

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 KEITH T. KAVULA,
11 (License No. A.0007139-CR- INACTIVE),

12 Respondent.

Case No. 2022-427

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

FILED

APR 24 2025

NEVADA COMMISSION OF APPRAISERS

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13 This Stipulation and Order for Settlement of Disciplinary Action (the "Stipulation")
14 is entered into by and between the State of Nevada, Department of Business and
15 Industry, Real Estate Division ("the Division"), through its Administrator Sharath
16 Chandra ("Petitioner"), by and through their attorney of record, Phil W. Su, Senior
17 Deputy Attorney General, and Respondent Keith T. Kavula, ("RESPONDENT"), by and
18 through his attorney of record, Janeen Isaacson, Esq.

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

23 **JURISDICTION**

24 The Respondent is a Certified Residential Appraiser licensed by the Division,
25 License No. A.0007139-CR (inactive as of January 16, 2024), and therefore is subject to
26 the Jurisdiction of the Division and the provisions of NRS and NAC Chapter 645C. By
27 availing himself of the benefits and protections of the laws of the State of Nevada, the
28 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 **PROCEDURAL HISTORY**

5 1. On June 28, 2022, the Division received a complaint from Complainant
6 Valerie McClain, VP Compliance of ClearCapital.com, Inc., asserting that RESPONDENT
7 KEITH T. KAVULA's appraisal report (hereinafter "Subject Appraisal Report") of the real
8 property at 3006 Scalise Ct., Las Vegas, NV 89141, ("the Subject Property"), indicated
9 physical characteristics different than those indicated on the MLS.

10 2. On June 28, 2022, the Division's investigator, Nick Lazzarino, issued an
11 open investigation letter for Case No. 2022-427, via certified mail to RESPONDENT at
12 his address of record, concerning the Subject Appraisal Report and instructing him to
13 provide his response and entire workfile and documentation to the Division by July 14,
14 2022.

15 3. On July 25, 2022, RESPONDENT emailed the Division with response to the
16 Complaint and "Documents in file for subject property."

17 4. On August 11, 2022, Administration Section Manager Shareece Bates sent
18 an acknowledgement of receipt of the documentation sent by RESPONDENT in July,
19 informed him that Investigator Lazzarino was no longer with the Division, and indicated
20 that the Division would contact RESPONDENT if/when anything further was needed.

21 5. RESPONDENT prepared an Exterior-Only Inspection Residential Appraisal
22 Report for a single-family home located at 3006 Scalise Ct., Las Vegas, NV 89141, APN #
23 177-32-317-004.

24 6. The Appraisal Report was generated on "Fannie Mae Form 2055 March
25 2005," indicated assignment type as "Other/Asset Management," a 02/09/2022 effective
26 date of report, and indicated an appraised value of \$375,000.00 by Sales Comparison
27 Approach.

28 7. The Subject Appraisal Report and workfile failed to provide data,

1 information, or documentation indicating how adjustments and lot value were
2 determined.

3 8. The Subject Appraisal Report and workfile failed to include data,
4 information, or documentation to support Certification #9 of the Fannie Mae Form,
5 regarding reporting adjustments to comparable sales that reflect the market's reaction to
6 differences between the subject property and comparable sales.

7 9. The Subject Appraisal Report and workfile failed to provide data,
8 information, or documentation indicating how particular comparables were determined,
9 e.g. why more applicable comps were used, compared to those outside of market area.

10 10. The Subject Appraisal Report and workfile failed to provide consistent data
11 regarding market conditions, including, but not limited to, referring to Zillow general zip
12 code information and other unreliable information to determine market conditions.

13 11. The Subject Appraisal Report and workfile failed to provide sufficient
14 reference to, and description of, the Subject Property's interior physical condition and the
15 presence of leased solar panels, and the workfile omitted corresponding interior photos
16 contained in the MLS listing (which was otherwise included in the workfile).

17 12. In an undated Addendum, RESPONDENT submitted a two-page rebuttal to
18 an April 15, 2022, letter that alleged material deficiencies in the RESPONDENT'S
19 Appraisal Report, including potential violations of USPAP Standard Rules 2-2(a)(x) and
20 2-2(a)(iv).

21 13. There is no documentation that RESPONDENT issued a revised Appraisal
22 Report after submitting his two-page rebuttal Addendum to the April 15, 2022, letter.

23 14. On February 14, 2024, the Division commissioned a Standard 3 Review of
24 RESPONDENT'S Appraisal Report, which was completed on March 24, 2024.

25 15. On or about November 25, 2024, Division Appraisal Investigator James Silva
26 sent RESPONDENT an NRS 233B letter, via certified mail, indicating that the Division
27 has obtained sufficient information to commence disciplinary action against him and
28 intended to do so by filing a formal complaint with the Commission of Appraisers of Real

1 Estate.

2 SUMMARY OF ALLEGED VIOLATIONS OF LAW

3 The Complaint filed by the Division alleges that RESPONDENT committed the
4 following violations of law:

5 1. RESPONDENT violated USPAP ETHICS RULE by stating a scope of work
6 that was not actually performed (i.e. not supported in the workfile) regarding adjustments
7 and site value opinion, which is intentionally misleading; and/or by making adjustments
8 in the sales grid without data in the appraisal report or workfile to indicate that the
9 adjustments were extracted from the market (i.e. no paired sales analysis), leading to
10 arbitrary adjustments.

11 2. RESPONDENT violated USPAP RECORD KEEPING RULE because his
12 workfile lacked data to indicate that his adjustments were extracted from the market (i.e.
13 no paired sales analysis), leading to arbitrary adjustments; by failing to include data,
14 information, or documentation to support Certification #9 of the Fannie Mae Form; and/or
15 by failing to submit a revised report following his rebuttal letter to the April 15, 2022,
16 review letter.

17 3. RESPONDENT violated USPAP COMPETENCY RULE by failing to provide
18 data in the report or workfile to demonstrate report's adjustments were extracted from
19 the market (i.e. no paired sales analysis), or otherwise based on market data; by failing to
20 calculate market conditions based on reliable sources; by failing to use truly comparable
21 sales data (e.g. relying upon comparables outside of subject property's market
22 area/master plan); and/or by failing to provide data to support land value.

23 4. RESPONDENT violated USPAP SCOPE OF WORK RULE by failing to
24 properly identify and analyze the Subject Property's physical condition and the presence
25 of a solar panel lease, or to analyze the impact of physical condition upon value; by failing
26 to provide adjustments based on market data; and/or by failing to consider market
27 conditions based on reliable sources and calculations.

28 5. RESPONDENT violated USPAP Standards Rule 1-1(a) by failing to provide

1 data in the report or workfile to demonstrate report's adjustments were extracted from
2 the market (i.e. no paired sales analysis), or otherwise based on market data; and/or by
3 failing to use truly comparable sales data (e.g. relying upon comparables outside of
4 subject property's market area/master plan).

5 6. RESPONDENT violated USPAP Standards Rule 1-1(b) by failing to properly
6 identify and analyze the Subject Property's physical condition and the presence of a solar
7 panel lease, or to analyze the impact of physical condition upon value.

8 7. RESPONDENT violated USPAP Standards Rule 1-1(c) by making a series of
9 errors that, although individually might not significantly affect the results of an
10 appraisal, in the aggregate affects the credibility of those results, including, but not
11 limited to: failing to properly indicate the property's list price as of the effective date of
12 the report or to provide an explanation for the discrepancy; and/or by providing
13 incoherent and/or inconsistent verbiage in multiple areas of the Subject Report.

14 8. RESPONDENT violated USPAP Standards Rule 1-2(e)(i) by failing to
15 properly identify and analyze the Subject Property's physical condition and the presence
16 of a solar panel lease.

17 9. RESPONDENT violated USPAP Standards Rule 1-2(h) by failing to
18 determine the scope of work necessary to produce credible assignment results as
19 indicated above under the Fourth Violation.

20 10. RESPONDENT violated USPAP Standards Rule 1-4(a) by failing to provide
21 data in the report or workfile to demonstrate report's adjustments were extracted from
22 the market (i.e. no paired sales analysis), or otherwise based on market data; and/or by
23 failing to calculate market conditions based on reliable sources.

24 11. RESPONDENT violated USPAP Standards Rule 1-5(a) by failing to properly
25 indicate the property's list price as of the effective date of the report or to provide an
26 explanation for the discrepancy.

27 12. RESPONDENT violated USPAP Standards Rule 2-1(a) by stating a scope of
28 work that was not actually performed (i.e. not supported in the workfile) regarding

1 adjustments and site value opinion, which is intentionally misleading; and/or by making
2 adjustments in the sales grid without data in the appraisal report or workfile to indicate
3 that the adjustments were extracted from the market (i.e. no paired sales analysis),
4 leading to arbitrary adjustments.

5 13. RESPONDENT violated USPAP Standards Rule 2-1(b) by failing to provide
6 data in the report or workfile to demonstrate report's adjustments were extracted from
7 the market (i.e. no paired sales analysis), or otherwise based on market data; and/or by
8 failing to calculate market conditions based on reliable sources.

9 14. RESPONDENT violated USPAP Standards Rule 2-1(a)(iv) by failing to
10 properly identify and analyze the Subject Property's physical condition and the presence
11 of a solar panel lease and the impact of physical condition upon value.

12 15. RESPONDENT violated USPAP Standards Rule 2-2(a)(viii) by failing to
13 properly identify and analyze the Subject Property's physical condition and the presence
14 of a solar panel lease and the impact of physical condition upon value; by failing to
15 provide data in the report or workfile to demonstrate report's adjustments were extracted
16 from the market (i.e. no paired sales analysis), or otherwise based on market data; by
17 failing to calculate market conditions based on reliable sources; and/or by failing to use
18 truly comparable sales data (e.g. relying upon comparables outside of subject property's
19 market area/master plan).

20 16. RESPONDENT violated USPAP Standards Rule 2-2(a)(x) by failing to
21 properly identify and analyze the Subject Property's physical condition and the presence
22 of a solar panel lease and the impact of physical condition upon value; by failing to
23 provide data in the report or workfile to demonstrate report's adjustments were extracted
24 from the market (i.e. no paired sales analysis), or otherwise based on market data; by
25 failing to calculate market conditions based on reliable sources; and/or by failing to use
26 truly comparable sales data (e.g. relying upon comparables outside of subject property's
27 market area/master plan).

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1. RESPONDENT agrees to pay the Division a total amount of ELEVEN THOUSAND EIGHT HUNDRED SEVENTY SEVEN DOLLARS and 12/100 cents (\$11,877.12) ("Amount Due"), consisting of SIX THOUSAND FOUR HUNDRED DOLLARS AND NO CENTS (\$6,400.00) in administrative fines imposed by the Division and the Division's pre-hearing attorney's fees in the amount of FOUR THOUSAND THREE HUNDRED NINETY SEVEN DOLLARS and 12/100 cents (\$4,397.12), and investigative costs incurred in the total amount of ONE THOUSAND EIGHTY DOLLARS AND NO CENTS (\$1,080.00).

3. RESPONDENT, whose Nevada Real Estate Appraisal License No. A.0007139-CR was already in inactive status as of January 16, 2024, hereby agrees that he will not file to reactivate his inactive Appraisal License for a period of five (5) years from the effective date of the Order approving this Settlement Stipulation. If RESPONDENT thereafter wishes to reactivate his Appraisal License A.0007139-CR, he

1 agrees that he must first petition to appear before this Commission at its next regularly
2 scheduled public meeting for prior approval.

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

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

17 6. RESPONDENT understands that this Agreement and other documentation
18 may be subject to public records laws. The Commission members who review this matter
19 for approval of this Stipulation may be the same members who ultimately hear, consider,
20 and decide the Complaints if this Stipulation is either not approved by the Commission or
21 is not timely performed by RESPONDENT.

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

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

26 9. Approval of Stipulation. Once executed, this Stipulation will be filed with the
27 Commission and will be placed on the agenda for approval at its next public meeting. The
28 Division will recommend to the Commission approval of the Stipulation. RESPONDENT

1 agrees that the Commission may approve, reject, or suggest amendments to this
2 Stipulation that must be accepted or rejected by RESPONDENT before any amendment
3 is effective.

4 10. Withdrawal of Stipulation. If the Commission rejects this Stipulation or
5 suggests amendments unacceptable to RESPONDENT, RESPONDENT may withdraw
6 from this Stipulation, and the Division may pursue its Complaint before the Commission.
7 This Stipulation then shall become null and void and unenforceable in any manner
8 against either party.

9 11. Release. In consideration of the execution of this Stipulation,
10 RESPONDENT for himself, his heirs, executors, administrators, successors, and assigns,
11 hereby releases, remises, and forever discharges the State of Nevada, the Department of
12 Business and Industry, and the Division, and each of their respective members, agents,
13 employees, and counsel in their individual and representative capacities, from any and all
14 manner of actions, causes of action, suits, debts, judgments, executions, claims, and
15 demands whatsoever, known and unknown, in law or equity, that RESPONDENT ever
16 had, now has, may have, or claim to have against any or all of the persons or entities
17 named in this section, arising out of or by reason of the Division's investigations, these
18 disciplinary actions, and all other matters relating thereto.

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

28 13. Default. In the event of default under this Stipulation, RESPONDENT

1 agrees that his license shall be immediately suspended, and the unpaid balance of the
2 administrative fine and costs, together with any attorneys' fees and costs that may have
3 been assessed, shall be due in full to the Division within ten calendar days of the date of
4 default. Debt collection actions for unpaid monetary assessments in this case may be
5 instituted by the Division or its assignee.

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

8 IT IS SO STIPULATED.

9
10 Dated: 04/21, 2025.

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

11
12
13 By: [Signature]
14 SHARATH CHANDRA, Administrator
15 3300 West Sahara Avenue, Suite 350
16 Las Vegas, Nevada 89102

16 Dated: 04/18, 2025.

17
18 [Signature]
19 KEITH KAVULA
(License No. A.0007139-CR)

18 Approved as to form:

19
20 GARIN LAW GROUP

AARON D. FORD
Attorney General

21 By: /s/ Janeen V. Isaacson
22 JANEEN ISAACSON (Bar No. 6429)
23 9900 Covington Cross Dr., Suite 210
24 Las Vegas, NV 89144
25 (702) 382-1500
26 *Attorneys for Respondent*
27 *Keith Kavula*

By: /s/ Phil W. Su
PHIL W. SU (Bar No. 10450)
Senior Deputy Attorney General
1 State of Nevada Way, Ste. 100
Las Vegas, Nevada 89119
(702) 486-3655
Attorneys for Real Estate Division

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ORDER
Case No. 2022-427

IT IS ORDERED that the foregoing Stipulation for Settlement of Disciplinary Action, submitted by Petitioner Nevada Division of Real Estate and Respondent Keith Kavula, is approved in full.

Dated: this 24th day of April, 2025.

COMMISSION OF APPRAISERS OF REAL ESTATE

By: 

President, Commission of Appraisers of Real Estate