

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,

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Petitioner,

vs.

BRADLEY W. CORN,
(License No. A.0005827-CR),

Respondent.

Case No. 2021-512, AP21.038.N

**COMPLAINT AND NOTICE OF
HEARING**

FILED

MAR 22 2024

NEVADA COMMISSION OF APPRAISERS

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State of Nevada, Department of Business and Industry, Real Estate Division (“the Division”), by and through counsel, Attorney General AARON D. FORD and Senior Deputy Attorney General Phil W. Su, hereby notifies BRADLEY W. CORN (“Respondent”) of an administrative complaint and hearing which is to be held pursuant to Chapter 233B and Chapter 645C of the Nevada Revised Statutes (“NRS”) and Chapter 645C of the Nevada Administrative Code (“NAC”). The purpose of the hearing is to consider the allegations stated below and to determine if the Respondent should be subject to a disciplinary penalty as set forth in NRS 645C and or NAC 645C, if the stated allegations are proven at the hearing by the evidence presented.

JURISDICTION

The Respondent is a Certified Residential Appraiser licensed by the Division, License No. A.0005827-CR (inactive as of January 10, 2024), 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.

PROCEDURAL HISTORY

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2 1. On May 7, 2021, the Division received a complaint from Complainant David
3 S. Jones asserting that RESPONDENT Bradley W. Corn's appraisal report (hereinafter
4 "Appraisal Report") of Jones' property at 295 Andrew Ln., Reno, NV 89521, ("the
5 Property") incorrectly reports that Respondent completed an interior and exterior
6 inspection of the Property. [0002-0003; 0004-0011].

7 2. Instead, Complainant contends that Respondent never entered the Property
8 and only took pictures from outside. [0003].

9 3. On May 10, 2021, the Division issued an open investigation letter for Case
10 No. 2021-512, AP21.038.N, via certified mail to RESPONDENT at his address of record,
11 instructing him to provide his response and the entire work file and documentation to the
12 Division by May 24, 2021. [0146-0147].

13 4. On June 18, 2021, the Division sent a second letter to Respondent, via
14 certified mail to his address of record, indicating that it did not receive his response to the
15 May 10, 2021, letter by the deadline indicated and providing a further deadline of July 2,
16 2021, to provide response to the investigation. [0148-0150].

17 5. On July 26, 2021, the Division sent a third letter to Respondent, via certified
18 mail to his address of record, indicating that it still had not received a response to its open
19 investigation letter and that the Division had obtained sufficient information to seek
20 disciplinary action against him by filing a Complaint with the Appraisal Commission.
21 [0151-0153.]

22 6. On August 3, 2021, the Respondent emailed the Division with a response to
23 the Complaint, indicating that "this [was] a simple misunderstanding on the part of the
24 property owner," that "the assignment was completed on form 1004 under FHA exterior
25 only protocol" pursuant to the "modified set of instructions... included in every report like
26 this due to COVID-19," and that the "USPAP Identification and Exposure Time form...
27 was incorrectly checked interior and exterior. An honest mistake." [0013].

28 7. Contemporaneously with his August 3, 2021, emailed response, the

1 Respondent also provided his work file to the Division. [0014-0099].

2 8. On February 9, 2023, the Division commissioned a Standard 3 Review of the
3 Respondent's Appraisal Report, which was completed on February 27, 2023. [0110-0145].

4 9. Following the investigation and Standard 3 Review, the investigator
5 recommended the case be heard by the Appraisal Advisory Review Committee ("AARC").
6 [0101-0109].

7 **FACTUAL ALLEGATIONS**

8 10. The Respondent prepared an Appraisal Report for a 1,632 sq. ft., one-story, 3
9 br/2 bath single family residence, built in 1975 and located at 295 Andrew Ln., Reno, NV
10 89521, APN # 017-342-17 (the "Property"). [0016-0053].

11 11. The Appraisal Report was generated on "Fannie May Form 1004 March
12 2005," indicated assignment type as "Other/Reverse Mortgage" and indicated a value
13 conclusion of \$540,000.00 by Sales Comparison Approach. [0017; 0021].

14 12. The effective date of the report was indicated as March 10, 2021, and the
15 date of signature of the report was March 24, 2021. [0021].

16 13. On page 2 of the Appraisal Report under "Reconciliation," the report notes
17 that its market value determination is "[b]ased on a complete visual inspection of the
18 interior and exterior areas of the subject property, defined scope of work, statement of
19 assumptions and limiting conditions, and appraiser's certification." [0017].

20 14. On page 4 of the Appraisal Report the "Scope of Work" indicated that
21 "The appraiser must, at a minimum: (1) perform a complete visual inspection of the
22 interior and exterior areas of the subject property." [0019.]

23 15. On page 5 of the Appraisal Report, Item #2 of Respondent's Certification
24 Statement indicated that "2. I performed a complete visual inspection of the interior and
25 exterior areas of the subject property. I reported the condition of the improvements in
26 factual, specific terms. I identified and reported the physical deficiencies that could affect
27 the livability, soundness, or structural integrity of the property." [0020].

28 16. According to the Complainant, Respondent "never entered the home and

1 property only took photos from the street.” [0003]

2 17. Included in Respondent’s work file is a document entitled “FHA Exterior-
3 Only Inspection,” which includes a modified set of instructions, Scope of Work, Statement
4 of Limiting Conditions, and Certification for Appraisals with FHA Exterior-only
5 Inspection. [0048-0051].

6 18. Specifically, the Instructions for an “FHA Exterior-Only Inspection” required
7 copying and texting of the *entire text* into the modified appraisal report. [0048]

8 19. The Respondent failed to utilize the modified language in the “FHA Exterior-
9 Only Inspection” instructions. [0017; 0019; 0020; 0102].

10 20. In the Neighborhood section on page 1 of the Appraisal Report, Respondent
11 comments that market conditions are “stable to slightly increasing,” despite steadily
12 declining median sales prices for the past year; this contradiction is not reconciled in the
13 Appraisal Report. [0016; 0103-104].

14 21. In the Improvements section on page 1 of the Appraisal Report, the
15 Respondent asserts that he “has limited information regarding the subject’s
16 improvements and makes the extraordinary assumption that the condition rating is
17 accurate, that there are no latent defects, and that the improvements are in general good
18 repair,” but the Respondent fails to provide an explanation for having limited information
19 or for the extraordinary assumption.” [0016; 0102].

20 22. The Improvements section on page 1 of the Appraisal Report states “See
21 addendum for additional disclosures. The improvements are well maintained and feature
22 limited physical depreciation due to normal wear and tear,” yet there are no “additional
23 disclosures” regarding improvements in the supplemental addendum. [0016; 0024-0030;
24 0103].

25 23. In the Improvements section on page 1 of the Appraisal Report the
26 Respondent asserts that he “has limited information regarding the subject’s
27 improvements and makes the extraordinary assumption that the condition rating is
28 accurate, that there are no latent defects, and that the improvements are in general good

1 repair,” but the Respondent fails to provide an explanation for having limited information
2 or for the extraordinary assumption.” [0016; 0102].

3 24. The Appraisal Report provided a Cost Approach to Value of \$379,660,
4 without reconciling it to the Value Opinion of \$540,000.00 and, instead, only indicating
5 that “the cost approach is developed for information purposes only and is not relied upon
6 in the market value conclusion.” [0018; 0105].

7 25. The Appraisal Report provides an opinion of site value of \$140,000.00
8 without including an analysis of the “approx. 8 comparable vacant lot sales within the
9 past 12 months” that were used for comparison. [0018; 0103].

10 26. Following hearing of this matter by the AARC, it issued an October 17, 2023,
11 Committee Report recommending “this case be forwarded to the Commission because the
12 Respondent is not prepared, making excuses, stating he never received notification from
13 the Division.” [0155-0157].

14 27. The AARC Committee Report also noted that Respondent confirmed his
15 address of record during the meeting. [0155].

16 28. The AARC Committee Report also noted that the May 10 open investigation
17 letter was “returned undeliverable on May 24, 2021;” the June 18 letter was “returned
18 unopened but partially signed for on July 8, 2021;” and the 233B letter dated July 26,
19 2021, was signed for on August 2, 2021, after which point Respondent finally provided his
20 work file to the Division. [0155].

21 VIOLATIONS OF LAW

22 First Violation

23
24 The Respondent failed to prepare the appraisal report for the Property in
25 Compliance with the Standards of the Appraisal Foundation and the law. The Standards
26 are published in the Uniform Standards of Professional Appraisal Practice (“USPAP”)
27 adopted by the Appraisal Standards Board of the Appraisal Foundation, as authorized by
28 Congress, and adopted in Nevada by NAC 645C.400(1).

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First Violation

USPAP Standards Rule 1-1(b) requires an appraiser to (b) not commit a substantial error of omission or commission that significantly affects an appraisal.

Respondent violated Standards Rule 1-1(b) by relying on untested or unexplained extraordinary assumptions regarding property value trends, market conditions and improvements on the property; improperly developed adjustments and conclusions; by providing contradictory data in the Appraisal Report that is not reconciled; and by improperly indicating that he conducted an interior/exterior inspection when he in fact did not.

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

Second Violation

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

Respondent violated Standards Rule 1-1(c) by relying on untested or unexplained extraordinary assumptions regarding property value trends, market conditions and improvements on the property; improperly developed adjustments and conclusions; and by providing contradictory data in the Appraisal Report that is not reconciled.

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

Third Violation

USPAP Standards Rule 1-2(e) requires an appraiser to (e) Identify, from sources the appraiser reasonably believes to be reliable, the characteristics of the property relevant to the type and definition of value and the Intended use of the appraisal.

1 Respondent violated Standards Rule 1-2(e) by relying on untested or unexplained
2 extraordinary assumptions regarding property value trends, market conditions and
3 improvements on the property; improperly developed adjustments and conclusions; and
4 by providing contradictory data in the Appraisal Report that is not reconciled.

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

8 **Fourth Violation**

9 USPAP Standards Rule 1-2(f) requires an appraiser to (f) identify any
10 extraordinary assumptions necessary in the assignment.

11 Respondent violated Standards Rule 1-2(f) by relying on untested or unexplained
12 extraordinary assumptions improvements on the property.

13 The Respondent's actions constitute unprofessional conduct pursuant to NRS
14 645C.470(2), as determined by NAC 645C.405(1) and (2) and grounds for disciplinary
15 action pursuant to NRS 645C.460(1)(a) and/or (b).

16 **Fifth Violation**

17 USPAP Standards Rule 1-3(a) requires an appraiser to (a) identify and analyze the
18 effect on use and value of existing land use regulations, reasonably probable modifications
19 of such land use regulations, economic supply and demand, the physical adaptability of
20 the real estate, and market area trends.

21 Respondent violated Standards Rule 1-3(a) by relying on untested or unexplained
22 extraordinary assumptions regarding property value trends and market conditions.

23 The Respondent's actions constitute unprofessional conduct pursuant to NRS
24 645C.470(2), as determined by NAC 645C.405(1) and (2) and grounds for disciplinary
25 action pursuant to NRS 645C.460(1)(a) and/or (b).

26 **Sixth Violation**

27 USPAP Standards Rule 1-4(a) requires an appraiser to collect, verify, and analyze
28 all information necessary for credible assignment results: (a) When a sales comparison

1 approach is necessary for credible assignment results, an appraiser must analyze such
2 comparable sales data as are available to indicate a value conclusion.

3 Respondent violated Standards Rule 1-4(a) by relying on untested or unexplained
4 extraordinary assumptions regarding market conditions; improperly developed
5 adjustments and conclusions; and by providing contradictory data in the Appraisal Report
6 that is not reconciled.

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

10 **Seventh Violation**

11 USPAP Standards Rule 1-4(b) requires that when a cost approach is necessary for
12 credible assignment results, the appraiser must (i) develop an opinion of site value by an
13 appropriate appraisal method or technique; (ii) analyze such comparable cost data as are
14 available to estimate the cost new of the improvements (if any); and (iii) analyze such
15 comparable data as are available to estimate the difference between the cost new and the
16 present worth of the improvements (depreciation).

17 The Respondent violated Standards Rule 1-4(b) by relying improperly developed
18 site value adjustments and conclusions.

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

22 **Eighth Violation**

23 USPAP Standards Rule 1-6(a) and 1-6(b) requires an appraiser to (a) reconcile the
24 quality and quantity of data available and analyzed within the approaches used, and (b)
25 reconcile the applicability and relevance of the approaches, methods and techniques used
26 to arrive at the value conclusion(s).

27 The Respondent violated Standards Rules 1-6(a) and 1-6(b) by not reconciling his
28 cost approach value to his Appraisal Report's final value opinion.

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

4 **Ninth Violation**

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

8 The Respondent violated Standards Rule 2-1(a) by relying on untested or
9 unexplained extraordinary assumptions regarding property market conditions and
10 improvements on the property; improperly developed adjustments and conclusions; and
11 by providing contradictory data in the Appraisal Report that is not reconciled.

12 The Respondent's actions constitute unprofessional conduct pursuant to NRS
13 645C.470(2), as determined by NAC 645C.405(1) and (2) and grounds for disciplinary
14 action pursuant to NRS 645C.460(1)(a) and/or (b).

15 **Tenth Violation**

16 USPAP Standards Rule 2-1(b) requires each written or oral real property appraisal
17 report to (b) contain sufficient information to enable the intended user(s) of the appraisal
18 to understand the report properly.

19 The Respondent violated Standards Rule 2-1(b) by relying on untested or
20 unexplained extraordinary assumptions regarding property value trends and market
21 conditions; improperly developed adjustments and conclusions; and by providing
22 contradictory data in the Appraisal Report that is not reconciled.

23 The Respondent's actions constitute unprofessional conduct pursuant to NRS
24 645C.470(2), as determined by NAC 645C.405(1) and (2) and grounds for disciplinary
25 action pursuant to NRS 645C.460(1)(a) and/or (b).

26 **Eleventh Violation**

27 USPAP Standards Rule 2-1(c) requires each written or oral real property appraisal
28 report to (c) clearly and accurately disclose all assumptions, extraordinary assumptions,

1 hypothetical conditions, and limiting conditions used in the assignment.

2 The Respondent violated Standards Rule 2-1(c) by relying on untested or
3 unexplained extraordinary improvements on the property, and improperly developed
4 adjustments and conclusions.

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

8 **Twelfth Violation**

9 USPAP Standards Rule 2-2(a)(x)(2) and (5) requires each written or oral real
10 property appraisal report to provide sufficient information to indicate that the appraiser
11 complied with the requirements of Standard 1 by (2) stating the reasons for excluding the
12 sales comparison, cost or income approach(es) if any have not been developed; and (5)
13 summarizing the information analyzed and the reasoning that support the analyses,
14 opinions, and conclusions, including reconciliation of the data and approaches.

15 The Respondent violated Standards Rule 2-2(a)(x)(2) by not reconciling his cost
16 approach value to his Appraisal Report's final value opinion.

17 The Respondent violated Standards Rule 2-2(a)(x)(5) by relying on untested or
18 unexplained extraordinary assumptions regarding property value trends, market
19 conditions and improvements on the property; improperly developed adjustments and
20 conclusions; and by providing contradictory data in the Appraisal Report that is not
21 reconciled.

22 The Respondent's actions constitute unprofessional conduct pursuant to NRS
23 645C.470(2), as determined by NAC 645C.405(1) and (2) and grounds for disciplinary
24 action pursuant to NRS 645C.460(1)(a) and/or (b).

25 **Thirteenth Violation**

26 USPAP Standards Rule 2-2(a)(xiii) requires each written or oral real property
27 appraisal report to (xiii) clearly and conspicuously, state all extraordinary assumptions
28 and hypothetical conditions; and state that their use might have affected the assignment

1 results.

2 The Respondent violated Standards Rule 2-2(a)(xiii) by relying on untested or
3 unexplained extraordinary assumptions regarding improvements on the property.

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

7 **Fourteenth Violation**

8 The Respondent violated NRS 645C.460(1)(a) pursuant to NRS 645C.480(1)(a) by
9 failing to address the Division's investigator's initial requests for response to the
10 Division's investigation and to produce his work file to the Division as requested.

11 **DISCIPLINE AUTHORIZED**

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

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

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

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

26 **THE HEARING WILL TAKE PLACE at the Commission meeting scheduled**
27 **for April 23-25, 2024, beginning at approximately 9:00 a.m. each day, or until**
28 **such time as the Commission concludes its business. The Commission meeting**

1 will be held at the Nevada State Business Center, 3300 W. Sahara Avenue,
2 Nevada Room 4th Floor, Las Vegas, Nevada 89102, with video conference to:
3 Department of Business & Industry, 1818 E. College Parkway, Suite 103, Carson
4 City, Nevada 89076.

5 **STACKED CALENDAR:** Your hearing is one of several hearings that may
6 be scheduled at the same time as part of a regular meeting of the Commission
7 that is expected to take place on April 23-25, 2024. Thus, your hearing may be
8 continued until later in the day or from day to day. It is your responsibility to
9 be present when your case is called. If you are not present when your case is
10 called, a default may be entered against you, and the Commission may decide
11 the case as if all allegations in the complaint were true. If you need to negotiate
12 a more specific time for your hearing in advance, because of coordination with
13 out-of-state witnesses or the like, please call Maria Gallo, Commission
14 Coordinator, at (702) 486-4074.

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

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

28 ///

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

6 DATED the 21 day of March, 2024.

DATED the 21 day of March, 2024.

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8 || NEVADA REAL ESTATE DIVISION

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Attorney General

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