

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,

Case No. 2018-1555, AP19.018.S

**FINDINGS OF FACT, CONCLUSIONS  
OF LAW, AND ORDER**

Petitioner,

vs.

**FILED**

MAY 09 2022

9 DARREN S. LYTTLE  
10 (License No. A.0003642-CR),

NEVADA COMMISSION OF APPRAISERS

*Kerry Valadez*

11 Respondent.

12  
13           This matter came on for a hearing before the Nevada Commission of Appraisers of  
14 Real Estate (the "Commission") on April 26, 2022. Respondent Darren S. Lytle  
15 ("Respondent") did not appear. Louis V. Csoka, Deputy Attorney General, appeared and  
16 prosecuted the Complaint on behalf of Petitioner Sharath Chandra, Administrator of the  
17 Real Estate Division, Department of Business and Industry, State of Nevada (the  
18 "Division").

19 **I. JURISDICTION**

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

24 **II. FINDINGS OF FACT**

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

1           1.     The Division served a copy of the Complaint and Notice of Hearing, Notice of  
2 Complaint and Obligation to Respond, and Notice of Documents at least thirty (30) days  
3 prior to the hearing scheduled in this matter for Tuesday, April 26, 2022.

4           2.     Subsequently, the Division also served a copy of Notice of Default, prior to  
5 the hearing scheduled in this matter.

6           3.     Respondent was served all of the above-referenced documents at  
7 Respondent's address on file with the Division: 10620 Southern Highlands Parkway Suite  
8 110, Las Vegas, Nevada 89141.

9           4.     The Respondent failed to appear at the hearing in this matter on April 26,  
10 2022 and did not request a continuance in this matter.

11          5.     The Respondent is licensed by the Division as a Certified Residential  
12 Appraiser, License No. A.0003642-CR.

13          6.     The Respondent's Appraisal Report was prepared for a single-family  
14 residence located at 5251 Elgin Circle, Las Vegas, Nevada 89122, APN 161-28-613-010  
15 ("Property").

16          7.     The gross living area of the Property recorded as 1,506 square feet.

17          8.     The assignment type is identified as "Purchase Transaction," and the  
18 lender/client is identified as "Home Funding Corporation."

19          9.     The effective date of Respondent's Appraisal Report is identified as  
20 September 11, 2018, and the signature date is September 12, 2018.

21          10.    The Respondent's Appraisal Report states the appraised value is \$  
22 214,000.00.

23          11.    Respondent's Appraisal Report, however, is deficient in several respects.

24          12.    First, while Respondent applied adjustments for site area, condition,  
25 bathroom count, gross living area, carport and other features in his Appraisal Report,  
26 Respondent's associated work file contains no information as to indicate how such  
27 adjustments were actually developed and quantified.

28          13.    Second, while Respondent's Appraisal Report asserts that vacant land

1 comparables were researched, Respondent's associated work file includes no supporting  
2 data or analysis regarding any such comparable land sites.

3 14. Third, while Respondent's Appraisal Report states that the source of the cost  
4 data for the cost approach is Marshall and Swift, the associated work file includes no  
5 supporting information or analysis whatsoever, regarding the replacement cost developed  
6 by any method, including any Marshall and Swift cost analysis.

7 15. Fourth, while Respondent's Appraisal Report states the "as is" value of site  
8 improvements is \$ 4,000.00, the Appraisal Report and associated work file does not  
9 contain supporting information or analysis regarding such site improvement value  
10 estimate stated.

11 16. Fifth, Respondent also fails to state in its cost approach what items are  
12 specifically included with the "as is" value of such site improvements.

13 17. Sixth, while Respondent's Appraisal Report states that property values are  
14 increasing with some general support for the same, the Appraisal Report does not  
15 reconcile such reasoning with any date of sale/time adjustments and contains no  
16 commentary as to why such adjustments were not completed.

17 18. Given such insufficient analysis and support relative to any relevant  
18 date/time analysis, the sales comparison approach is ultimately not credible.

19 19. Seventh, while the comparable listings in Respondent's Appraisal Report  
20 include adjustments for garage/carport, such adjustments are not consistent with similar  
21 adjustments applied to comparable sales.

22 20. Eighth, the Appraisal Report and associated work file do not contain  
23 evidence of any analysis (paired sales, statistical analysis, cost data) which would support  
24 any such adjustment made, or not made.

25 21. Ninth, the Respondent's associated work file contains no evidence of site  
26 value calculations.

27 22. Tenth, the Respondent's associated work file contains no supporting  
28 information or analysis regarding the replacement cost developed.

1           23. Eleventh, while Respondent checked the box in his Appraisal Report  
2 indicating the highest and best use of the Property is its present use, Respondent failed to  
3 summarize the rationale and support for such analysis, including relevant property  
4 characteristics.

5           24. Twelfth, the Respondent merely stating that the cost approach was  
6 developed, and the income approach was not developed, while relying on a sales  
7 comparison approach for its own conclusions, is not an acceptable reconciliation without  
8 additional explanation.

9           25. In particular, there is no evidence in the report which adequately explains  
10 the ultimate exclusion of the cost approach and income approach.

### 11 **III. CONCLUSIONS OF LAW**

12           The Commission, based upon the preponderance of evidence, makes the following  
13 legal conclusions:

14           1. The Division properly served notice, via certified mail, of the underlying  
15 Complaint upon Respondent at his last known address on file with the Division pursuant  
16 to NRS 645C.500(5).

17           2. Based upon the Respondent's failure to appear at the scheduled hearing on  
18 April 26, 2022, default is hereby entered against the Respondent pursuant to NRS  
19 645C.502 and all charges specified in the Complaint are considered as true.

#### 20           3. **First Violation**

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

28           The Respondent violated USPAP RECORD KEEPING RULE by failing to have in

1 his associated work file (1) data or analysis regarding any comparable vacant land sites,  
2 (2) information as to indicate how certain adjustments for several features were actually  
3 developed and quantified, (3) supporting information or analysis regarding the  
4 replacement cost developed by any method, including any Marshall and Swift cost  
5 analysis, and (4) supporting information or analysis regarding the stated and assumed  
6 “as is” value of site improvements, which are stated to be \$ 4,000.00.

7 This is unprofessional conduct pursuant to NRS 645C.470(2) and grounds for  
8 disciplinary action, pursuant to Nevada Revised Statutes (“NRS”) 645C.460(1)(a) and/or  
9 (b).

#### 10 4. Second Violation

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

14 The Respondent violated USPAP Standards Rule 1-1(a), as codified in NAC  
15 645C.405(1), by (1) failing to reconcile in his Appraisal Report the statement that  
16 property values are increasing with any date of sale/time adjustments, thereby rendering  
17 his sales comparison approach ultimately not credible, (2) having adjustments for  
18 garage/carport inconsistent with similar adjustments applied to comparable sales, and (3)  
19 failing to provide evidence of any analysis (paired sales, statistical analysis, cost data)  
20 which would support several adjustments made, or not made.

21 This is unprofessional conduct pursuant to NRS 645C.470(2) and grounds for  
22 disciplinary action, pursuant to Nevada Revised Statutes (“NRS”) 645C.460(1)(a) and/or  
23 (b).

#### 24 5. Third Violation

25 USPAP Standards Rule 1-1(b) requires that in developing a real property  
26 appraisal, an appraiser must: (b) not commit a substantial error or omission or  
27 commission that significantly affects the appraisal.

28 The Respondent violated USPAP Standards Rule 1-1(b), as codified in NAC

1 645C.405(1), by (1) failing to reconcile in his Appraisal Report the statement that  
2 property values are increasing with any date of sale/time adjustments, thereby rendering  
3 his sales comparison approach ultimately not credible, (2) having adjustments for  
4 garage/carport inconsistent with similar adjustments applied to comparable sales, and (3)  
5 failing to provide evidence of any analysis (paired sales, statistical analysis, cost data)  
6 which would support several adjustments made, or not made.

7 This is unprofessional conduct pursuant to NRS 645C.470(2) and grounds for  
8 disciplinary action, pursuant to Nevada Revised Statutes (“NRS”) 645C.460(1)(a) and/or  
9 (b).

#### 10 6. Fourth Violation

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

15 The Respondent violated USPAP Standards Rule 1-1(c), as codified in NAC  
16 645C.405(1), by (1) failing to reconcile in his Appraisal Report the statement that  
17 property values are increasing with any date of sale/time adjustments, thereby rendering  
18 his sales comparison approach ultimately not credible, (2) having adjustments for  
19 garage/carport inconsistent with similar adjustments applied to comparable sales, and (3)  
20 failing to provide evidence of any analysis (paired sales, statistical analysis, cost data)  
21 which would support several adjustments made, or not made.

22 The Respondent’s actions constitute professional incompetence pursuant to NRS  
23 645C.470(3) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a) and/or  
24 (b).

#### 25 7. Fifth Violation

26 USPAP Standards Rule 1-3(b) requires an appraiser to develop an opinion of the  
27 highest and best use of the property.

28 In violation of USPAP Standards Rule 1-3(b), while Respondent checked the box in

1 his Appraisal Report indicating the highest and best use of the Property is its present use,  
2 Respondent failed to summarize the rationale and support for such analysis, including  
3 relevant property characteristics.

4 This is unprofessional conduct pursuant to NRS 645C.470(2) and grounds for  
5 disciplinary action, pursuant to Nevada Revised Statutes (“NRS”) 645C.460(1)(a) and/or  
6 (b).

7 **8. Sixth Violation**

8 USPAP Standards Rule 1-4(a) states that in developing a real property appraisal,  
9 an appraiser must collect, verify, and analyze all information necessary for credible  
10 assignment results. When a sales comparison approach is necessary for credible  
11 assignment results, an appraiser must analyze such comparable sales data as are  
12 available and indicate a value conclusion.

13 Respondent violated USPAP Standards Rule 1-4(a), by (1) failing to reconcile in his  
14 Appraisal Report the statement that property values are increasing with any date of  
15 sale/time adjustments, thereby rendering his sales comparison approach ultimately not  
16 credible, (2) having adjustments for garage/carport inconsistent with similar adjustments  
17 applied to comparable sales, and (3) failing to provide evidence of any analysis (paired  
18 sales, statistical analysis, cost data) which would support several adjustments made, or  
19 not made.

20 This is unprofessional conduct pursuant to NRS 645C.470(2) and grounds for  
21 disciplinary action, pursuant to Nevada Revised Statutes (“NRS”) 645C.460(1)(a) and/or  
22 (b).

23 **9. Seventh Violation**

24 USPAP Standards Rule 1-4(b) states that in developing a real property appraisal,  
25 an appraiser must collect, verify, and analyze all information necessary for credible  
26 assignment results. When a cost approach is necessary for credible assignment results, an  
27 appraiser must: (i) develop an opinion of site value by an appropriate appraisal method or  
28 technique.

1 In violation of USPAP Standards Rule 1-4(b), the Respondent's associated work file  
2 contains no evidence of site value calculations. Additionally, the Respondent's associated  
3 work file contains no supporting information or analysis regarding the replacement cost  
4 developed. Lastly, Respondent also fails to state in its cost approach what items are  
5 specifically included with the "as is" value of such site improvements.

6 This is unprofessional conduct pursuant to NRS 645C.470(2) and grounds for  
7 disciplinary action, pursuant to Nevada Revised Statutes ("NRS") 645C.460(1)(a) and/or  
8 (b).

#### 9 10. Eighth Violation

10 USPAP Standards Rule 1-6(a) and (b) states that, in developing a real property  
11 appraisal, an appraiser must (a) reconcile the quality and quantity of data available and  
12 analyzed within the approaches used; and (b) reconcile the applicability and relevance of  
13 the approaches, methods and techniques used to arrive at the value conclusions.

14 Respondent violated USPAP Standards Rule 1-6(b), as codified in NAC  
15 645C.405(1), by merely stating that the cost approach was developed and the income  
16 approach was not developed, while relying on a sales comparison approach for its own  
17 conclusions. This is not an acceptable reconciliation without additional explanation. In  
18 particular, there is no evidence in the report which adequately explains the ultimate  
19 exclusion of the cost approach and income approach.

20 The Respondent's actions constitute unprofessional conduct pursuant to NRS  
21 645C.470(2) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a) and/or  
22 (b).

#### 23 11. Ninth Violation

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

27 The Appraisal Report is misleading and Respondent violated USPAP Standards  
28 Rule 2-1(a), by (1) failing to reconcile in his Appraisal Report the statement that property

1 values are increasing with any date of sale/time adjustments, thereby rendering his sales  
2 comparison approach ultimately not credible, (2) having adjustments for garage/carport  
3 inconsistent with similar adjustments applied to comparable sales, and (3) failing to  
4 provide evidence of any analysis (paired sales, statistical analysis, cost data) which would  
5 support several adjustments made, or not made.

6 The Respondent's actions constitute unprofessional conduct pursuant to NRS  
7 645C.470(2) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a) and/or  
8 (b).

9 **12. Tenth Violation**

10 USPAP Standards Rule 2-2(a)(viii) requires that the appraiser summarize the  
11 information analyzed, the appraiser methods and techniques employed, and the reasoning  
12 that supports the analysis, opinions, and conclusions; exclusion of the sales comparison  
13 approach, cost approach, or income approach must be explained.

14 Respondent violated USPAP Standards Rule 2-2(a)(viii), as codified in NAC  
15 645C.405(1), by the Respondent merely stating that the cost approach was developed and  
16 the income approach was not developed, while relying on a sales comparison approach for  
17 its own conclusions, is not an acceptable reconciliation without additional explanation.

18 In particular, there is no evidence in the report which adequately explains the  
19 ultimate exclusion of the cost approach and income approach.

20 This is unprofessional conduct pursuant to NRS 645C.470(2) and grounds for  
21 disciplinary action, pursuant to Nevada Revised Statutes ("NRS") 645C.460(1)(a) and/or  
22 (b).

23 **13. Eleventh Violation**

24 USPAP Standards Rule 2-2(a)(x) requires when an opinion of highest and best use  
25 was developed by the appraiser, it must describe the support and rationale for that  
26 opinion.

27 In violation of USPAP Standards Rule 2-2(a)(x), as codified in NAC 645C.405(1),  
28 while Respondent checked the box in his Appraisal Report indicating the highest and best

1 use of the Property is its present use, Respondent failed to summarize the rationale and  
2 support for such analysis, including relevant property characteristics.

3 The Respondent's actions constitute unprofessional conduct pursuant to NRS  
4 645C.470(2) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a) and/or  
5 (b).

6 **ORDER**

7 IT IS HEREBY ORDERED that Respondent shall pay the Division a total amount  
8 of \$ 2,389.87. This total amount reflects no specific fine amounts for committing any of  
9 the above-stated fourteen (14) violations of law, but \$ 2,389.87 for hearing and  
10 investigative costs. Respondent shall pay the total amount within six (6) months of the  
11 effective date of this Order. The Division may institute debt collection proceedings for  
12 failure to timely pay the above listed hearing and investigative costs.

13 IT IS HEREBY FURTHER ORDERED that Respondent's Certified Residential  
14 Appraiser, License No. A.0003642-CR is hereby revoked, effective thirty (30) days from  
15 the date of this Order, pursuant to NRS 645C.520.

16 The Commission retains jurisdiction for correcting any errors that may have  
17 occurred in drafting or issuance of this Decision.

18 Pursuant to NRS 645C.520, this Order shall become effective thirty (30) days from  
19 the date of this Order, on the 8<sup>th</sup> day of June, 2022.

20 DATED this 9<sup>th</sup> day of May, 2022.

21 COMMISSION OF APPRAISERS OF REAL ESTATE  
22 STATE OF NEVADA

23 By: Scott Hume  
24 President, Commission of Appraisers of Real Estate

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