Authentisign ID: 54246FF1-6DAE-EE11-8925-6045BDD68161

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. JOSHUA RYAN STALK (License No. A.0207120-RES), Respondent.	**Case No. 2020-1080, AP21.024.S** **STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION**

FILED

JAN 18 2024

NEVADA COMMISSION OF APPRAISERS

This Stipulation and Order for Settlement of Disciplinary Action (the "Stipulation") is entered into by and between the State of Nevada, Department of Business and Industry, Real Estate Division ("the Division"), through its Administrator Sharath Chandra ("Petitioner"), by and through their attorney of record, Phil W. Su, Senior Deputy Attorney General, and Respondent Joshua Ryan Stalk, ("RESPONDENT"), by and through his attorney of record, Paul Larsen, Esq.

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

JURISDICTION

The Respondent was at all relevant times mentioned in this Complaint licensed by the Division as a Residential Appraiser under license number A.0207120-RES, 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.

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SUMMARY OF PROCEDURAL AND FACTUAL ALLEGATIONS

The Complaint filed by the Division alleges the following Procedural and Factual Allegations against RESPONDENT:

1. On December 2, 2020, the Division received a complaint from Fannie Mae Loan Quality Center, which stated that the RESPONDENT's appraisal report (hereinafter "Appraisal Report") contained inappropriate comparable sales.

2. The Division opened an investigation into this matter on December 3, 2020, and issued an open investigation letter to RESPONDENT requesting a response and the entire work file and documentation.

3. The Division commissioned a Standard 3 Review of the Appraisal Report.

4. The Respondent's counsel submitted a December 23, 2020, response letter to the Standard 3 Review, as well as RESPONDENT'S work file.

5. Following the investigation and Standard 3 Review, the investigator recommended the case be heard by the Appraisal Advisory Review Committee ("AARC").

6. This case was heard by the AARC on April 18, 2023, and the Committee's Report recommended that this case 2020-1080 be forwarded to the Commission.

7. The Respondent prepared an Appraisal Report for a 2,395 sq. ft., one-story, 4 br/3 bath single family residence, built in 1963 and located at 4105 Via Vaquero, Las Vegas, Nevada 89102, APN # 162-06-812-071 ("Property").

8. The Appraisal Report's assignment type was noted as "Refinance Transaction" and indicated value conclusion of $399,000.00 by Sales Comparison Approach.

9. The effective date of the report was indicated as May 18, 2019, and the date of signature of the report was May 30, 2019.

10. On May 29, 2019, Respondent received a clarification request noting that "[m]arket data suggests that [Respondent's selected] comps may be from a superior market" and requesting that Respondent consider additional sales.

11. Respondent prepared a May 30, 2019, addendum in response to the May 29,

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2019, request for clarification.

12. The Appraisal Report's work file lacked items to substantiate proof of market stability, housing statistic value, or proof that the subject property "has no observed functional or external obsolescence."

13. The Appraisal Report and work file lacked support for adjustments to sales grid, size of site adjustment, bath count adjustment, GLA adjustment, garage count adjustment, porch/patio/deck adjustment, pool adjustment, fireplace adjustment, upgrade adjustment, and location adjustment for all comparables.

14. The work file lacked proof, analysis or testing to support the following statements found in the Appraisal Report:

a. Statements found in the cost approach section that "land value derived by allocation" and "[a]verage list price to sales price ratio is 109%. Average marketing time is 20 +/- days."

b. Site comments that "[t]he external influence, if any, may or might not be a factor in the sale of the subject", "[t]he appraiser was unable to isolate and quantify an adjustment for comparison," and "[t]he comparables are located within the subject development and adjoining development are similarly affected;"

c. Comment in the sales comparison approach section "[a]s set by the appraisers' peers for the subject market area and/or a combination thereof;"

d. Statements that "no location adjustment is warranted" and that "[t]he gross living area adjustments were derived from the allocation method...;" and

e. Statements that "[a]ll comparables are located in the same zip code (89102) and the same market area (MLS#501). Therefore; there was no adjustment for market area location."

15. The work file contained no analysis related to real estate values correlating with postal zip codes and MLS market area and contained no MLS or tax data sheets.

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16. On or about April 26, 2023, the Division mailed to the Respondent a follow-up letter pursuant to NRS 233B, indicating that the Division's investigation had uncovered sufficient evidence to recommend the filing of a formal complaint by the Division with the Commission of Appraisers of Real Estate.

SUMMARY OF ALLEGED VIOLATIONS OF LAW

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

17. RESPONDENT violated USPAP RECORD KEEPING RULE by failing to maintain an adequate work file that meets the minimum standards of USPAP. The appraisal report work file is considered "very weak" and indicates a lack of understanding of what is required to meet the RECORD KEEPING RULE.

18. RESPONDENT violated USPAP COMPETENCY RULE by demonstrating a lack of knowledge of what constitutes a "Comparable Market Area," the concept and development of location adjustments, and the concept and development of market-derived adjustments. The Respondent also demonstrated a lack of understanding of a home that is an over-improvement for the market and lacked the knowledge and development of adjustments caused by externalities.

19. RESPONDENT violated Standards Rule 1-1(a) and Rule 1-1(b) by relying on untested assumptions, improperly developed adjustments, and a lack of understanding of externalities, market definition, location adjustments and overimproved properties, and by erring in market selection, comparable selection, effects of externalities, and location differences.

20. RESPONDENT violated Standards Rule 1-3(b) by providing only a minimal discussion of highest and best use in the Appraisal Report or work file.

21. RESPONDENT violated Standards Rule 1-4(a) by limiting comparable selection to larger Gross Living Area homes in superior neighborhoods, while overlooking many sales nearby, including within the property's subject subdivision, within the 12 months prior to date of value.

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22. RESPONDENT violated Standards Rule 1-4(b)(i) by referring to "allocation method" yet providing no evidence of allocation calculations in either the Appraisal Report or work file.

23. RESPONDENT violated Standards Rule 1-6(a) by failing to discuss the quality and quantity of data in the reconciliation section of the Appraisal Report.

24. RESPONDENT violated Standards Rule 2-1(a) and Rule 2-1(b) by using sales that were measurably superior in location, failing to use market supported adjustments (location, externality, GLA, etc.), and failing to discuss and analyze the subject property's over improvement in relation to the market; and by lacking discussion and application of market supported location adjustments that left the reader unable to understand the report.

PROPOSED SETTLEMENT AGREEMENT

By entering into this Stipulation, the RESPONDENT does not admit the above factual and legal allegations made by the Petitioner, but nevertheless agrees to waive his right to contest the above alleged facts and legal violations if the Stipulation is approved by the Commission. Accordingly, in an effort to avoid the time and expense of litigating these legal and factual issues before the Commission, as well as any possible further legal appeals from any such decision, and the parties desire to compromise and settle the instant controversy upon the following terms and conditions:

1. The RESPONDENT agrees to take a minimum of sixteen (16) hours of Continuing Education Credits ("CEC") in the each of the following areas:

   a. Not less than four (4) hours on Appraiser Self Protection: Documentation and Record Keeping;

   b. Not less than (4) hours on Missing Explanations;

   c. Not less than (4) hours on Ethics, Competency, and Negligence; and

   d. Not less (4) hours on Residential Report Writing vs. Form Filling.

These courses shall be completed within six (6) months of the effective date of the Commission's order approving this Stipulation. These courses will not count toward the

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RESPONDENT's continuing education requirements. Proof of completion must be submitted to the Division upon completion of all the required education.

2. RESPONDENT agrees to pay the Division a total amount of THIRTY SIX THOUSAND TWO HUNDRED TWO DOLLARS and 41/100 cents ($36,202.41) ("Amount Due"), consisting of THIRTY TWO THOUSAND DOLLARS AND NO CENTS ($32,000.00) in administrative fines imposed by the Division and the Division's pre-hearing attorney's fees in the amount of THREE THOUSAND ONE HUNDRED EIGHTY SEVEN DOLLARS and 91/100 cents ($3,187.91), and investigative costs incurred in the total amount of ONE THOUSAND FOURTEEN DOLLARS and 50/100 cents ($1,014.50).

3. The Amount Due shall be payable to the Division in twelve (12) monthly installments of THREE THOUSAND SIXTEEN DOLLARS and 87/100 cents ($3,016.87), with the first payment due thirty (30) days after approval of this Stipulation by the Commission. Lump sums can be made in pre-payment with no penalties.

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

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

6. RESPONDENT understands that this Agreement and other documentation

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may be subject to public records laws. The Commission members who review this matter for approval of this Stipulation may be the same members who ultimately hear, consider, and decide the Complaints if this Stipulation is either not approved by the Commission or is not timely performed by RESPONDENT.

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

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

9. Approval of Stipulation. Once executed, this Stipulation will be filed with the Commission and will be placed on the agenda for approval at its next public meeting. The Division will recommend to the Commission approval of the Stipulation. RESPONDENT agrees that the Commission may approve, reject, or suggest amendments to this Stipulation that must be accepted or rejected by RESPONDENT before any amendment is effective.

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

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

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disciplinary actions, and all other matters relating thereto.

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

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

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

IT IS SO STIPULATED.

Dated: January, 10, 2024.

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

By: _____
SHARATH CHANDRA, Administrator
3300 West Sahara Avenue, Suite 350
Las Vegas, Nevada 89102

Dated: January 8th 2024.

Authentisign
Joshua Ryan Stalk 01/08/24
JOSHUA RYAN STALK
(License No. A.0207120-RES)

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Approved as to form:

BLACK & WADHAMS

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Attorneys for Real Estate Division

ORDER

IT IS ORDERED that the foregoing Stipulation for Settlement of Disciplinary Action, submitted by Petitioner and Respondent, is approved in full.

Dated: this 18 day of January, 2024.

COMMISSION OF APPRAISERS OF REAL ESTATE

By:_____
President, Commission of Appraisers of Real Estate