

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 MELVIN S. MITCHELL
10 (License No. A.0207161-CR),

11 Respondent.

Case No. 2022-635

FILED

JUN 05 2025

NEVADA COMMISSION OF APPRAISERS

mgello

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 MELVIN S. MITCHELL
16 ("Respondent") of an administrative complaint and hearing which is to be held pursuant
17 to Chapter 233B and Chapter 645C of the Nevada Revised Statutes ("NRS") and Chapter
18 645C of the Nevada Administrative Code ("NAC"). The purpose of the hearing is to
19 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 Certified 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.

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PROCEDURAL HISTORY

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2 1. On or about August 30, 2022, the Division received a complaint alleging the
3 Respondent's appraisal report was subject to a desk review and noted a number of issues
4 ("Complaint"). 000002 – 000003.

5 2. The Division commissioned a Standard 3 Review of the underlying
6 appraisal performed by the Respondent to determine if compliance with the Uniform
7 Standard of Professional Appraisal Practice ("USPAP") exists within the subject
8 report. 000096 – 000119.

9 3. The Standard 3 Reviewer found the Respondent provided insufficient
10 information to indicate compliance with the minimum requirements of the 2020-2021
11 USPAP. 000116.

12 4. Given the numerous USPAP violations and the violation of NRS 645C.215,
13 the Division determined this matter should be heard by the Nevada Commission of
14 Appraisers of Real Estate ("Commission"). 000120 – 000121.

FACTUAL ALLEGATIONS

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16 1. The Respondent prepared an appraisal ("Appraisal Report") for the property
17 located at 648 Andys Way, Elko, NV 89801 ("Subject") for client Citywide Home Loans,
18 LLC, ("Intended User") with an opinion of value of \$1,250,000 as of effective date July 15,
19 2022. 000005, 000041.

20 2. The Appraisal Report submitted with the Complaint had only the
21 Respondent as the signer and indicated the report date of July 20, 2022. 000012.

22 3. Whereas, the Appraisal Report submitted by the Respondent in his Work
23 File, included two signatures, and with an inconsistent report date of October 13, 2022.
24 000048, 000012.

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1 4. The Appraisal Report's Sales Comparison Approach Section failed to account
2 for date of sale/time differences:

- 3 a. No date of sale/time adjustments applied to Comparable Sale #2
4 despite reportedly placed under contract to purchase approximately
5 seven (7) months prior to the effective date of the appraisal; 000044
6 b. Nor for Comparable Sale #4 placed approximately eight (8) months
7 prior; 000049
8 c. Not for Comparable Sale #5 which entered under contract
9 approximately 29-months prior. 000049.

10 5. Despite the considerations stated in the Location subsection within the
11 Appraisal Report's Supplemental Addendum, Explanation of Adjustment section, location
12 adjustments were not applied to the comparable sales, nor was there any support for the
13 analysis included in the work file. 000051, 000044, 000049, 000039 – 000095.

14 6. Further, the site adjustments applied in the Sales Comparison Approach
15 section were not supported by the subjects' Site and Site Improvements in the Cost
16 Approach, as indicated by the price ranges per acre for site. 000044, 000045, 000049.

17 7. In the Summary of the Sales Comparison Approach, the Respondent stated
18 "All comps are adjusted at \$2,000/yr effective age..." 000044.

19 8. However, Comparable Sales were adjusted at different rates:

- 20 a. Comparable #1 was adjusted at \$20,000 for a dwelling with 11 years of
21 age; 000044
22 b. Comparable #2 was adjusted at \$60,000 for a dwelling with 36 years of
23 age; 000044
24 c. Comparable #3 was adjusted at \$8,000 for a dwelling with 4 years of age;
25 000044
26 d. Comparable #4 was adjusted at \$25,000 for a dwelling with 14 years of
27 age; 000044

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e. Comparable #6 was adjusted at \$10,000 for a dwelling with 3 years of age. 000048.

9. Additionally, no support was provided in the work file for the stated adjustment rate of \$2,000/year effective age. 000039 – 000095.

10. In the Scope of Work section within the Supplemental Addendum to the Appraisal Report, Item No. 6 states “only the sales comparison approach was developed.” 000014, 000050.

11. Yet, the Cost Approach was actually completed and provided in the Appraisal Report. 000009, 000045.

12. The Appraisal Report checked the “Yes” box signifying the highest and best use of the subject property was the present use, followed by an inadequate statement that “The subject in [sic] as a SFR is considered the highest and best use.” 000043.

13. The Respondent checked the “Yes” box indicating the Appraisal Report was subject to the use of a hypothetical condition, but failed to adequately state such condition might have affected the assignment results. 000044.

14. The Supplemental Addendum disclosed that John Pace, unlicensed in Nevada, (UT License 10921769-LA00, effective date of credential January 10, 2022, which predates the effective date of the report July 15, 2022), under the direct supervision of Respondent, provided significant assistance in developing the Appraisal Report beyond clerical tasks. 000053, 000017, 000003.

15. Specifically, the Supplemental Addendum represented the unlicensed Mr. Pace significantly assisted with “exterior/interior property inspection”, but in the response to the Division’s investigation, Respondent stated “I personally inspect all properties.” 000053, 000040.

16. The Supplemental Addendum represented the unlicensed Mr. Pace significantly assisted with “neighborhood research, sketch, photos, data imputing, sales comparison analysis, 1004MC, highest and best use, land value estimated cost to ...

1 complete remodeling, income value estimate, improvement cost estimate and appraisal
2 report preparation.” 000053, 000017.

3 17. But in the response to the Division’s investigation, Respondent stated “I pull
4 or review all comps, Highest and best analysis, sketch and every detail in the appraisal
5 report.” 000053, 000040.

6 18. Respondent admitted he is “not perfect and make[s] mistakes.” 000040.

7 19. Accordingly, on or about March 5, 2025, the Division noticed the Respondent
8 that it intended to proceed with formal disciplinary action before this Commission.
9 000120 – 000121.

10 VIOLATIONS OF LAW

11 The Respondent failed to prepare the appraisal report for the Property in
12 Compliance with the 2020-2021 Uniform Standards of Professional Appraisal Practice
13 (“USPAP”) as adopted in Nevada by NAC 645C.400(1).

14 First Violation

15 The Respondent violated USPAP RECORD KEEPING RULE, which requires the
16 work file must include true copies of all written reports, and yet, the Appraisal Report
17 submitted with Respondent’s work file documentation obviously does not match the
18 appraisal report submitted with the Complaint. 000048, 000012.

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 Second Violation

23 The Respondent violated Standards Rule 1-1(a) by failing to employ recognized
24 methods and techniques that are necessary to produce a credible appraisal in his report
25 as violated under Standards Rules 1-4(a) and 2-2(a) herein.

26 The Respondent’s actions constitute unprofessional conduct pursuant to NRS
27 645C.470(2), as determined by NAC 645C.405(1) and (2) and grounds for disciplinary
28 action pursuant to NRS 645C.460(1)(a) and/or (b).

1 **Third Violation**

2 The Respondent violated Standards Rule 1-4(a) for failing to analyze such
3 comparable sales data as were available to indicate a value conclusion. 000044, 000045,
4 000048, 000049, 000051, 000039 – 000095.

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 The Respondent violated Standards Rule 2-1(a) for committing unclear and
10 inaccurate representations set forth in a manner rendering the Appraisal Report
11 misleading. 000044, 000045, 000048, 000049, 000051, 000039 – 000095.

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

15 **Fifth Violation**

16 The Respondent violated Standards Rule 2-1(b) for failing to have sufficient
17 information in the Appraisal Report to enable the Intended User to understand the report
18 properly. 000044, 000045, 000048, 000049, 000051, 000039 – 000095.

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

22 **Sixth Violation**

23 The Respondent violated Standards Rule 2-2(a)(viii) for failing to summarize the
24 scope of work, including failure to reconcile disclosure of research and analyses performed
25 and not performed. 000009, 000014, 000045, 000050.

26 The Respondent's actions constitute unprofessional conduct pursuant to NRS
27 645C.470(2), as determined by NAC 645C.405(1) and grounds for disciplinary action
28 pursuant to NRS 645C.460(1)(a) and/or (b).

1 **Seventh Violation**

2 The Respondent violated Standards Rule 2-2(a)(x), specifically subsection (5), for
3 failing to summarize the information analyzed and the reasoning that supports the
4 analyses, opinions, and conclusions, including reconciliation of the data and approaches.
5 *000044, 000045, 000048, 000049, 000051, 000039 – 000095.*

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

9 **Eighth Violation**

10 The Respondent violated Standards Rule 2-2(a)(xii) for inadequately summarizing
11 the rationale for the highest and best use opinion as required. *000043.*

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

15 **Ninth Violation**

16 The Respondent violated Standards Rule 2-2(a)(xiii) for failing to clearly and
17 conspicuously state that the use of the hypothetical condition identified in the report
18 might have affected the assignment results as required. *000044.*

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 **Tenth Violation**

23 The Respondent violated NRS 645C.215(1)(b) for assisting John Pace, who was
24 unlicensed in Nevada, in providing significant appraisal assistance in developing the
25 Subject's appraisal. *000003, 000017, 000040, 000053.*

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DISCIPLINE AUTHORIZED

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2 1. Pursuant to NRS 645C.215(2), if the Commission imposes an administrative
3 fine against a person pursuant to this section, the amount of the administrative fine may
4 not exceed the amount of any gain or economic benefit that the person derived from the
5 violation or \$5,000, whichever amount is greater.

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

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

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

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

20 **THE HEARING WILL TAKE PLACE** at the Commission meeting scheduled
21 for July 22-24, 2025, beginning at approximately 9:00 a.m. each day, or until such
22 time as the Commission concludes its business. The Commission meeting will
23 be held at the Nevada State Business Center, 3300 W. Sahara Avenue, Nevada
24 Room 4th Floor, Las Vegas, Nevada 89102, with video conference to: Department
25 of Business and Industry, 1818 E. College Parkway, Suite 103, Carson City,
26 Nevada 89706.

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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 July 22-24, 2025. 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.

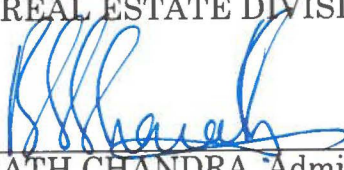
17 As the Respondent, you are specifically informed that you have the right to appear
18 and be heard in your defense, either personally or through your counsel of choice. At the
19 hearing, the Division has the burden of proving the allegations in the complaint and will
20 call witnesses and present 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.

3
4 DATED the 4 day of June, 2025.

5 NEVADA REAL ESTATE DIVISION

6
7 By: 
8 SHARATH CHANDRA, Administrator
9 3300 W. Sahara Avenue, Suite 350
10 Las Vegas, Nevada 89102
11 (702) 486-4033

DATED the 3rd day of June, 2025.

AARON D. FORD
Attorney General

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