

**BEFORE THE WEST VIRGINIA REAL ESTATE  
APPRAISER LICENSING AND CERTIFICATION BOARD**

**IN THE MATTER OF:**

**DAVID SHREVE  
Certified Residential Appraiser License No. CR0072**



**CONSENT DECREE**

Now comes Respondent, David Shreve, and the West Virginia Real Estate Appraiser Licensing and Certification Board (hereinafter "Board"), by Sharron L. Knotts, its Executive Director, for the purpose of resolving Board Complaint Number 08-031, against Shreve. As reflected in this Consent Decree, the parties have reached an agreement in which Shreve hereby agrees and stipulates to the Findings of Fact and Conclusions of Law set forth in the instant Consent Decree concerning the proper disposition of this matter, and the Board, having approved such agreement, does hereby find and Order as follows:

**FINDINGS OF FACT**

1. The Board is a state entity created by W. Va. Code § 30-38-1 *et seq.*, and is empowered to regulate, among other things, the conduct of licensed residential appraisers.
2. Shreve is a state certified residential real estate appraiser licensed by the Board, holding license number CR0072.
3. In May 2003, Shreve performed an appraisal of residential property located in Paden City, West Virginia (hereinafter "Property").
4. Although not physically connected at the time, the Property was coupled with a funeral home.
5. The funeral home was a commercial property.

6. The owner of the Property resided in the Property, and owned and operated the funeral home.

7. Shreve appraised only the Property, and not the funeral home.

8. The owner of the Property subsequently attached the Property to the funeral home, thereby combining two structures into a single structure (hereinafter "Combined Property").

9. The Combined Property shared the same mailing address.

10. In April 2006, Shreve again appraised the Property.

11. At such time, Shreve additionally appraised the funeral home.

12. Shreve appraised the residential and commercial portions of the Combined Property separately.

13. Shreve appraised the commercial portion of the Combined Property in an amount less than \$100,000.00.

14. Had Shreve correctly appraised the Combined Property as a single commercial unit, the appraised value would have been greater than \$100,000.00.

15. Had Shreve correctly appraised the Combined Property as a single commercial unit, Shreve would have performed an assignment outside of the scope of his license.

16. In the residential portion of the appraisal, Shreve provided factually incorrect and/or inaccurate information, and committed certain errors in the development of the appraisal analysis, relating to the Property and the Combined Property.

17. Assignments of error include, but are not necessarily limited to, the following:

a. Shreve failed to acknowledge in the appraisal that the Property was connected to the Combined Property;

b. Shreve incorrectly stated that the Property was “detached,” where the Property was combined with another structure;

c. Shreve failed to utilize a hypothetical condition or extraordinary assumption in the exclusion of the funeral home;

d. Shreve incorrectly stated that the photographs of the Property were representative of the Property, where such photographs failed to show the attached funeral home, and therefore were not representative of the Property;

e. Shreve failed to report that a portion of the funeral home’s administrative office was located in the residential portion of the Combined Property; and

f. Within the reconciliation portion of the appraisal, Shreve stated the Property was “as is,” thereby erroneously disregarding the attached funeral home.

18. Given the nature and physical characteristics of the Combined Property, the residential comparables utilized by Shreve were not comparable to the subject property.

19. As a result of the above-referenced assignments of error, the estimated market value of the subject property was inaccurate and/or unsupported.

20. In September 2008, Shreve again performed an appraisal of the residential portion of the Combined Property.

21. Shreve committed the same assignment of errors as referenced above in April 2006.

22. Accordingly, the estimated market value of the subject property was inaccurate or unsupported.

## CONCLUSIONS OF LAW

1. Pursuant to Article 38 of Chapter 30 of the West Virginia Code, the Board is the State entity vested with the power to regulate real estate appraisers in the State of West Virginia.

2. West Virginia Code § 30-38-12(a)(11) provides that “[f]ailing or refusing without good cause to exercise reasonable diligence, or negligence or incompetence, in developing an appraisal, preparing an appraisal report, or communicating an appraisal,” is grounds for disciplinary action, including, but not limited to, revocation or suspension of license.

3. Shreve failed, without good cause, to competently develop, prepare and communicate appraisals in violation of W. Va. Code § 30-38-12(a)(11).

4. Pursuant to W. Va. Code §§ 30-38-12(a)(7), the Board may revoke, suspend, refuse to renew, or otherwise discipline the license of an appraiser, or deny an application, for any violation of any section of this article, or rule of the Board.

5. West Virginia Code § 30-38-17 provides, in pertinent part, that “[e]ach real estate appraiser licensed or certified under this act shall comply with generally accepted standards of professional appraisal practice and generally accepted ethical rules to be observed by a real estate appraiser. Generally accepted standards of professional appraisal practice are currently evidenced by the uniform standards of professional appraisal practice promulgated by the appraisal foundation.”

6. Pursuant to USPAP, Ethics Rule, Conduct, in pertinent part, “[a]n appraiser must not communicate assignment results in a misleading or fraudulent manner.”

7. Shreve communicated the assignment results of the 2006 and 2008 appraisals in a misleading manner, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Ethics Rule.

8. Pursuant to the Uniform Standards of Professional Appraisal Practice, Standards Rule 1-1(a), from which deviation is not permitted, “[i]n developing a real property appraisal, an appraiser must . . . be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal.”

9. Shreve failed to correctly employ appropriate methods and techniques necessary to produce an accurate appraisal of the subject property in 2006 and 2008, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Standards Rule 1-1(a).

10. Pursuant to USPAP, Standards Rule 1-1(b), “[i]n developing a real property appraisal, an appraiser must . . . not commit a substantial error of omission or commission that significantly affects an appraisal.”

11. In 2006 and 2008, Shreve omitted mention and analysis of the funeral home in the appraisal of the residential portion of such appraisals, where such omission significantly affected the results of the appraisals, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Standards Rule 1-1(b).

12. Pursuant to USPAP, Standards Rule 1-2(h), “[i]n developing a real property appraisal, and appraiser must: . . . identify any hypothetical conditions necessary in the assignment.”

13. In the 2006 and 2008 appraisals, Shreve failed to identify the omission of the funeral home as a hypothetical condition, where such condition was necessary to

competently complete the assignment, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Standards Rule 1-2(h).

14. Pursuant to USPAP, Standards Rule 2-1(a), each written or oral real property appraisal report must: clearly and accurately set forth the appraisal in a manner that will not be misleading.

15. Shreve failed to clearly and accurately set forth the 2006 and 2008 appraisals in a manner that was not misleading, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Standards Rule 2-1(a).

16. Pursuant to the Uniform Standards of Professional Appraisal Practice, Standards Rule 2-1(b), “[e]ach written or oral real property appraisal report must: contain sufficient information to enable the intended users of the appraisal to understand the report properly.”

17. Based upon Shreve’s failure to disclose the existence of the funeral home within the Combined Property, Shreve failed to present sufficient information to enable the intended users of the appraisal to understand the report properly, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Standards Rule 2-1(b).

18. Pursuant to USPAP, Standards Rule 2-1(c), each written or oral real property appraisal report must: clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.

19. Shreve failed to clearly and accurately disclose all extraordinary assumptions, hypothetical conditions, and limiting conditions used in the 2006 and 2008 assignments, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Standards Rule 2-1(c).

20. Pursuant to USPAP, Standards Rule 2-2(b)(iii), the content of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum: summarize information sufficient to identify the real estate involved in the appraisal, including the physical and economic property characteristics relevant to the assignment.

21. Shreve failed to sufficiently summarize the physical characteristics of the property in the 2006 and 2008 assignments, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Standards Rule 2-2(b)(iii).

22. Pursuant to USPAP, Standards Rule 2-2(b)(viii), the content of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum: clearly and conspicuously state all extraordinary assumptions and hypothetical conditions, and state that their use might have affected the assignment results.”

23. Shreve failed to clearly and conspicuously state all extraordinary assumptions and hypothetical conditions, and state that their use might have affected the 2006 and 2008 assignment results, in violation of W. Va. Code §§ 30-38-12(a)(7), -17, and USPAP Standards Rule 2-2(b)(iii).

### CONSENT

Shreve, both in his individual capacity and as a certified residential real estate appraiser, by the execution hereof, agrees to the following:

1. Shreve has had the opportunity to consult with counsel and executes this Consent Decree voluntarily, freely, without compulsion or duress and mindful that it has legal consequences. No person or entity has made any promise or given any inducement whatsoever to encourage Shreve to make this settlement other than as set forth herein.

Shreve acknowledges that he is aware that he may pursue this matter through appropriate administrative and/or court proceedings, and is aware of his legal rights regarding this matter, but intelligently and voluntarily waives such rights.

2. Shreve consents to the entry of the following Order affecting his conduct as a certified residential real estate appraiser.

### ORDER

On the basis of the foregoing, the Board hereby ORDERS as follows:

1. The real estate appraiser license of Shreve, License No. CR0072, is hereby SUSPENDED for a period of ninety (90) days. Shreve shall not engage in the business of real estate appraising whatsoever, either directly or indirectly, in the State of West Virginia during such period of SUSPENSION.

2. Shreve shall be prohibited from performing non-residential appraisals. Such prohibition shall remain in effect until such time Shreve obtains an active certified general real estate appraiser license from and through the Board.

3. Shreve shall pay to the Board the amount of one-thousand and five-hundred and fifty dollars (\$1,550.00). Such payment by Shreve shall represent the costs incurred by the Board associated with the investigation and prosecution of Complaint Number 08-031, and the subsequent reimbursement to the Board thereof. Additionally, Shreve shall pay a fine in the amount of five-hundred dollars (\$500.00) to the State of West Virginia. Such payments shall be paid and forwarded to the Board in full within thirty days of the date of entry of the instant Consent Decree.

4. Any deviation from the requirements of the instant Consent Decree, without the prior written consent of the Board, shall constitute a violation of this Order, and result in the immediate suspension of Shreve's license. The Board shall immediately notify Shreve

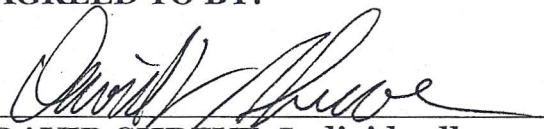


via certified mail of the specific nature of the charges, and the suspension of Shreve's license. Shreve may request reinstatement of his license through renewal of this agreement, or execution of a new agreement, which may contain different or additional terms. The Board is not bound to comply with Shreve's request.

In the event Shreve contests any such allegations of violation of the Consent Decree, if any, which results in the suspension of Shreve's license, Shreve may request a hearing to seek reinstatement of his license. Any such hearing shall be scheduled and conducted in accordance with the provisions of West Virginia Code § 30-1-8 and § 30-38-1 *et seq.*

Further, in the discretion of the Board and in the event Shreve violates the provisions of the instant Consent Decree, the Board may schedule a hearing on its own initiative for the purpose of allowing the Board the opportunity to consider further discipline against Shreve's license.

**AGREED TO BY:**

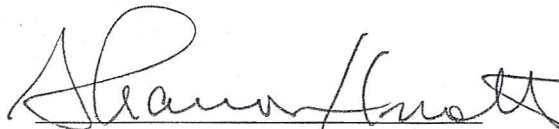
  
DAVID SHREVE, Individually

7-30-09  
DATE

**ENTERED into the records of the Board this:**

4th day of August, 2009.

**WEST VIRGINIA REAL ESTATE APPRAISER  
LICENSING AND CERTIFICATION BOARD**

By:   
SHARRON L. KNOTTS  
EXECUTIVE DIRECTOR

August 4, 2009  
DATE