
9 NRS 645C.470(3) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a)  
10 and/or (b).

11 **Eighth Violation**

12 USPAP Standards Rule 1-5(a) requires an appraiser must analyze all agreements  
13 of sale, opinions, or listing of the subject property current as of the effective date of the  
14 appraisal.

15 The Respondent violated USPAP Standards Rule 1-5(a), as codified in NAC  
16 645C.405(1), by failing to include or analyze the purchase contract for the Property. The  
17 Respondent's actions constitute professional incompetence pursuant to NRS 645C.470(3)  
18 and grounds for disciplinary action pursuant to NRS 645C.460(1)(a) and/or (b).

19 **Ninth Violation**

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

23 Respondent violated USPAP Standards Rule 2-1(a), as codified in NAC  
24 645C.405(1), due to the lack of supporting documentation in the work file, the numerous  
25 mistakes and inconsistencies found within the report and the sales utilized. The  
26 Respondent's actions constitute unprofessional conduct pursuant to NRS 645C.470(2) and  
27 grounds for disciplinary action pursuant to NRS 645C.460(1)(a) and/or (b).

28 ///



1 **Tenth Violation**

2 USPAP Standards Rule 2-1(b) requires each written or oral real property appraisal  
3 report to contain sufficient information to enable the intended users of the appraisal to  
4 understand the report properly.

5 Respondent violated USPAP Standards Rule 2-1(b), as codified in NAC  
6 645C.405(1), by failing to include sufficient supporting MLS information regarding the  
7 comparables, and/or discussion regarding the neighborhood analysis relative to the  
8 subject, the selection of the comparable sales and listings, and the quantification of the  
9 adjustments. The Respondent's actions constitute unprofessional conduct pursuant to  
10 NRS 645C.470(2) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a)  
11 and/or (b).

12 **Eleventh Violation**

13 USPAP Standards Rule 2-2(a)(viii) requires the content of an appraisal report to be  
14 consistent with the intended use of the appraisal and, at a minimum: (viii) summarize  
15 the information analyzed, the appraisal methods and techniques employed, and the  
16 reasoning that supports the analyses, opinions, and conclusions; exclusions of the sales  
17 comparison approach, cost approach, or income approach must be explained. The  
18 appraiser must provide sufficient information to enable the client and intended users to  
19 understand the rationale for the opinions and conclusions, including reconciliation of the  
20 data and approaches, in accordance with Standards Rule 1-6.

21 Respondent violated USPAP Standards Rule 2-2(a)(viii), as codified in NAC  
22 645C.405(1), by failing to include a summary of the information analyzed, the methods  
23 and techniques employed, and the reason that supports the analysis, opinions, and  
24 conclusions. The appraisal report includes no evidence to adequately explain the  
25 exclusions of the income approach. The Respondent's actions constitute unprofessional  
26 conduct pursuant to NRS 645C.470(2) and grounds for disciplinary action pursuant to  
27 NRS 645C.460(1)(a) and/or (b).

28 ///

1 **Twelfth Violation**

2 USPAP Standards Rule 2-2(a)(x) requires that the content of an appraisal report  
3 must be consistent with the intended use of the appraisal and, at a minimum when an  
4 opinion of highest and best use was developed by the appraiser, summarize the support  
5 and rationale for that opinion.

6 Respondent violated USPAP Standards Rule 2-2(a)(x), as codified in NAC  
7 645C.405(1), by failing to include a discussion in the report or evidence in the work file as  
8 to how the highest and best use was determined. The Respondent's actions constitute  
9 unprofessional conduct pursuant to NRS 645C.470(2) and grounds for disciplinary action  
10 pursuant to NRS 645C.460(1)(a) and/or (b).

11 **Thirteenth Violation**

12 USPAP Standards Rule 2-2(a)(xii) requires that the appraiser include a signed  
13 certification in accordance with Standards Rule 2-3.

14 Respondent violated USPAP Standards Rule 2-2(a)(xii), as codified in NAC  
15 645C.405(1), by failing to include a second certification for an amendments/second report,  
16 as of January 29, 2019. The Respondent's actions constitute unprofessional conduct  
17 pursuant to NRS 645C.470(2) and grounds for disciplinary action pursuant to NRS  
18 645C.460(1)(a) and/or (b).

19 **SETTLEMENT AGREEMENT**

20 The parties desire to compromise and settle the instant controversy upon the  
21 following terms and conditions:

- 22 1. Respondent admits to the factual allegations as stated above; however,  
23 Respondent does not admit to the above alleged violations.

24 ///  
25 ///  
26 ///  
27 ///  
28 ///

1           2.     Respondent agrees to pay the Division a total monetary penalty of SIX  
2 THOUSAND THREE HUNDRED AND EIGHTY-NINE DOLALRS and 17/100 CENTS  
3 (\$6,389.17), which is comprised of a \$1,400.00 disciplinary fine and \$4,989.17 to cover its  
4 administrative investigatory costs associated. The total monetary penalty shall be paid in  
5 24 monthly installments beginning on June 1, 2021. The first twenty-three payments  
6 shall be in the amount of \$266.22 and the final payment shall be in the amount of  
7 \$266.11.

8           3.     If the payment is not timely received by the Division, pursuant to the terms  
9 of this Agreement, it shall be construed as an event of default.

10          4.     Respondent further agrees to complete 48 hours of continuing education  
11 comprised the following:

- 12           a. not less than 6 hours in ethics, competency, and negligence;
- 13           b. not less than 7 hours in scope of work;
- 14           c. not less than 14 hours in residential market analysis and highest and  
            best use;
- 15           d. not less than 14 hours in residential report writing; and
- e. not less than 7 hours in sales comparison approach.

16 The 48 hours of continuing education must be completed within 18 months of the date of  
17 the Appraisal Commission President's signature approving this Agreement. None of the  
18 48 hours of continuing education can be used for renewal purposes. Once the education is  
19 completed, the Respondent will submit a full month's appraisal log to the Real Estate  
20 Division to select an appraisal for USPAP compliance. Respondent agrees to comply with  
21 the Division by providing the work file for the selected appraisal and any other necessary  
22 documents to the Division.

23          5.     If proof of completion of the continuing education of the appraisal logs are  
24 not timely received by the Division, pursuant to the terms of this Agreement, it shall be  
25 construed as an event of default.

26          6.     In the event of default, Respondent agrees that his license shall be  
27 immediately suspended, and the Division may rescind this Agreement and pursue a  
28 formal complaint and hearing before the Commission.

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

9           8.     The Respondent understands that the public records law may require the  
10 Division to make available for inspection this Agreement and related documents. The  
11 Respondent also understands that the Division may share the contents of this Agreement  
12 and related documents with any governmental or professional organization.

13           9.     This Agreement is contingent upon approval by the Commission at a public  
14 meeting.

15           10.    Respondent agrees and understands that by entering into this Agreement,  
16 Respondent is waiving his right to a hearing at which Respondent may present evidence  
17 in defense, waiving his right to a written decision on the merits of the complaint,  
18 waiving his rights to reconsideration and/or rehearing, appeal and/or judicial review, and  
19 all other rights which may be accorded by the Nevada Administrative Procedure Act  
20 (NRS 233B), the Nevada Appraisers of Real Estate And Appraisal Management  
21 Companies laws (NRS 645C & NAC 645C), as well as the federal and state Constitutions.  
22 Respondent agrees and understands that the Commission members who review this  
23 matter for approval of this Agreement may be the same members, who ultimately hear,  
24 consider, and decide the Complaint if this Agreement is either not approved by the  
25 Commission or is not timely performed by Respondent. Respondent fully understands  
26 that he has the right to be represented by legal counsel in this matter at his own expense.

27           11.    Each party shall bear its own attorney's fees and costs.

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

**IT IS SO STIPULATED.**

DATED this 12 day of ~~April~~<sup>May</sup>, 2021.

DATED this 22 day of April, 2021.

NEVADA DIVISION OF REAL ESTATE

By:   
Sharath Chandra  
Administrator


By:   
**BRETT J. PIERCE**  
Respondent

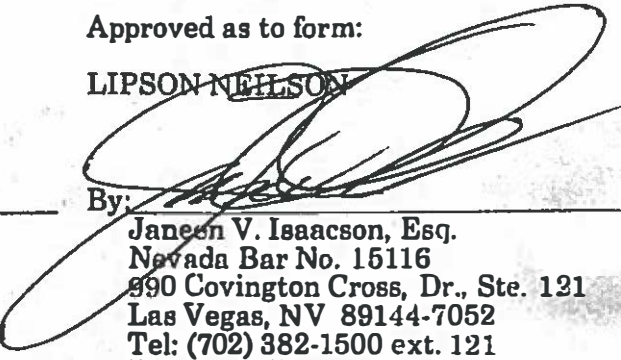
Approved as to form:

AARON D. FORD  
Attorney General

Approved as to form:

LIPSON NEILSON

By:   
Peter K. Keegan, Bar No. 12237  
Deputy Attorney General  
100 North Carson St.  
Carson City, NV 89701  
Tel: (775) 684-1153  
[pkeegan@ag.nv.gov](mailto:pkeegan@ag.nv.gov)

By:   
Janeen V. Isaacson, Esq.  
Nevada Bar No. 15116  
890 Covington Cross, Dr., Ste. 121  
Las Vegas, NV 89144-7052  
Tel: (702) 382-1500 ext. 121  
[jisaacson@lipsonneilson.com](mailto:jisaacson@lipsonneilson.com)

*Attorneys for the State of Nevada*

*Attorneys for the Respondent*