

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, STATE OF NEVADA,

7   Petitioner,

8 vs.

9 ARTURO VALDOVINOS JR.  
10 (License No. A.0005988-RES),

11   Respondent.

Case No. 2022-382

**FILED**

SEP 04 2024

NEVADA COMMISSION OF APPRAISERS

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12   **COMPLAINT AND NOTICE OF HEARING**

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 ARTURO VALDOVINOS  
16 JR. (“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           At all times relevant to this Complaint, the Respondent was a Residential  
24 Appraiser licensed by the Division, and therefore, is subject to the Jurisdiction of the  
25 Division and the provisions of NRS and NAC Chapter 645C. By availing himself of the  
26 benefits and protections of the laws of the State of Nevada, the Respondent has submitted  
27 to the jurisdiction of the Division.  
28

1 **PROCEDURAL HISTORY**

2 1. On or about June 7, 2022, the Division received a complaint from the  
3 homeowner alleging Respondent committed an appraisal report as a manufactured home  
4 instead of a single-family home and used comparable sales (“Comps”) that were not  
5 converted to manufactured homes. *00002 – 00003.*

6 2. The Division commissioned a Standard 3 Review of the underlying appraisal  
7 performed by the Respondent. *000073.*

8 3. The Standard 3 Reviewer found the Respondent’s appraisal report did not  
9 meet a total of nineteen (19) USPAP Standards. *00102.*

10 4. Given the Respondent’s prior discipline history (Case No. 2007-1681, heard  
11 by the Appraisal Advisory Review Committee (“AARC”), whereby the Respondent  
12 received a 15 hr. USPAP course, 30 hr. Basic Appraisal Procedures Course, and a 15 hr.  
13 Report Writing Course), and the current Case No. 2022-382 which contains possible  
14 ethics rule, competency rule, and several standards rule violations, the Division  
15 determined this matter should be heard by the Nevada Commission of Appraisers of Real  
16 Estate (“Commission”). *00129.*

17 **FACTUAL ALLEGATIONS**

18 1. On or about April 28, 2022, the Respondent prepared a 1004C manufactured  
19 home appraisal (“Appraisal Report”) for client Clear Capital (“Intended User”) on 1314  
20 Monterey Drive, Boulder City, NV 89005-2223 (“Subject”). *00024.*

21 2. The Subject was a manufactured home converted to real property. *00106,*  
22 *and 00123.*

23 3. On or about June 21, 2022, Respondent submitted his rebuttal letter to the  
24 Division, admitting he communicated assignment results directly to the homeowner.  
25 *00022 – 00023.*

26 4. Yet, the Respondent’s workfile did not include any documentation that the  
27 client provided permission to communicate assignment results to the homeowner. *00123.*

28 ...

1           5.     The Appraisal Report stated: "GLA was adjusted at \$30.00 per square  
2 foot for differences over 100sf. Carport adjustments were made at \$3,000 for this  
3 amenity." 00031.

4           6.     The Appraisal Report also stated: "The adjustments were estimated after  
5 historic paired sales analysis and market extraction" and "were based on the market's  
6 reaction to these amenities." 00031.

7           7.     There were also adjustments for lot size, age, condition, and garage. 00028,  
8 and 00030.

9           8.     But there was no discussion regarding these adjustments. 00122.

10          9.     Further, there was no data in the appraisal report, or workfile, indicating  
11 the adjustments were extracted from the market (i.e. no paired sales analysis). 00122.

12          10.    In the Appraisal Report's Cost Approach section, support for the opinion of  
13 site value provided: "Please see attached addendum." 00122.

14          11.    Further, under the Cost Approach grid, the summary stated: "Land values  
15 have been derived using the allocation method" and the source of the cost data was  
16 identified as "Marshall & Swift". 00122.

17          12.    Yet, there was no data, information or documentation in the Appraisal  
18 Report, or workfile, to support land value (i.e. allocation analysis), dwelling costs, or  
19 depreciation in the cost approach (i.e. Marshall & Swift data). 00123.

20          13.    Comps 1 & 2 were not converted to real property. 00107 – 00108.

21          14.    The Clark County Assessor revealed Comps 1 & 2 were only for the lot.  
22 00107 – 00108.

23          15.    In his rebuttal letter, Respondent stated: "I was under the impression that  
24 the property was converted into a stick-built home prior to the appraisal", even though  
25 there is no method to convert a manufactured home into a stick-built home. 00022,  
26 and 00123.

27          16.    Comp 1's MLS Listing indicated the sales price was \$275,000. 00111.

28          ...

1           17.     However, public records indicated it was not converted and a sales price of  
2 \$220,000. *00107, and 00112 – 00113.*

3           18.     Therefore, the sales price in the MLS Listing appears to have been arrived at  
4 by adding the price of the lot and manufactured house separately. *00124.*

5           19.     Which contradicts the Appraiser's Certifications, Item #8 which states: "I  
6 have not used comparable sales that were the result of combining a land sale with the  
7 contract purchaser price of a home that has been built or will be built on the land." *00033.*

8           20.     The Appraisal Report's HUD Data Plate section reported: "The HUD  
9 Data Plate was removed from the subject property. Data source taken from Tax  
10 Records." *00026.*

11          21.     Which contradicts the Appraisal Report's exterior photos which included  
12 pictures of the HUD Data plate. *00048.*

13          22.     Then, the Appraisal Report's Additional Comments provided verbiage not  
14 applicable to the subject because it is obviously a different location. *00029, and 00125.*

15          23.     Within the Appraisal Report's Sales Comparison Analysis Section, under the  
16 Analysis of prior sale or history subsection, it represented: "Listing #1 is a current listing  
17 that is listed (MLS #2325263) for \$212,500. The listing has been on the market for  
18 20DOM. It was adjusted inferior for lot size and age." *00030.*

19          24.     But the MLS number was for a mobile home located not in the subject's  
20 Boulder City market area and sold in October of 2021. *00125.*

21          25.     Nor is it applicable to Comp 4, which is an active listing used in the  
22 Appraisal Report. *00125.*

23          26.     The Summary of Sales Comparison Approach subsection included verbiage  
24 that was not applicable because the purpose of the Appraisal Report was not for a sales  
25 transaction. *00030, and 00125 – 00126.*

26          27.     The Appraisal Report's Comment Addendum referenced Covid-19 which was  
27 not relevant in April of 2022. *00031.*

28          ...





1 The Respondent also violated USPAP RECORD KEEPING RULE by failing  
2 to include support in his workfile for land value, dwelling costs, or depreciation in the  
3 Cost Approach.

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

### 7 **Third Violation**

8 The Respondent violated USPAP COMPETENCY RULE by failing to demonstrate  
9 familiarity with this specific type of property and choosing inappropriate comps.

10 The Respondent's actions constitute unprofessional conduct pursuant to NRS  
11 645C.470(2), as determined by NAC 645C.405(1) and grounds for disciplinary action  
12 pursuant to NRS 645C.460(1)(a) and/or (b).

### 13 **Fourth Violation**

14 The Respondent violated USPAP SCOPE OF WORK RULE by failing to properly  
15 identify the subject property and considering inapplicable comps.

16 The Respondent further violated USPAP SCOPE OF WORK RULE by making  
17 arbitrary adjustments on market data.

18 The Respondent also violated USPAP SCOPE OF WORK RULE by failing  
19 to include support in his workfile for land value, dwelling costs, or depreciation in the  
20 Cost Approach.

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

### 24 **Fifth Violation**

25 The Respondent violated Standards Rule 1-1(a) by failing to employ recognized  
26 methods and techniques that are necessary to produce a credible appraisal in his report  
27 with shortcomings committed in his arbitrary adjustments, improper identification of the  
28 Subject and use of inapplicable comps, and failure to analyze comparable sales.

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

4 **Sixth Violation**

5 The Respondent violated Standards Rule 1-1(c) by making a series of careless and  
6 negligent erroneous statements throughout his Appraisal Report.

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

10 **Seventh Violation**

11 The Respondent violated Standards Rule 1-2(h) by failing to determine the scope of  
12 work necessary to produce credible assignment results as indicated above under the  
13 Fourth Violation.

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

17 **Eighth Violation**

18 The Respondent violated Standards Rule 1-5(b) for failing to analyze the Subject's  
19 prior sale which occurred within three (3) years prior to the effective date.

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

23 **Ninth Violation**

24 The Respondent violated Standards Rule 2-1(a) by stating a scope of work was  
25 performed in his Appraisal Report that was not actually performed, is misleading.

26 The Respondent further violated Standards Rule 2-1(a) by failing to discuss  
27 adjustments for lot size, age, condition and garage, is misleading.

28 ...

1 The Respondent also violated Standards Rule 2-1(a) by failing to provide data  
2 indicating the adjustments were extracted from the market, is misleading.

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

6 **Tenth Violation**

7 The Respondent violated Standards Rule 2-1(b) without market derived  
8 adjustments, there is insufficient information to enable the intended users to understand  
9 if value is credible and reliable.

10 The Respondent further violated Standards Rule 2-1(b) without using like kind  
11 comps in the sales grid, there is insufficient information to enable the intended users to  
12 understand if value is credible and reliable.

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

16 **Eleventh Violation**

17 The Respondent violated Standards Rule 2-2(a)(viii) for failing to summarize the  
18 scope of work used to develop the appraisal in terms of choosing the most applicable  
19 comps, analyzing comp prices nor any indication adjustments were extracted from the  
20 market.

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

24 **Twelfth Violation**

25 The Respondent violated Standards Rule 2-2(a)(x), specifically subsections (1) and  
26 (5), as incorporated by the Eleventh Violation, for lack of explanation and support for  
27 adjustments, analyzing sales comparables, and their correct sales prices.

28 . . .

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 **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  
8 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 October 8-10, 2024, beginning at approximately 9:00 a.m. each day, or until  
21 such time as the Commission concludes its business. The Commission meeting  
22 will be held at the Nevada State Business Center, 3300 W. Sahara Avenue,  
23 Nevada Room 4th Floor, Las Vegas, Nevada 89102, with video conference to:  
24 Department of Business and Industry, 1818 E. College Parkway, Suite 103,  
25 Carson City, Nevada 89076.

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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 October 8-10, 2024. 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

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1 evidence. Other important rights you have are listed in NRS Chapter 645C, NRS  
2 Chapter 233B, and NAC Chapter 645C.

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DATED the 3 day of September, 2024.

NEVADA REAL ESTATE DIVISION

By:   
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DATED the 30th day of August, 2024.

AARON D. FORD  
Attorney General

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