

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. 2020-246, AP20.033.S

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

Petitioner,

vs.

8
9 ADRIENNE L. WAGNER
10 (License No. A.0207156-CR),

FILED

MAY 09 2022

11 Respondent.

NEVADA COMMISSION OF APPRAISERS

Kesley Valadez

12
13 This matter came on for a hearing before the Nevada Commission of Appraisers of
14 Real Estate (the "Commission") on April 27, 2022. Respondent Adrienne L. Wagner
15 ("Respondent") appeared in proper person, indicating that she would be proceeding
16 without legal counsel.¹ 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 herself of the benefits and protections of the laws of the
24 State of Nevada, the Respondent has submitted to the jurisdiction of the Division.

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27 ¹ Toward the end of the hearing, approximately halfway through her testimony, Respondent advised the
28 Commission that the matter can proceed without her but that she would no longer participate in the
hearing. Soon thereafter, Respondent left the hearing room, before waiting for the conclusion of the hearing
or requesting a continuance to the hearing.

1 **II. FINDINGS OF FACT**

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

5 1. The Respondent is licensed by the Division as a Certified Residential
6 Appraiser, License No. A.0207156-CR.

7 2. The Respondent's Appraisal Report was prepared for a single-family
8 residence located at 2804 Via Tazzoli Court, Henderson, Nevada 89052, APN 191-01-119-
9 010 ("Property").

10 3. The gross living area of the Property recorded as 4,230 square feet.

11 4. The assignment type is identified as "Refinance Transaction," and the
12 lender/client is identified as "Navy Federal Credit Union."

13 5. The effective date of Respondent's Appraisal Report is identified as January
14 14, 2020, and the signature date is the same.

15 6. The Respondent's Appraisal Report states the appraised value is \$
16 783,000.00.

17 7. Respondent's Appraisal Report, however, is deficient in several respects.

18 8. Specifically, the Respondent failed to properly identify the market segment,
19 as a semi-custom contemporary custom home.

20 9. In her analysis, the Respondent also failed to account the differences
21 between "contemporary" and "Mediterranean" homes, differences which are clearly
22 differentiated by the market.

23 10. For example, in the sales grid section of Respondent's data entries, none of
24 the comparable homes utilized for her analysis are the requisite "contemporary" homes,
25 but, instead, are all older "Mediterranean" style properties.

26 11. Additionally, even as to such older homes there is no style or age adjustment
27 whatsoever relative to the style and condition of the property.

28 12. Respondent also failed to adjust in her analysis for gross living areas of up to

1 415 square feet.

2 13. In fact, in Respondent's analysis, no comparable homes had any gross living
3 area adjustments.

4 14. Respondent also made no adjustments as the relative size of the property
5 sites.

6 15. In particular, Respondent did not adjust for lot size differences of up to one
7 hundred percent (100%).

8 16. Although claiming in her Appraisal Report that "cash sales" *likely* have no
9 appraisals," Respondent did not further look into and consider "cash sales" or provide
10 supporting data for her stated assumption.

11 17. While claiming in her Appraisal Report that "no land sales currently
12 available," Respondent could have readily found twenty-eight (28) land sales for single
13 family residence in the specifically defined market for the prior twelve (12) months, i.e.,
14 prior to the date of valuation.

15 18. Even though site value was readily available, the Respondent failed to
16 develop the site value and, instead, utilized an arbitrary land to improvement ratio of
17 twenty four percent (24%).

18 19. Respondent's adjustment for a golf-view home in the amount of \$19,000.00 is
19 also not credible, in so far as it did not utilize an adequate sample size.

20 20. Respondent's work file indicates December 2018 as the date of the cost data,
21 which makes such data over one (1) year old at the time of the appraisal.

22 21. While in the work file cost data is described as "very good" quality, in
23 Respondent's Appraisal Report it is described as "excellent quality."

24 22. Even though statistical analysis is referenced as having been performed,
25 there was no statistical analysis found in the work file whatsoever.

26 23. In summary, the Respondent failed to appropriately summarize the
27 information analyzed and the reasoning that supports her analysis, opinions, and
28 conclusions, including a requisite reconciliation of the data and approaches utilized.

1 **III. CONCLUSIONS OF LAW**

2 The Commission, based upon the preponderance of evidence, makes the following
3 legal conclusions:

4 **1. First Violation**

5 The USPAP² RECORD KEEPING RULE requires that an appraiser must prepare
6 a work file for each appraisal review assignment. The work file must be in existence prior
7 to the issuance of any report or other communication of assignment results. The work file
8 must include true copies of all written reports along with all other data, information, and
9 documentation necessary to support the appraiser’s opinions and conclusions and to show
10 compliance with USPAP, or references to the location(s) of such other data, information,
11 and documentation.

12 The Respondent violated USPAP RECORD KEEPING RULE by providing no
13 information in her work file regarding the development of any adjustments or lack
14 thereof, asserting the existence of statistical analysis where there is none to be found, and
15 claiming that “cash sales” “likely have no appraisals” without any supporting data.

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

19 **2. Second Violation**

20 The USPAP COMPETENCY RULE requires that an appraiser must: (1) be
21 competent to perform the assignment; (2) acquire the necessary competency to perform
22 the assignment; or (3) decline or withdraw from the assignment. In all cases, the
23 appraiser must perform competently when completing the assignment.

24 The Respondent violated USPAP COMPETENCY RULE by failing to properly
25 identify the market segment, as a semi-custom contemporary custom home; by claiming

26 _____
27 ² These standards are published in the Uniform Standards of Professional Appraisal Practice (“USPAP”)
28 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, 2020, through
December 31, 2022, is applicable to and utilized for this Complaint.

1 in her Appraisal Report that "no land sales currently available," while Respondent could
2 have readily found twenty eight (28) land sales for single family residence in the
3 specifically defined market for the prior twelve (12) months, i.e., prior to the date of
4 valuation; by making an adjustment for a golf-view home in the amount of \$19,000.00 is
5 also not credible, in so far as it did not utilize an adequate sample size; and by referencing
6 that "statistical analysis is sometimes used in determining adjustment," while not
7 making any such adjustments whatsoever.

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 3. Third Violation

12 The USPAP SCOPE OF WORK RULE requires that for each appraisal and
13 appraisal review assignment, an appraiser must: (1) identify the problem to be solved; (2)
14 determine and perform the scope of work necessary to develop credible assignment
15 results; and (3) disclose the scope of work in the report. An appraiser must properly
16 identify the problem to be solved in order to determine the appropriate scope of work. The
17 appraiser must be prepared to demonstrate that the scope of work is sufficient to produce
18 credible assignment results.

19 Respondent violated the USPAP SCOPE OF WORK RULE by failing to properly
20 identify the market segment, as a semi-custom contemporary custom home; by failing to
21 account the differences between "contemporary" and "Mediterranean" homes, differences
22 which are clearly differentiated by the market, whereby, within the sales grid section of
23 Respondent's data entries, none of the comparable homes utilized for her analysis are the
24 requisite "contemporary" homes, but are all older "Mediterranean" style properties,
25 making her work lack credibility.

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

1 **4. Fourth Violation**

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

5 The Respondent violated USPAP Standards Rule 1-1(a), as codified in NAC
6 645C.405(1), by failing to recognize the specific market for properties most similar to the
7 subject, i.e., semi-custom contemporary custom homes.

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 **5. Fifth Violation**

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

15 The Respondent violated USPAP Standards Rule 1-1(b), as codified in NAC
16 645C.405(1), by failing to recognize the market segment, as a semi-custom contemporary
17 custom home.

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

21 **6. Sixth Violation**

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

26 The Respondent violated USPAP Standards Rule 1-1(c), as codified in NAC
27 645C.405(1), by performing her appraisal in a “grossly negligent” manner for the reasons
28 already stated above, including by failing to acknowledge the market recognized

1 differences between “contemporary” and “Mediterranean” homes, by utilizing older homes
2 with no age adjustment, by failing to adjust for gross living area differences of up to 415
3 square feet, with no such adjustment whatsoever, by claiming that “cash sales” “likely
4 have no appraisal”; by making inappropriate adjustment relative to “golf view.”

5 The Respondent’s actions constitute professional incompetence pursuant to NRS
6 645C.470(3) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a) and/or
7 (b).

8 **7. Seventh Violation**

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

12 Respondent violated USPAP Standards Rule 1-2(h) by failing to properly identify
13 the distinct market segment of semi-custom contemporary homes, with the scope of work
14 and work file not evidencing that the Respondent recognizes the uniqueness of this type
15 of real estate (while the market certainly does), and with the Respondent using older
16 “Mediterranean” style properties for her comparables instead, thereby producing results
17 that lack credibility.

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

21 **8. Eighth Violation**

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

27 Respondent violated USPAP Standards Rule 1-4(a), by failing to account the
28 differences between “contemporary” and “Mediterranean” homes, differences which are

1 clearly differentiated by the market. For example, in the sales grid section of
2 Respondent's data entries, none of the comparable homes utilized for her analysis are the
3 requisite "contemporary" homes, but, instead, are all older "Mediterranean" style
4 properties without any adjustment for such a difference.

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

8 **9. Ninth Violation**

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

14 In violation of USPAP Standards Rule 1-4(b), the site value is not developed and
15 has been derived from an arbitrary land to improvement ratio of twenty four percent
16 (24%). Yet, as already noted above, while the site value date is readily available, it has
17 not been analyzed or utilized.

18 Additionally, Respondent's work file indicates December 2018 as the date of the
19 cost data, which makes such data over one (1) year old at the time of the appraisal. While
20 in the work file cost data is described as "very good" quality, in Respondent's Appraisal
21 Report it is described as "excellent quality."

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 **10. Tenth Violation**

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

1 The Appraisal Report is misleading, and Respondent violated USPAP Standards
2 Rule 2-1(a), failing to consider similar contemporary homes in her analysis, by utilizing
3 older homes without adjusting for age, by failing to adjust in her analysis for gross living
4 areas of up to 415 square feet. In fact, in Respondent's analysis, no comparable homes
5 had any gross living area adjustments.

6 Respondent also made no adjustments as the relative size of the property sites. In
7 particular, Respondent did not adjust for lot size differences of up to one hundred percent
8 (100%). Additionally, although claiming in her Appraisal Report that "cash sales" "likely
9 have no appraisals," Respondent did not further look into and consider "cash sales" or
10 provide supporting data for her stated assumption.

11 The Respondent's actions constitute unprofessional conduct pursuant to NRS
12 645C.470(2) and grounds for disciplinary action pursuant to NRS 645C.460(1)(a) and/or
13 (b).

14 11. Eleventh Violation

15 USPAP Standards Rule 2-1(b) requires that each written or oral real property
16 appraisal report must: (a) clearly and accurately set forth the appraisal in a manner that
17 will not be misleading; (b) contain sufficient information to enable the intended user(s) of
18 the appraisal to understand the report properly.

19 Respondent violated USPAP Standards Rule 2-1(b), as codified in NAC
20 645C.405(1), by not having the requisite clarity due to respondent's lack of understanding
21 of the market for the specific type of contemporary home appraised.

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 ORDER

26 IT IS HEREBY ORDERED that Respondent shall pay the Division a total amount
27 of \$ 3,646.14. This total amount reflects no specific fine amounts for committing any of
28 the above-stated eleven (11) violations of law, but \$ 3,646.14 for hearing and investigative

1 costs. Respondent shall pay the total amount within three (3) years of the effective date of
2 this Order. The Division may institute debt collection proceedings for failure to timely pay
3 the above listed hearing and investigative costs.

4 IT IS HEREBY FURTHER ORDERED that Respondent's Certified Residential
5 Appraiser, License No. A.0207156-CR is hereby revoked for one year, effective thirty (30)
6 days from the date of this Order, pursuant to NRS 645C.520.

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

9 Pursuant to NRS 645C.520, this Order shall become effective thirty (30) days from
10 the date of this Order, on the 8th day of June, 2022.

11 DATED this 9th day of May, 2022.

12 COMMISSION OF APPRAISERS OF REAL ESTATE
13 STATE OF NEVADA

14 By: Scott Kruger
15 President, Commission of Appraisers of Real Estate
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