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**BEFORE THE COMMISSION OF APPRAISERS OF REAL ESTATE
STATE OF NEVADA**

SHARATH CHANDRA, Administrator,
REAL ESTATE DIVISION,
DEPARTMENT OF BUSINESS AND
INDUSTRY,
STATE OF NEVADA,

Petitioner,

vs.

JOSHUA RYAN STALK
(License No. A.0207120-RES),

Respondent.

Case No. 2020-1080, AP21.024.S

**STIPULATION AND ORDER FOR
SETTLEMENT OF DISCIPLINARY
ACTION**

FILED

JAN 18 2024

NEVADA COMMISSION OF APPRAISERS
Mgallo

This Stipulation and Order for Settlement of Disciplinary Action (the "Stipulation") is entered into by and between the State of Nevada, Department of Business and Industry, Real Estate Division ("the Division"), through its Administrator Sharath Chandra ("Petitioner"), by and through their attorney of record, Phil W. Su, Senior Deputy Attorney General, and Respondent Joshua Ryan Stalk, ("RESPONDENT"), by and through his attorney of record, Paul Larsen, Esq.

The RESPONDENT, at all relevant times mentioned in the Complaint, was licensed by the Division as a Licensed Residential Appraiser and, therefore, is subject to the Jurisdiction of the Division and the Commission and the provisions of NRS 645C and NAC Chapter 645C.

JURISDICTION

The Respondent was at all relevant times mentioned in this Complaint licensed by the Division as a Residential Appraiser under license number A.0207120-RES, and therefore, is subject to the Jurisdiction of the Division and the provisions of NRS and NAC Chapter 645C. By availing himself of the benefits and protections of the laws of the State of Nevada, the Respondent has submitted to the jurisdiction of the Division.

1 **SUMMARY OF PROCEDURAL AND FACTUAL ALLEGATIONS**

2 The Complaint filed by the Division alleges the following Procedural and Factual
3 Allegations against RESPONDENT:

4 1. On December 2, 2020, the Division received a complaint from Fannie Mae
5 Loan Quality Center, which stated that the RESPONDENT's appraisal report
6 (hereinafter "Appraisal Report") contained inappropriate comparable sales.

7 2. The Division opened an investigation into this matter on December 3, 2020,
8 and issued an open investigation letter to RESPONDENT requesting a response and the
9 entire work file and documentation.

10 3. The Division commissioned a Standard 3 Review of the Appraisal Report.

11 4. The Respondent's counsel submitted a December 23, 2020, response letter to
12 the Standard 3 Review, as well as RESPONDENT'S work file.

13 5. Following the investigation and Standard 3 Review, the investigator
14 recommended the case be heard by the Appraisal Advisory Review Committee ("AARC").

15 6. This case was heard by the AARC on April 18, 2023, and the Committee's
16 Report recommended that this case 2020-1080 be forwarded to the Commission.

17 7. The Respondent prepared an Appraisal Report for a 2,395 sq. ft., one-story, 4
18 br/3 bath single family residence, built in 1963 and located at 4105 Via Vaquero, Las
19 Vegas, Nevada 89102, APN # 162-06-812-071 ("Property").

20 8. The Appraisal Report's assignment type was noted as "Refinance
21 Transaction" and indicated value conclusion of \$399,000.00 by Sales Comparison
22 Approach.

23 9. The effective date of the report was indicated as May 18, 2019, and the date
24 of signature of the report was May 30, 2019.

25 10. On May 29, 2019, Respondent received a clarification request noting that
26 "[m]arket data suggests that [Respondent's selected] comps may be from a superior
27 market" and requesting that Respondent consider additional sales.

28 11. Respondent prepared a May 30, 2019, addendum in response to the May 29,

1 2019, request for clarification.

2 12. The Appraisal Report's work file lacked items to substantiate proof of
3 market stability, housing statistic value, or proof that the subject property "has no
4 observed functional or external obsolescence."

5 13. The Appraisal Report and work file lacked support for adjustments to sales
6 grid, size of site adjustment, bath count adjustment, GLA adjustment, garage count
7 adjustment, porch/patio/deck adjustment, pool adjustment, fireplace adjustment, upgrade
8 adjustment, and location adjustment for all comparables.

9 14. The work file lacked proof, analysis or testing to support the following
10 statements found in the Appraisal Report:

11 a. Statements found in the cost approach section that "land value derived by
12 allocation" and "[a]verage list price to sales price ratio is 109%. Average
13 marketing time is 20 +/- days."

14 b. Site comments that "[t]he external influence, if any, may or might not be a
15 factor in the sale of the subject", "[t]he appraiser was unable to isolate and
16 quantify an adjustment for comparison," and "[t]he comparables are located
17 within the subject development and adjoining development are similarly
18 affected;"

19 c. Comment in the sales comparison approach section "[a]s set by the
20 appraisers' peers for the subject market area and/or a combination thereof;"

21 d. Statements that "no location adjustment is warranted" and that "[t]he gross
22 living area adjustments were derived from the allocation method...;" and

23 e. Statements that "[a]ll comparables are located in the same zip code (89102)
24 and the same market area (MLS#501). Therefore; there was no adjustment
25 for market area location."

26 15. The work file contained no analysis related to real estate values correlating
27 with postal zip codes and MLS market area and contained no MLS or tax data sheets.

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1 16. On or about April 26, 2023, the Division mailed to the Respondent a follow-
2 up letter pursuant to NRS 233B, indicating that the Division's investigation had
3 uncovered sufficient evidence to recommend the filing of a formal complaint by the
4 Division with the Commission of Appraisers of Real Estate.

5 **SUMMARY OF ALLEGED VIOLATIONS OF LAW**

6 The Complaint filed by the Division alleges that RESPONDENT committed the
7 following violations of law:

8 17. RESPONDENT violated USPAP RECORD KEEPING RULE by failing to
9 maintain an adequate work file that meets the minimum standards of USPAP. The
10 appraisal report work file is considered "very weak" and indicates a lack of understanding
11 of what is required to meet the RECORD KEEPING RULE.

12 18. RESPONDENT violated USPAP COMPETENCY RULE by demonstrating a
13 lack of knowledge of what constitutes a "Comparable Market Area," the concept and
14 development of location adjustments, and the concept and development of market-derived
15 adjustments. The Respondent also demonstrated a lack of understanding of a home that
16 is an over-improvement for the market and lacked the knowledge and development of
17 adjustments caused by externalities.

18 19. RESPONDENT violated Standards Rule 1-1(a) and Rule 1-1(b) by relying on
19 untested assumptions, improperly developed adjustments, and a lack of understanding of
20 externalities, market definition, location adjustments and overimproved properties, and
21 by erring in market selection, comparable selection, effects of externalities, and location
22 differences.

23 20. RESPONDENT violated Standards Rule 1-3(b) by providing only a minimal
24 discussion of highest and best use in the Appraisal Report or work file.

25 21. RESPONDENT violated Standards Rule 1-4(a) by limiting comparable
26 selection to larger Gross Living Area homes in superior neighborhoods, while overlooking
27 many sales nearby, including within the property's subject subdivision, within the 12
28 months prior to date of value.

1 22. RESPONDENT violated Standards Rule 1-4(b)(i) by referring to “allocation
2 method” yet providing no evidence of allocation calculations in either the Appraisal
3 Report or work file.

4 23. RESPONDENT violated Standards Rule 1-6(a) by failing to discuss the
5 quality and quantity of data in the reconciliation section of the Appraisal Report.

6 24. RESPONDENT violated Standards Rule 2-1(a) and Rule 2-1(b) by using
7 sales that were measurably superior in location, failing to use market supported
8 adjustments (location, externality, GLA, etc.), and failing to discuss and analyze the
9 subject property’s over improvement in relation to the market; and by lacking discussion
10 and application of market supported location adjustments that left the reader unable to
11 understand the report.

12 **PROPOSED SETTLEMENT AGREEMENT**

13 By entering into this Stipulation, the RESPONDENT does not admit the above
14 factual and legal allegations made by the Petitioner, but nevertheless agrees to waive his
15 right to contest the above alleged facts and legal violations if the Stipulation is approved
16 by the Commission. Accordingly, in an effort to avoid the time and expense of litigating
17 these legal and factual issues before the Commission, as well as any possible further legal
18 appeals from any such decision, and the parties desire to compromise and settle the
19 instant controversy upon the following terms and conditions:

20 1. The RESPONDENT agrees to take a minimum of sixteen (16) hours of
21 Continuing Education Credits (“CEC”) in the each of the following areas:

- 22 a. Not less than four (4) hours on Appraiser Self Protection: Documentation
23 and Record Keeping;
- 24 b. Not less than (4) hours on Missing Explanations;
- 25 c. Not less than (4) hours on Ethics, Competency, and Negligence; and
- 26 d. Not less (4) hours on Residential Report Writing vs. Form Filling.

27 These courses shall be completed within six (6) months of the effective date of the
28 Commission’s order approving this Stipulation. These courses will not count toward the

1 RESPONDENT's continuing education requirements. Proof of completion must be
2 submitted to the Division upon completion of all the required education.

3 2. RESPONDENT agrees to pay the Division a total amount of THIRTY SIX
4 THOUSAND TWO HUNDRED TWO DOLLARS and 41/100 cents (\$36,202.41) ("Amount
5 Due"), consisting of THIRTY TWO THOUSAND DOLLARS AND NO CENTS
6 (\$32,000.00) in administrative fines imposed by the Division and the Division's pre-
7 hearing attorney's fees in the amount of THREE THOUSAND ONE HUNDRED EIGHTY
8 SEVEN DOLLARS and 91/100 cents (\$3,187.91), and investigative costs incurred in the
9 total amount of ONE THOUSAND FOURTEEN DOLLARS and 50/100 cents (\$1,014.50).

10 3. The Amount Due shall be payable to the Division in twelve (12) monthly
11 installments of THREE THOUSAND SIXTEEN DOLLARS and 87/100 cents (\$3,016.87),
12 with the first payment due thirty (30) days after approval of this Stipulation by the
13 Commission. Lump sums can be made in pre-payment with no penalties.

14 4. RESPONDENT and the Division agree that once this Agreement is approved
15 and fully performed, the Division will close its file in this matter and the Division agrees
16 not to pursue any other or greater remedies or fines in connection with RESPONDENT
17 alleged conduct referenced herein. The Division further agrees that unless
18 RESPONDENT fails to make timely payment, the Division will not bring any claim or
19 cause directly or indirectly based upon any of the facts, circumstances, or allegations
20 discovered during the Division's investigation and prosecution of this case.

21 5. RESPONDENT agrees and understands that by entering into this
22 Stipulation, RESPONDENT is waiving his right to a hearing in each matter at which
23 RESPONDENT may present evidence in his defense, his right to a written decision on the
24 merits of the complaint, his rights to reconsideration and/or rehearing, appeal and/or
25 judicial review, and all other rights which may be accorded by the Nevada Administrative
26 Procedure Act, the Nevada Real Estate Appraisers statutes and accompanying
27 regulations, and the federal and state Constitutions.

28 6. RESPONDENT understands that this Agreement and other documentation

1 may be subject to public records laws. The Commission members who review this matter
2 for approval of this Stipulation may be the same members who ultimately hear, consider,
3 and decide the Complaints if this Stipulation is either not approved by the Commission or
4 is not timely performed by RESPONDENT.

5 7. RESPONDENT fully understands that he has the right to be represented by
6 legal counsel in these matters at his own expense.

7 8. Each party shall bear their own attorney's fees and costs, except as provided
8 above.

9 9. Approval of Stipulation. Once executed, this Stipulation will be filed with the
10 Commission and will be placed on the agenda for approval at its next public meeting. The
11 Division will recommend to the Commission approval of the Stipulation. RESPONDENT
12 agrees that the Commission may approve, reject, or suggest amendments to this
13 Stipulation that must be accepted or rejected by RESPONDENT before any amendment
14 is effective.

15 10. Withdrawal of Stipulation. If the Commission rejects this Stipulation or
16 suggests amendments unacceptable to RESPONDENT, RESPONDENT may withdraw
17 from this Stipulation, and the Division may pursue its Complaint before the Commission.
18 This Stipulation then shall become null and void and unenforceable in any manner
19 against either party.

20 11. Release. In consideration of the execution of this Stipulation,
21 RESPONDENT for himself, his heirs, executors, administrators, successors, and assigns,
22 hereby releases, remises, and forever discharges the State of Nevada, the Department of
23 Business and Industry, and the Division, and each of their respective members, agents,
24 employees, and counsel in their individual and representative capacities, from any and all
25 manner of actions, causes of action, suits, debts, judgments, executions, claims, and
26 demands whatsoever, known and unknown, in law or equity, that RESPONDENT ever
27 had, now has, may have, or claim to have against any or all of the persons or entities
28 named in this section, arising out of or by reason of the Division's investigations, these

1 disciplinary actions, and all other matters relating thereto.

2 12. Indemnification. RESPONDENT hereby agrees to indemnify and hold
3 harmless the State of Nevada, the Department of Business and Industry, Petitioner, the
4 Division, and each of their respective members, agents, employees, and counsel, in their
5 individual and representative capacities, against any and all claims, suits, and actions
6 brought against said persons and/or entities by reason of the Division's investigations,
7 these disciplinary actions, and all other matters relating thereto, and against any and all
8 expenses, damages, and costs, including court costs and attorney fees, which may be
9 sustained by the persons and/or entities named in this section as a result of said claims,
10 suits, and actions.

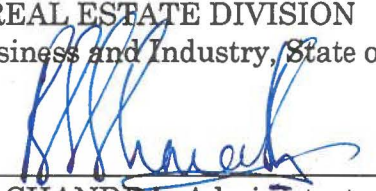
11 13. Default. In the event of default under this Stipulation, RESPONDENT
12 agrees that his license shall be immediately suspended, and the unpaid balance of the
13 administrative fine and costs, together with any attorneys' fees and costs that may have
14 been assessed, shall be due in full to the Division within ten calendar days of the date of
15 default. Debt collection actions for unpaid monetary assessments in this case may be
16 instituted by the Division or its assignee.

17 14. RESPONDENT has signed and dated this Stipulation only after reading and
18 understanding all terms herein.

19 IT IS SO STIPULATED.

20 Dated: January, 10, 2024.

NEVADA REAL ESTATE DIVISION
Dept. of Business and Industry, State of Nevada

21
22 By: 
23 SHARATH CHANDRA, Administrator
24 3300 West Sahara Avenue, Suite 350
25 Las Vegas, Nevada 89102

26 Dated: January 8th 2024.

Authenticator
Joshua Ryan Stalk 01/08/24
JOSHUA RYAN STALK
(License No. A.0207120-RES)


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Approved as to form:

BLACK & WADHAMS

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Attorneys for Real Estate Division

ORDER

IT IS ORDERED that the foregoing Stipulation for Settlement of Disciplinary Action, submitted by Petitioner and Respondent, is approved in full.

Dated: this 18 day of January, 2024.

COMMISSION OF APPRAISERS OF REAL ESTATE

By: 
President, Commission of Appraisers of Real Estate