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.

PATRICIA WOOD,
(License No. A.0001344-CR – Closed),

Respondent.

Case No. 2021-387, AP21.037.S

FILED

JAN 18 2024

NEVADA COMMISSION OF APPRAISERS

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STIPULATION AND ORDER FOR SETTLEMENT OF DISCIPLINARY ACTION

This Stipulation and Order for Global Settlement of Disciplinary Action (this "Stipulation") is entered into by and between the State of Nevada, Department of Business and Industry, Real Estate Division ("Division"), through its Administrator Sharath Chandra ("Petitioner"), by and through their attorney of record, Christal P. Keegan, Deputy Attorney General, and Patricia Wood ("RESPONDENT").

RESPONDENT, at all relevant times mentioned in the Complaint, was licensed by the Division as a Licensed Residential Appraiser, License No. A.0001344-CR. She is therefore subject to the jurisdiction of the Division and the Commission and the provisions of NRS Chapter 645C and NAC Chapter 645C.

SUMMARY OF FACTUAL ALLEGATIONS SET FORTH IN THE COMPLAINT CASE NO. 2021-387, AP21.037.S

1. The RESPONDENT prepared an Appraisal Report on a Fannie Mae Form 1004 for an attached, 2-story townhome located at 1626 Aspen Meadows Drive, Henderson, Nevada 89014 ("Subject Property"). *000032 – 000057.*

2. On February 3, 2021, RESPONDENT signed the Appraisal Report accepting full responsibility for the contents of the Report including her analysis, opinions, statements, conclusions, and certifications. *000037.*

3. The RESPONDENT alleged her work file was lost and therefore could not be produced to the Division. *000058.*

4. The Appraisal Report's Neighborhood section, Characteristics subsection, indicated one-unit housing trends at "3-6 months", however, the Market Conditions Addendum ("1004MC") demonstrated "Under 3 months" should have been indicated instead. *000032, 000045 and 000132.*

5. The Neighborhood section, Description subsection, provided the Subject Property was located in Henderson market area, however, the entire City of Henderson comprises of many market areas. *000032, and 000132.*

6. Further, in the Neighborhood section, Market Conditions subsection, commentary to aid the User in understanding the market analysis was absent. *000032, and 000133.*

7. The Appraisal Report's Site section indicated the Property's present use was the highest and best use, however, a statement or summary of analysis in the Appraisal Report was not provided. *000032, and 000143.*

8. In the Appraisal Report's Improvements section, Condition subsection, inconsistent representations were reported as to what remodeling was reconciled in the value opinion with regards to the new carpet, and the "as-is" representations. *000032, and 000133.*

9. Further, the Improvements section, Physical Deficiencies subsection, indicated "No" and referred to the Attached Addendum, however, the comments in the Addendum did not describe any physical deficiency or adverse condition. *000032, 000041, and 000133.*

10. The Appraisal Report's Sales Comparison Approach section stated Property Comparable #3 had a driveway when it did not. *000033, and 000124.*

11. In the Sales Comparison Approach section, Comparable #3, the impact of parking availability was not accounted for as a market factor. *000033 and 000124.*

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12. Further, in the Sales Comparison Approach section, Comparable #3 received an atypically low adjustment for the garage bay. *000033, and 000124.*

13. Also, in the Sales Comparison Approach section, adjustments were made for a prefabricated patio cover at $5,000 but only $2,500 for a garage bay. *000033, and 000124.*

14. In the Sales Comparison Approach, the unit number in the address of Comparable #3 was not included when there were three (3) homes in this particular townhome building. *000033, and 000133.*

15. In the Sales Comparison Approach, Comparable #1 listed the wrong document number as "**200**824002542" when the actual document number was "**202**008240002542". **(emphasis added)**. *000033.*

16. The Appraisal Report did not reconcile and/or provide commentary regarding the quantity and quality of data available in the Las Vegas valley. *000032 – 000057, and 000131.*

17. The Appraisal Report's Reconciliation section did not reconcile the approaches utilized in terms of applicability and relevance. *000033, and 000132.*

18. The Reconciliation section also did not provide a reason why the income approach was not developed for the subject market segment. *000033, and 000142.*

19. Further, the Income Approach Section included generalized statements regarding why the income approach was not utilized, however, a reason why such approach was not developed for the subject market segment, or the Subject Property, was not provided. *000034, and 000142.*

20. The Appraisal Report's Additional Comments section identified the USPAP defined "Exposure Time", but no definition was provided. *000034, and 000134.*

21. In the Appraisal Report's Cost Approach section, higher base costs for average or good quality construction were indicated at $155 per sq. ft., however, estimations are between $100 to $125 per sq. ft. *000034, and 000125.*

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22. Also, in the Cost Approach section, the cost data source was indicated as Marshall & Swift, however, quality ratings from the Uniform Appraisal Dataset Definitions ("UADD") were provided. *000034, 000039, and 000134.*

23. Further, in the Cost Approach section, figures were represented to be derived from the Marshall & Swift Residential Cost Handbook, however, no lump sum adjustments were made to account for extras aside from the base cost. *000034, and 000149.*

24. The Cost Approach section reported inconsistencies of the physical depreciation at 70% however, were figured at $36,165 (14%). *000034, and 000150.*

25. The Cost Approach section opined the Subject Property effective at 10 years, however, the remaining economic life was estimated at 60 years. *000034, and 000125.*

26. The Cost Approach section did not describe or note any deferred maintenance, unfinished modification, abnormal depreciation, or other considerations regarding a higher percentage of physical depreciation in the analysis. *000034, and 000125.*

27. The Cost Approach section did not provide a method for determining physical depreciation. *000034, and 000134.*

28. The Cost Approach section estimated site improvements at $2,000, however, there was no indication that figure accounted for lot grading, pulling utilities, flatwork landscaping, fencing, etc. *000034, and 000125.*

29. Due to errors committed, estimation of site value in the Cost Approach section was made by abstraction and the sales utilized for such are unknown since there is no work file. *000034, and 000125.*

30. The Appraisal Report's Addendum comments misrepresented the comparables themselves bracket and support the degree of value adjustments. *000041, 000134 – 000135*

31. The Addendum's Comments on Sales Comparison misstated the Fannie Mae guideline's for when a comparable utilized for analysis is located more than 1 mile from the subject. *000041, and 000134.*

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32. The Addendum's Comments on Sales Comparison did not include any reason to support the assertion that the commonality of main thoroughfares in residential areas had no adverse effect to market reaction. *000041, 000134.*

33. The Addendum's Comments on Sales Comparison implied the rating system involved with the UADD, however, the C-3 rate was assigned to Comparable #2. *000041, 000039, and 000135.*

34. In the Addendum, Comments on Sales Comparison, Comparable #2 had been updated except the kitchen therefore adjusted by $5,000 but the adjustment made on the sales grid was $8,000. *000041, 000033, and 000135.*

SUMMARY OF VIOLATIONS OF LAW ALLEGED IN THE COMPLAINT CASE NO. 2021-387, AP21.037.S

1. RESPONDENT violated USPAP Record Keeping Rule by failing to ensure the work file was stored in an appropriate way so that it could be produced to the Division during the required retention period.

2. RESPONDENT violated USPAP Competency Rule by committing mistakes in the Sales Comparison Approach and Cost Approach. Further, several parts of the RESPONDENT'S work under review demonstrated misunderstanding and/or lack of knowledge of both marketplace and analysis.

3. RESPONDENT violated USPAP Standards Rule 1-1(a) by failing to correctly employ the Sales Comparison and Cost Approaches necessary to produce a credible appraisal.

4. RESPONDENT violated USPAP Standards Rule 1-1(c) by rendering appraisal services in a careless or negligent manner, by committing a series of errors, including but not limited to, in both the Sales Comparison and Cost Approaches.

5. RESPONDENT violated USPAP Standards Rule 1-6(a) by failing to provide reconciliation and/or commentary in the report regarding the quantity and quality of data in the Las Vegas valley.

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6. RESPONDENT violated USPAP Standards Rule 1-6(b) by failing to reconcile the Sales Comparison Analysis and the Cost approaches utilized, and not the Income approach, in terms of applicability and relevance.

7. RESPONDENT violated USPAP Standards Rule 2-1(a) by failing to set forth the appraisal clearly and accurately in a non-misleading manner through her minimal reporting, much of it confusing, and some mistaken.

8. RESPONDENT violated USPAP Standards Rule 2-2(a)(x) by making generalized statements rather than stating the reasons why the Income Approach was not developed. Further, the RESPONDENT violated Standards Rule 2-2(a)(x) for failing to have a reconciliation of the data and approaches.

9. RESPONDENT violated USPAP Standards Rule 2-2(a)(xii) by failing to opine and/or summarize the support and rationale for the indication that the Subject Property's highest and best use was its present use.

10. As such, 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).

PROPOSED GLOBAL SETTLEMENT AGREEMENT

In an effort to avoid the time and expense of litigating these issues before the Commission, the RESPONDENT does not contest the violations alleged, and the parties desire to compromise and settle the instant controversy in *Case No. 2021-387, AP21.037.S,* upon the following terms and conditions:

1. RESPONDENT agrees to pay the Division a total amount of SEVEN THOUSAND FORTY-FIVE DOLLARS AND FORTY-CENTS ($ 7,045.40) ("Amount Due"), consisting of FOUR-THOUSAND FIVE-HUNDRED DOLLARS ($4,500.00) in fines imposed by the Division for all violations as pled in the above-summarized Complaint, and the Division's pre-hearing costs and attorneys' fees incurred for both cases in the total amount of TWO-THOUSAND FIVE-HUNDRED FORTY-FIVE DOLLARS AND FORTY-CENTS ($2,545.40).

2. The Amount Due shall be payable to the Division as follows:

RESPONDENT shall make payments over a 24 month period, starting ninety (90) days after approval of this Stipulation by the Commission, to be paid as follows:

For 23 Months: $300/month Total: $6,900.00

RESPONDENT would then make one additional payment of $145.40 in the 24th and last month of repayment for a total payment of $7,045.40, as being the total Amount Due hereunder. Lump sums can be made in pre-payment with no penalties.

3. RESPONDENT further agrees not to reapply for licensure for a period of ten (10) years, with such reapplication subject to appearance before the Commission of Appraisers of Real Estate for approval of any licensure prior to obtaining licensure.

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 her right to a hearing in each matter at which RESPONDENT may present evidence in her defense, her right to a written decision on the merits of the complaint, her 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 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 she 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 Complaints 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 herself, her 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 disciplinary actions, and all other matters relating thereto.

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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 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 (10) 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.

DATED this 2 day of ~~December, 2023.~~ JANUARY 2024

NEVADA DEPARTMENT OF BUSINESS & INDUSTRY, REAL ESTATE DIVISION

By: _____
SHARATH CHANDRA
Administrator

DATED this 26 day of December, 2023.

By: _____
PATRICIA WOOD
Respondent

Approved as to form:

AARON D. FORD
Attorney General

By: _____
CHRISTAL P. KEEGAN (Bar No. 12725)
Deputy Attorney General
5420 Kietzke Lane, #202
Reno, Nevada 89511
Attorney for Real Estate Division

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. PATRICIA WOOD, (License No. A.0001344-CR – Closed), Respondent.	Case No. 2021-387, AP21.037.S

ORDER FOR SETTLEMENT OF DISCIPLINARY ACTIONS

The Stipulation of Disciplinary Action having come before the Real Estate Commission, Department of Business and Industry, State of Nevada, during its regular agenda on January 16, 2023, and the Commission being fully apprised of terms and good cause appearing,

IT IS ORDERED that the foregoing Stipulation and Order for Global Settlement of Disciplinary Action, submitted by Petitioner and Respondent, is approved in full and shall become effective immediately.

DATED: January 18, 2024.

NEVADA REAL ESTATE COMMISSION

By: _____
President, Nevada Real Estate Commission

Submitted by:

AARON D. FORD
Attorney General

By: ckeegan
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