

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. 2019-906, AP20.006.S

Petitioner,

vs.

8  
9 STEVEN M. ORTEGA  
10 (License No. A.0007017-CR),

11 Respondent.

FINDINGS OF FACT, CONCLUSIONS  
OF LAW, AND ORDER

**FILED**

JUL 20 2022

NEVADA COMMISSION OF APPRAISERS

*Kelly Valadez*

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13           This matter came on for a hearing before the Nevada Commission of Appraisers of  
14 Real Estate (the "Commission") on July 12, 2022. Respondent Steven M. Ortega  
15 ("Respondent") appeared in proper person, indicating that he would be proceeding  
16 without legal counsel. Louis V. Csoka, Deputy Attorney General, appeared and  
17 prosecuted the Complaint on behalf of Petitioner Sharath Chandra, Administrator of the  
18 Real Estate Division, Department of Business and Industry, State of Nevada (the  
19 "Division").

20 **I. JURISDICTION**

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

25 **II. FINDINGS OF FACT**

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

1           1.     The Respondent is licensed by the Division as a Certified Residential  
2 Appraiser, License No. A.0007017-CR. *See* D-EX NRED.

3           2.     The Respondent's Appraisal Report was prepared for a single-family  
4 residence located at 6346 Cascade Range Street, Las Vegas, Nevada 89149, APN 126-25-  
5 112-004 ("Property"). *See* D-EX NRED 0024-0025.

6           3.     The gross living area of the Property is recorded as 2638 square feet. *See id.*

7           4.     The assignment type is identified as refinance transaction *See id.*

8           5.     The effective date of Respondent's Appraisal Report is identified as July 2,  
9 2019, and the signature date is July 3, 2019. *See* D-EX NRED 0049.

10          6.     The Respondent's Appraisal Report states the appraised value is \$  
11 440,000.00. *See id.*

12          7.     The Respondent failed to include in his work file any data, information or  
13 documentation to support those adjustments he makes in his Appraisal Report relative to  
14 location, site size, view, actual age, condition, room count, gross living area, energy-  
15 efficient items, garage count, patio, and fireplace. *See* D-EX NRED 0109.

16          8.     The Respondent also failed to provide an explanation as to why price levels  
17 were allegedly stable over twelve months, prior to the effective date of value, all the while  
18 his Appraisal Report addendum references but does not explain why the price levels  
19 increased, then decreased, in median prices for the individual reported period. *See id.*

20          9.     The Respondent also failed to specifically explain the subject's legal use and  
21 possible alternative uses if any. *See id.*

22          10.    The Respondent merely categorically noting that highest and best use is  
23 "single-family residential" and "no transitioning" is seen does not meet this requirement.  
24 *See id.*

25          11.    The Respondent's Appraisal Report and work file also contain little to no  
26 analysis used to arrive at the opinions and conclusions. *See* D-EX NRED 0110.

27          12.    The Respondent also failed to include any analysis of the previous sale of the  
28 Property and justify the change from the preceding price paid for the Property, with such

1 sale having taken place in less than three (3) years before the effective date of the  
2 appraisal. *See id.*

3 13. The Respondent also failed to include a statement regarding prior services,  
4 in its purported signed certification. *See D-EX NRED 0111.*

### 5 **III. CONCLUSIONS OF LAW**

6 The Commission, based upon the preponderance of evidence, makes the following  
7 legal conclusions:

#### 8 **First Violation**

9 The USPAP RECORD KEEPING RULE<sup>1</sup> requires that an appraiser must prepare  
10 a work file for each appraisal review assignment. The work file must be in existence prior  
11 to the issuance of any report or other communication of assignment results. The work file  
12 must include true copies of all written reports along with all other data, information, and  
13 documentation necessary to support the appraiser's opinions and conclusions and to show  
14 compliance with USPAP, or references to the location(s) of such other data, information,  
15 and documentation.

16 The Respondent violated USPAP RECORD KEEPING RULE by failing to include  
17 in his work file any data, information or documentation to support those adjustments it  
18 makes in his Appraisal Report relative to location, site size, view, actual age, condition,  
19 room count, gross living area, energy-efficient items, garage count, patio, and fireplace.  
20 *See D-EX NRED 0109.*

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 **Second Violation**

25 USPAP Standards Rule 1-1(a) requires that in developing a real property

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26 <sup>1</sup> The Respondent failed to prepare the appraisal report for the Property in Compliance with the Standards  
27 of the Appraisal Foundation. These Standards are published in the Uniform Standards of Professional  
28 Appraisal Practice ("USPAP") adopted by the Appraisal Standards Board of the Appraisal Foundation, as  
authorized by Congress, and adopted in Nevada by NAC 645C.400. The 2016-2017 edition of USPAP,  
effective January 1, 2016 through December 31, 2017, is applicable to and utilized for this Order.

1 appraisal, an appraiser must: (a) be aware of, understand, and correctly employ those  
2 recognized methods and techniques that are necessary to produce a credible appraisal.

3 The Respondent violated USPAP Standards Rule 1-1(a), as codified in NAC  
4 645C.405(1), by failing to provide an explanation as to why price levels were allegedly  
5 stable over twelve months, prior to the effective date of value, all the while his Appraisal  
6 Report addendum references but does not explain why the price levels increased, then  
7 decreased, in median prices for the individual reported period. *See* D-EX NRED 0109.

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

### 11 **Third Violation**

12 USPAP Standards Rule 1-3(b) requires that, when necessary for credible  
13 assignment results in developing a market value opinion, an appraiser must: (b) develop  
14 an opinion of the highest and best use of the real estate. The rule includes the associated  
15 comment that, in such instances, an appraiser must analyze the relevant legal, physical,  
16 and economical factors to the extent necessary to support the appraisers highest and best  
17 use conclusions.

18 Respondent violated USPAP Standards Rule 1-3(b), by failing to specifically  
19 explain the subject's legal use and possible alternative uses if any. *See id.* Merely  
20 categorically noting that highest and best use is "single-family residential" and "no  
21 transitioning" is seen does not meet this requirement. *See* D-EX NRED 0109.

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

### 25 **Fourth Violation**

26 USPAP Standards Rule 1-5(b) provides that, when the value of opinion to be  
27 developed is market value, an appraiser must, if such information is available to the  
28 appraiser in the normal course of business (b) analyze all sales of the subject property

1 that occurred within the three (3) years prior to the effective date of the appraisal.

2 Respondent violated USPAP Standards Rule 1-5(b), as codified in NAC  
3 645C.405(1), by failing to include any analysis of the previous sale of the Property and  
4 justify the change from the preceding price paid for the Property, with such sale having  
5 taken place in less than three (3) years before the effective date of the appraisal. *See D-*  
6 *EX NRED 0110.*

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

#### 10 **Fifth Violation**

11 USPAP Standards Rule 2-2(a)(iii) requires that (a) the content of an Appraisal  
12 Report must be consistent with the intended use of the appraisal and, at a minimum: (iii)  
13 summarize information sufficient to identify the real estate involved in the appraisal,  
14 including the physical, legal, and economic property characteristics relevant to the  
15 assignment.

16 Respondent violated USPAP Standards Rule 2-2(a)(iii), as codified in NAC  
17 645C.405(1), by failing to explain why the price levels increase, then an overall decrease  
18 having occurred, all the while claiming that price trends and property values are stable.  
19 *See D-EX NRED 0110-0111.*

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 **Sixth Violation**

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

27 Respondent violated USPAP Standards Rule 2-2(a)(x), as codified in NAC  
28 645C.405(1), by failing to specifically explain the subject's legal use and possible

1 alternative uses if any. Merely categorically noting that highest and best use is "single-  
2 family residential" and "no transitioning" is seen does not meet this requirement. *See D-  
3 EX NRED 0111.*

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

#### 7 **Seventh Violation**

8 USPAP Standards Rule 2-2(a)(xii) requires must include a signed certification in  
9 accordance with USPAP Standards Rule 2-3.

10 Respondent violated USPAP Standards Rule 2-2(a)(xii), as codified in NAC  
11 645C.405(1), by failing to include a statement regarding prior services, in its purported  
12 signed certification. *See D-EX NRED 0111.*

13 The Respondent's actions constitute unprofessional conduct pursuant to NRS  
14 645C.470(2) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a) and/or  
15 (b).

#### 16 **Eighth Violation**

17 USPAP Standards Rule 2-3 requires that each written real property appraisal  
18 report "must contain a signed certification that is similar in content to the following form:  
19 I certify that, to the best of my knowledge and belief: -I have performed no (or the  
20 specified) services, as an appraiser or in any other capacity, regarding the property that is  
21 the subject of this report within the three-year period immediately preceding acceptance  
22 of this assignment."

23 Respondent violated USPAP Standards Rule 2-3, as codified in NAC 645C.405(1),  
24 by failing to include a statement regarding prior services, in its purported signed  
25 certification. *See D-EX NRED 0111.*

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

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IT IS HEREBY FURTHER ORDERED that Respondent shall successfully complete the following continuing education requirements, with a passing score, within two (2) years of the effective date of this Order:

All of which coursework shall comprise a total of 41 hours of continuing education, with no such course counting whatsoever towards license renewal of Respondent in any event.

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

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

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

COMMISSION OF APPRAISERS OF REAL ESTATE  
STATE OF NEVADA

By: Scott Kuehn  
President, Commission of Appraisers of Real Estate