

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,

8 Petitioner,

9 vs.

10 SHELBY BRITTNANY SPRAGNO,
11 (License No. A.0006286-CR),

12 Respondent.

Case No. 2019-759, AP20.002.S

**COMPLAINT AND NOTICE OF
HEARING**

FILED

MAR 03 2023

NEVADA COMMISSION OF APPRAISERS

mgall

13 State of Nevada, Department of Business and Industry, Real Estate Division (“the
14 Division”), by and through counsel, Attorney General AARON D. FORD and Deputy
15 Attorney General Christal Park Keegan, hereby notifies SHELBY BRITTNANY
16 SPRAGNO (“Respondent”) of an administrative complaint and hearing which is to be held
17 pursuant to Chapter 233B and Chapter 645C of the Nevada Revised Statutes (“NRS”) and
18 Chapter 645C of the Nevada Administrative Code (“NAC”). The purpose of the hearing is
19 to consider the allegations stated below and to determine if the Respondent should be
20 subject to a disciplinary penalty as set forth in NRS 645C and or NAC 645C, if the stated
21 allegations are proven at the hearing by the evidence presented.

22 **JURISDICTION**

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

27 ...

28 ...

1 **PROCEDURAL HISTORY**

2 1. The Division received a complaint asserting that the Respondent failed to
3 complete a uniform residential appraisal report (“Appraisal Report”) on time and that the
4 Appraisal Report contained critical errors. *NRED 000002 - 000011.*

5 2. The Division commissioned a Standard 3 Review of the underlying appraisal
6 performed by the Respondent. *NRED 000078 – 000107.*

7 3. Based on the result of that review, the Division determined that this matter
8 should be heard by the Nevada Commission of Appraisers of Real Estate (“Commission”),
9 now comes herewith.

10 **FACTUAL ALLEGATIONS**

11 1. The Respondent is licensed by the Division as a Certified Residential
12 Appraiser, License No. A.0006286-CR.

13 2. The Respondent prepared an Appraisal Report for property address 150
14 Desert Valley Drive, Boulder City, Nevada 89005 (“Property”). *NRED 000053 – 000076.*

15 3. The Clark County Assessor’s website indicates the Property was a
16 condominium. *NRED 000103 – 0000104.*

17 4. The Respondent used the Form 1004UAD when the Form 1073UAD
18 Individual Condominium Unit Appraisal Report was the proper form to appraise
19 condominiums. *NRED 000053 - 000076.*

20 5. On June 25, 2019, the Respondent indicated the Property as a “condo”.
21 *NRED 000010, 000019.*

22 6. The Respondent’s Appraisal Report and work file contained no
23 documentation to support the Contract Section of the Appraisal Report. *NRED 000053,*
24 *NRED 000053 – 000076, and NRED 000012 – 000050.*

25 7. The Respondent’s Appraisal Report’s Site section provided an area size of
26 1,187 square feet that did not match the information provided by the Clark County
27 Assessor which provided 0.00 acres. *NRED 000103, and NRED 000053.*

28 8. The Respondent’s Appraisal Report’s Site Section provided the specific

1 zoning classification as C2, General Commercial Zone, and made an inappropriate
2 summary of the Property's legal characteristic as "The highest and best use is a single-
3 family residence, this coincides with zoning." *NRED 000053*.

4 9. The Respondent's Appraisal Report's work file failed to develop the highest
5 and best use for a like ownership and zoned Property. *NRED 000053, and NRED 000012*
6 *- 000050*.

7 10. The Respondent's Appraisal Report and work file did not provide data or
8 discussion as to the differences in section Improvements which provided an exposure
9 period of 1-6 months and the Neighborhood section indicating Marketing Time as under 3
10 months. *NRED 000053, and NRED 000012 - 000050*.

11 11. The Respondent's Appraisal Report and work file contained no collection,
12 data, information, documentation, verification, and/or analysis for certain value
13 adjustments and data indicated in Comparables under the Sales Comparison Approach
14 section of the Appraisal Report. *NRED 000054 - 000056, and NRED 000012 - 000050*.

15 12. The Respondent's Appraisal Report's Sales Comparison Approach section
16 provided market condition adjustments and conclusions that are not supported by the
17 median prices document in the work file. *NRED 000024, and NRED 000054 - 000056*.

18 13. The Respondent's Appraisal Report's Sales Comparison Approach section
19 provides comparables (#5 and #6) that do not apply to the Property's value because they
20 are not condominiums. *NRED 000036 - 000037, NRED 000040 - 000041, and NRED*
21 *000055*.

22 14. The Respondent's Appraisal Report's Market Conditions Addendum failed to
23 incorporate the comparison sales included in the sales grid under the Sales Comparison
24 Approach's section. *NRED 000063, and NRED 000054 - 000056*.

25 15. The Respondent's Appraisal Report provided the Cost Approach To Value
26 which did not apply to the Property because this was an attached single residential unit.
27 *NRED 000057, and NRED 000053 - 000076*.

28 16. The Respondent's Appraisal Report's work file contained no documentation

1 to support the Cost Approach To Value section. *NRED 000012 – 000050, and NRED*
2 *000057.*

3 17. While the Respondent's Appraisal Report contained the appraisal fee of
4 \$400.00 it failed to provide the amount of the appraisal management fee (\$75.00) within
5 the report itself. *NRED 000057.*

6 VIOLATIONS OF LAW

7 The Respondent failed to prepare the appraisal report for the Property in
8 Compliance with the Standards of the Appraisal Foundation and the law. The Standards
9 are published in the Uniform Standards of Professional Appraisal Practice ("USPAP")
10 adopted by the Appraisal Standards Board of the Appraisal Foundation, as authorized by
11 Congress, and adopted in Nevada by NAC 645C.400(1).

12 First Violation

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

20 The Respondent violated USPAP RECORD KEEPING RULE by not including the
21 Property's purchase agreement in the work file which fails to support the terms indicated
22 in the Contract section of the Appraiser's Report. *NRED 000053, and NRED 000012 –*
23 *000050.*

24 The Respondent further violated USPAP RECORD KEEPING RULE by not
25 including data, information or documentation in the Appraisal Report or work file, to
26 support the scope of work for the Sales Comparison Approach. *NRED 000054 – 000056.*

27 Even though the Cost Approach is not applicable to the Property because it was an
28 attached condominium, the Respondent included it in her Appraisal Report and such the

1 report violated USPAP RECORD KEEPING RULE because the work file failed to include
2 data, information and/or documentation to support the Cost Approach, including an
3 engagement letter or scope of work from the client. *NRED 000012 – 000050, and NRED*
4 *000057.*

5 The Respondent's actions constitute unprofessional conduct pursuant to NRS
6 645C.470(2) and (3), as determined by NAC 645C.405, and grounds for disciplinary action
7 pursuant to NRS 645C.460(1)(a) and/or (b).

8 **Second Violation**

9 The USPAP COMPETENCY RULE requires an appraiser must: (1) be competent
10 to perform the assignment; (2) acquire the necessary competency to perform the
11 assignment; or (3) decline or withdraw from the assignment. The appraiser must
12 determine, prior to accepting an assignment, that he or she can perform the assignment
13 competently.

14 Respondent violated the USPAP COMPETENCY RULE by failing to demonstrate
15 necessary competency when she (i) incorrectly identified the condominium ownership as
16 single-family as demonstrated by completing the appraisal on the incorrect Form
17 1004UAD, and (ii) not including data, information or documentation in the report or work
18 file to support the adjustments made in the sales grid. *NRED 000053 – 000060.*

19 The Respondent's actions constitute unprofessional conduct pursuant to NRS
20 645C.470(2) and (3), as determined by NAC 645C.405, and grounds for disciplinary action
21 pursuant to NRS 645C.460(1)(a) and/or (b).

22 **Third Violation**

23 The USPAP SCOPE OF WORK RULE requires an appraiser must properly
24 identify the problem to be solved in order to determine the appropriate scope of work. The
25 appraiser must be prepared to demonstrate that the scope of work is sufficient to produce
26 credible assignment results. The Scope of work includes but is not limited to: (1) the
27 extent to which the property is identified; (2) the extent to which tangible property is
28 inspected; (3) the type of extent of data researched; and (4) the type and extent of

1 analyses applied to arrive at opinions or conclusions. Credible assignment results require
2 support by relevant evidence and logic. The credibility of assignment results is always
3 measured in the context of intended use.

4 Respondent violated the USPAP SCOPE OF WORK RULE by failing to
5 demonstrate the necessary extents take to correctly determine the Property's legal
6 ownership. *NRED 000103 – 0000104, and NRED 000019.*

7 The Respondent's actions constitute unprofessional conduct pursuant to NRS
8 645C.470(2) and (3), as determined by NAC 645C.405, and grounds for disciplinary action
9 pursuant to NRS 645C.460(1)(a) and/or (b).

10 **Fourth Violation**

11 USPAP Standards Rule 1-1(a) and (c) requires that in developing an appraisal, an
12 appraiser must (a) be aware of, understand, and correctly employ those recognized
13 methods and techniques that are necessary to produce a credible appraisal; and (c) not
14 render appraisal services in a careless or negligent manner, such as by making a series of
15 errors that, although individually might not significantly affect the results of an
16 appraisal, in the aggregate affects the credibility of those results, respectively.

17 Respondent violated USPAP Standards Rule 1-1(a), by failing to include
18 information and/or support in the work file indicating how adjustments were made.
19 *NRED 000012 – 000050, and NRED 000054 - 000056.*

20 Respondent violated USPAP Standards Rule 1-1(c), through a series of errors, that
21 in their aggregate affect the credibility of results, that demonstrate carelessness or
22 negligence: (1) provided a wrong site size despite being stated in public record, (2) used
23 the wrong Form 1004UAD despite information readily available indicating the Form
24 1073UAD should have been used, (2) misrepresentations as to zoning in the Site section,
25 (3) omitting transfer history, (4) provided incorrect bedroom counts, (5) provided
26 adjustments to site size of condominium comparables when no adjustment is needed, (6)
27 market condition adjustments are made without data in the work file and/or explanation
28 in the report indicating how these adjustments was determined, and (7) included median

1 prices in Boulder City without indication of their purposes or warrant. *NRED 000012 –*
2 *000076.*

3 The Respondent's actions constitute unprofessional conduct pursuant to NRS
4 645C.470(2) and (3), as determined by NAC 645C.405, and grounds for disciplinary action
5 pursuant to NRS 645C.460(1)(a) and/or (b).

6 **Fifth Violation**

7 USPAP Standards Rule 1-2(e) and (h) which require, (e) identity of the
8 characteristics of the property that are relevant to the type and definition of value and
9 intended use of the appraisal, including: (i) its location and physical, legal, and economic
10 attributes; and (h) determine the scope of work necessary to produce credible assignment
11 results in accordance with the SCOPE OF WORK RULE; respectively.

12 Respondent violated Standards Rule 1-2(e) by incorrectly identifying the
13 condominium ownership as single-family as demonstrated by completing the appraisal on
14 the incorrect Form 1004UAD. *NRED 000053 – 000060.*

15 Respondent violated Standards Rule 1-2(h) by failing to include information in the
16 work file indicating the extent of the data researched for comparables criteria, and lack of
17 market data necessary to determine credibility for the adjustments. *NRED 000054 –*
18 *000056.*

19 The Respondent's actions constitute unprofessional conduct pursuant to NRS
20 645C.470(2) and (3), as determined by NAC 645C.405, and grounds for disciplinary action
21 pursuant to NRS 645C.460(1)(a) and/or (b).

22 **Sixth Violation**

23 USPAP Standards Rule 1-3(a) & (b) requires that, when necessary for credible
24 assignment results in developing market value opinion, an appraiser (a) identify and
25 analyze the effect on use and value of existing land use regulations, reasonably probable
26 modifications of such land use regulations, economic supply and demand, the physical
27 adaptability of the real estate, and market area trends; and (b) develop an opinion of the
28 highest and best use of the real estate, respectively.

1 Respondent violated Standards Rule 1-3(a) by failing to identify and analyze data
2 regarding supply and demand in the work file or development of discussion in the report
3 to account for discrepancies in the report. *NRED 000053, NRED 00054 – 000056, and*
4 *NRED 000012 – 000050, and NRED 000051 – 000073.*

5 Respondent violated Standards Rule 1-3(b) by failing to develop a highest and best
6 use. *NRED 000053, and NRED 000012 – 000050.*

7 The Respondent's actions constitute unprofessional conduct pursuant to NRS
8 645C.470(2) and (3), as determined by NAC 645C.405, and grounds for disciplinary action
9 pursuant to NRS 645C.460(1)(a) and/or (b).

10 **Seventh Violation**

11 USPAP Standards Rule 2-1(a) & (b) states each written appraisal report must, (a)
12 clearly and accurately set forth the appraisal in a manner that will not be misleading;,
13 and (b) contain sufficient information to enable the intended users of the appraisal to
14 understand the report properly;,, respectively.

15 In violation of USPAP Standards Rule 2-1(a) and (b), Respondent's did not write
16 the report up as a condominium ownership and used adjustments without explanation in
17 the report or documentation in the work file, which could mislead clients and intended
18 users. *NRED 000054 – 000056.*

19 The Respondent's actions constitute unprofessional conduct pursuant to NRS
20 645C.470(2) and (3), as determined by NAC 645C.405, and grounds for disciplinary action
21 pursuant to NRS 645C.460(1)(a) and/or (b).

22 **Eight Violation**

23 USPAP Standards Rule 2-2(a)(iii), (vii), (viii) & (x), provides that each written real
24 property report must be prepared under one of the following options and prominently
25 state which option is used: (iii) summarize information sufficient to identify the real
26 estate involved in the appraisal, including the physical and economic property
27 characteristics relevant to the assignment; (vii) summarize the scope of work used to
28 develop the appraisal., (viii) summarize the information analyzed, the appraisal methods

1 and techniques employed, and the reasoning that supports the analyses, opinions, and
2 conclusions; exclusion of the sales comparison approach, cost approach, or income
3 approach must be explained., and (x) when an opinion of highest and best use was
4 developed by the appraiser, describe the support and rationale for that opinion;

5 Respondent violated USPAP Standards Rule 2-2(a)(iii), by insufficiently
6 summarizing the property characteristics to identify the property as a condominium.
7 *NRED 000051 – NRED 000060.*

8 Respondent violated USPAP Standards Rule 2-2(a)(vii), by failing to provide a
9 summary of the scope of work indicating the extent of data researched or comparable
10 criteria, nor any summary of how the adjustments were determined. *NRED 000054 –*
11 *000057.*

12 Respondent violated USPAP Standards Rule 2-2(a)(viii), for failing to provide
13 summarized information analyzed, methods and techniques employed that would support
14 the analyses, opinions, and conclusions for the approaches Cost and Sales Comparison
15 made. *NRED 000054 – 000057.*

16 Respondent violated USPAP Standards Rule 2-2(a)(x), by failing to describe the
17 support and rationale for her a highest and best use opinion. *NRED 000053, and NRED*
18 *000012 – 000050.*

19 The Respondent's actions constitute unprofessional conduct pursuant to NRS
20 645C.470(2) and (3), as determined by NAC 645C.405, and grounds for disciplinary action
21 pursuant to NRS 645C.460(1)(a) and/or (b).

22 **Ninth Violation**

23 NAC 645C.389(2)(b) requires an appraiser who has performed an appraisal for the
24 appraisal management company shall disclose in the body of the appraisal report
25 prepared by the appraiser the total amount of money, expressed as a dollar amount
26 retained by the appraisal management company.

27 Respondent violated NAC 645C.389(2)(b) by failing to provide the amount of the
28 appraisal management fee (\$75.00) within the report itself.

1 The Respondent's actions constitute unprofessional conduct pursuant to NRS
2 645C.470(2), as determined by NAC 645C.405, and grounds for disciplinary action
3 pursuant to NRS 645C.460(1)(a) and/or (b).

4 **DISCIPLINE AUTHORIZED**

5 1. Pursuant to NRS 645C.460(2), if grounds for disciplinary action against an
6 appraiser are found to exist for unprofessional conduct, the Commission may revoke or
7 suspend the certificate, place conditions upon the certificate, deny the renewal of his or
8 her certificate, and/or impose a fine up to \$10,000.00 per violation.

9 2. Additionally, under NRS 622.400, the Commission is authorized to impose
10 the costs of the proceeding upon the Respondent, including investigative costs and
11 attorney's fees, if the Commission otherwise imposes discipline on the Respondent.

12 3. Therefore, the Division requests the Commission to impose such discipline as
13 it determines is appropriate under the circumstances and to award the Division its costs
14 and attorney's fees for this proceeding.

15 **PLEASE TAKE NOTICE** that a disciplinary hearing has been set to consider this
16 Administrative Complaint against the above-named Respondent in accordance with
17 Chapter 233B and Chapter 645C of the Nevada Revised Statutes and Chapter 645C of the
18 Nevada Administrative Code.

19 **THE HEARING WILL TAKE PLACE** at the Commission meeting scheduled
20 for April 4 - 6, 2023, beginning at approximately 9:00 a.m. each day, or until such
21 time as the Commission concludes its business.

22 **The meeting will be located at the following locations:**

23 Nevada State Business Center	with Video Conference to:
3300 West Sahara Avenue	Department of Business & Industry
4 th Floor, Nevada Room	1818 E. College Parkway Suite 103
Las Vegas, Nevada 89102	Carson City, Nevada 89706

26 If you would like an email containing this information, before the hearing,
27 please contact Maria Gallo, Commission Coordinator, at (702) 486-4074 or
28 mgallo@red.nv.gov.

1 **STACKED CALENDAR:** Your hearing is one of several hearings that may
2 be scheduled at the same time as part of a regular meeting of the Commission
3 that is expected to take place on April 4-6, 2023. Thus, your hearing may be
4 continued until later in the day or from day to day. It is your responsibility to
5 be present when your case is called. If you are not present when your case is
6 called, a default may be entered against you, and the Commission may decide
7 the case as if all allegations in the complaint were true. If you need to negotiate
8 a more specific time for your hearing in advance, because of coordination with
9 out of state witnesses or the like, please call Maria Gallo, Commission
10 Coordinator, at (702) 486-4074.

11 **YOUR RIGHTS AT THE HEARING:** Except as mentioned below, the hearing is an
12 open meeting under Nevada's open meeting Law (OML) and may be attended by the
13 public. After the evidence and arguments, the Commission may conduct a closed meeting
14 to discuss your alleged misconduct or professional competence. You are entitled to a copy
15 of the transcript of the open and closed portions of the meeting, although you must pay for
16 the transcription.

17 As the Respondent, you are specifically informed that you have the right to appear
18 and be heard in your defense, either personally or through your counsel of choice. At the
19 hearing, the Division has the burden of proving the allegations in the complaint and will
20 call witnesses and present evidence against you. You have the right to respond and to
21 present relevant evidence and argument on all issues involved. You have the right to call
22 and examine witnesses, introduce exhibits, and cross-examine opposing witnesses on any
23 matter relevant to the issues involved.

24 You have the right to request that the Commission issue subpoenas to compel
25 witnesses to testify and/or evidence to be offered on your behalf. In making this request,
26 you may be required to demonstrate the relevance of the witnesses' testimony and/or
27 evidence. Other important rights you have are listed in NRS Chapter 645C, NRS Chapter
28 233B, and NAC Chapter 645C.

1 DATED the 1 day of March, 2023.

DATED the 1st day of March, 2023.

2
3 NEVADA REAL ESTATE DIVISION

AARON D. FORD
Attorney General

4
5
6 By: 

By: 

7 SHARATH CHANDRA
8 Administrator
9 3300 W. Sahara Avenue, Suite 350
10 Las Vegas, Nevada 89102
11 (702) 486-4033

CHRISTAL PARK KEEGAN, ESQ.,
Deputy Attorney General
Bar No. 12725
5420 Kietzke Lane #202
Reno, Nevada 89511
Telephone: (775) 687-2141
Email: ckeegan@ag.nv.gov
Attorney for Real Estate Division

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28