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.

CHARLES S. MANESS (License No. A.0007326-CR),

Respondent.

Case No. 2021-311, AP21.036.S

FILED

JAN 26 2024

NEVADA COMMISSION OF APPRAISERS

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FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

This matter came on for hearing before the Nevada Commission of Appraisers of Real Estate (the "Commission"), on Tuesday, January 16, 2024 (the "Hearing"). Charles S. Maness ("Respondent") appeared in person on his own behalf. Christal Park Keegan, Esq., Deputy Attorney General with the Nevada Attorney General's Office, appeared and prosecute the Complaint on behalf of Petitioner Sharath Chandra, Administrator of the Real Estate Division, Department of Business and Industry, State of Nevada (the "Division"). After hearing testimony presented in this matter and for good cause appearing, the Commission now enters its Findings of Fact, Conclusions of Law, and Order against Respondent as follows:

I. JURISDICTION

The Respondent is a Certified Residential Appraiser licensed by the Division, 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.

II. FINDINGS OF FACT

The matter having been submitted for decision based upon the allegations of the Complaint, the Commission now, based upon the evidence presented during the hearing, finds that there is substantial evidence in the record to establish each of the following:

1. On or about February 26, 2021, the Respondent accepted an appraisal order for the 1004C manufactured home on 2791 W. Hardy Lane in Pahrump, Nevada 89048 ("Subject"). *000068.*

2. The order request noted a rush and a due date of March 8, 2021. *000068.*

3. The appraisal was performed for a sales contract, but there was no copy of the Purchase Agreement in the Respondent's work file. *000011–000071.*

4. The signature date of the Respondent's Appraisal Report was March 17, 2021, with an effective date of March 2, 2021. *000014–000045, and 000020.*

5. The Respondent's Appraisal Report represented land sales in Pahrump were limited when the area had a very active land sales market. *000015.*

6. The Respondent provided basic comments regarding Gross Living Area (GLA) adjustments at a rate of $25/sq. ft. without further explanation in the Appraisal Report or any support in the work file. *000017.*

7. The Respondent made inconsistent adjustments to the comparables feature Porch/Patio/Deck without explanation. *000016, and 000021.*

8. The Respondent's Appraisal Report provided no discussion regarding Comparable #1, the only comparable with two bedrooms. *000016.*

9. The Respondent's Appraisal Report provided no discussion of Comparables #s 1, 4, and 5's renovation efforts, distinguished from the Subject. *000016, and 000021.*

10. The Respondent's Appraisal Report provided no discussion of Comparables #s 2 and 3 having above-ground pools. *000016.*

11. The Respondent's Appraisal Report and work file did not provide data, information, or documentation to support pre-set language, Appraiser's Certification #9. *000019.*

III. CONCLUSIONS OF LAW

The Commission, based upon the preponderance of the evidence, makes the following legal conclusions:

The Respondent failed to prepare the appraisal report for the Property in Compliance with the Standards of the Appraisal Foundation and the law. The Standards are published in the Uniform . . .

Standards of Professional Appraisal Practice ("USPAP") adopted by the Appraisal Standards Board of the Appraisal Foundation, as authorized by Congress, and adopted in Nevada by NAC 645C.400(1)[1].

First Violation

The USPAP RECORD KEEPING RULE requires an appraiser must prepare a work file for each appraisal. The work file must include: all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance to USPAP, or references to the location(s) of such data, information, and documentation.

The Respondent violated USPAP RECORD KEEPING RULE because his work file lacked land sales searches in Pahrump.

The Respondent also violated USPAP RECORD KEEPING RULE by failing to include support in his work file for adjustments in the Sales Comparison Approach.

The Respondent further violated USPAP RECORD KEEPING RULE by failing to include a copy of the Purchase Agreement in the work file.

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

Second Violation

The USPAP COMPETENCY RULE may apply to such factors, such as, but not limited to, appraiser's familiarity with a specific type of property or asset, a market, a geographic area, an intended use, specific laws and regulations, or an analytical method. If such a factor is necessary for an appraiser to develop credible assignment results, the appraiser is responsible for having the competency to address the factor or for following the steps outlined below to satisfy this COMPETENCY RULE.

The Respondent violated USPAP COMPETENCY RULE by failing to support land value in the cost approach and adjustments made in the sales grid in his report and/or work file.

The Respondent also violated USPAP COMPETENCY RULE by failing to support Appraiser's Certification #9 in his report and/or work file.

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[1] The 2020-2021 edition of USPAP, effective January 1, 2020 through December 31, 2021, is applicable to and utilized for this Complaint.

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

Third Violation

The USPAP SCOPE OF WORK RULE requires an appraiser to properly identify the problem to be solved in order to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results. Scope of work includes but is not limited to: the extent to which the property is identified; the extent to which tangible property is inspected; the type of extent of data researched; and the type and extent of analyses applied to arrive at opinions or conclusions.

The Respondent violated USPAP SCOPE OF WORK RULE by failing to explain the extent of analyses used to arrive at opinions and conclusions in his report and/or work file.

The Respondent violated USPAP SCOPE OF WORK RULE by failing to explain the differences among comparables and how they impacted their respective prices and concluded values in his report and/or work file.

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

Fourth Violation

USPAP Standards Rule 1-1(a) requires that an appraiser be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.

The Respondent violated Standards Rule 1-1(a) by failing to employ recognized methods and techniques that are necessary to produce a credible appraisal in his report.

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).

. . .

. . .

Fifth Violation

USPAP Standards Rule 1-2(h) required an appraiser to determine the scope of work necessary to produce credible assignment results in accordance with the SCOPE OF WORK RULE.

The Respondent violated Standards Rule 1-2(h) by failing to explain the extent of analyses used to arrive at opinions and conclusions in his report and/or work file.

The Respondent also violated Standards Rule 1-2(h) by failing to explain the differences among comparables and how they impacted their respective prices and concluded values in his report and/or work file.

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).

Sixth Violation

USPAP Standards Rule 2-2(a)(viii) requires the content of an Appraisal Report must be appropriate for the intended use of the appraisal and, at a minimum, summarize the scope of work used to develop the appraisal.

Respondent violated Standards Rule 2-2(a)(viii) by failing to include in his report and/or work file information that summarized the information analyzed, appraisal methods and techniques employed, and the reasoning that supports analyses, opinions, and conclusions.

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

Seventh Violation

USPAP Standards Rule 2-2(a)(x) requires the content of an Appraisal Report must be appropriate for the intended use of the appraisal and, at a minimum, provide sufficient information to indicate that the appraiser complied with the requirements of STANDARD 1 by: (1) summarizing the appraisal methods and techniques employed; (2) stating the reasons for excluding the sales comparison, cost, or income approach(es) if any have not been developed; (3) summarizing the results of analyzing the subject sales, agreements of sale, options, and listings in accordance with Standards Rule 1-5; (4) stating the

value opinion(s) and conclusion(s); and (5) summarizing the information analyzed and the reasoning that supports the analyses, opinions, and conclusions, including reconciliation of the data and approaches.

The Respondent violated Standards Rule 2-2(a)(x) by failing to summarize the methodology used to extract applicable market-derived adjustments in the sales approach.

The Respondent further violated Standards Rule 2-2(a)(x) by failing to support Appraiser's Certification #9 in his report and/or work file.

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

ORDER

IT IS HEREBY ORDERED that Respondent shall pay to the Division a total amount of $6,435.83. This total amount reflects no administrative fine amounts for committing any of the above-stated (7) violations of law, but $6,435.83 for the Division's costs and attorney's fees, to be paid within 18 months.

At any time, RESPONDENT may elect to make pre-payments on the Amount Due with no penalties so long as the amount due is satisfied in full as specified above.

If the payment is not actually received by the Division on or before its due date, it shall be construed as an event of default. In the event of default, Respondent's licenses and permit shall be immediately suspended, and the unpaid balance of the costs and fees, together with any attorney's fees and costs that may have been assessed, shall be due in full to the Division within ten (10) calendar days of the date of default. The Division may institute debt collection proceedings for failure to timely pay the total fine.

IT IS FURTHER ORDERED that Respondent shall successfully complete the following hours of continuing education requirements, which shall not be counted towards his license renewal requirements, within one (1) year:

No less than 14 hours of Cost Approach and Residential Site Valuation;

No less than 4 hours of Appraiser Self-Protection: Documentation and Record Keeping;

No less than 4 hours of Ethics, Competency, and Negligence;

No less than 4 hours of Missing Explanations; and,

No less than 4 hours Supporting Adjustments.

The Commission retains jurisdiction for correcting any errors that may have occurred in the drafting and issuance of this Decision.

Pursuant to NRS 645C.520, this Order shall become effective 30 days from the date of this Order, on the 26th day of January, 2024.

Dated this 26th day of January, 2024.

NEVADA COMMISSION OF APPRAISERS OF REAL ESTATE

By: _____
President, John Wright
Nevada Commission of Appraisers of Real Estate

Dated this 22nd day of January, 2024.

AARON D. FORD
Attorney General

By: epkeegan
CHRISTAL P. KEEGAN (Bar No. 12725)
Deputy Attorney General
5420 Kietzke Lane, Suite 202
Reno, Nevada 89511
(775) 687-2141

Attorneys for Real Estate Division