

**BEFORE THE IOWA REAL ESTATE APPRAISER EXAMINING BOARD
OF THE STATE OF IOWA**

IN THE MATTER OF:)	
John E. Lundstrom)	CASE NO. 98-38
)	
CERTIFICATE NO. CR01249)	STATEMENT OF CHARGES
)	
RESPONDENT)	

COMES NOW, the Complainant William M. Schroeder, and states:

1. He is the Executive Secretary of the Iowa Real Estate Appraiser Examining Board and files this Complaint solely in his official capacity.
2. The Board has jurisdiction in this matter pursuant to Iowa Code Chapters 17A, 543D, 272C(1999).
3. On January 6, 1992, John E. Lundstrom, the Respondent, was issued an Iowa Real Estate Residential Appraiser Certificate by the Board.
4. The Certificate No. CR01249 is currently in good standing.

COUNT I

The Respondent is charged with violation of the Uniform Standards of Professional Appraisal Practice (USPAP) in connection with the development of a real estate appraisal pursuant to Iowa Code sections 543D.17(1)(d) and 543D.18(1)(1997) and 193F IAC 7.1(5).

COUNT II

The Respondent is charged with knowingly making misleading, deceptive, untrue or fraudulent representations in the practice of real estate appraising, engaging in unethical conduct and a practice harmful and detrimental to the public by certifying the work product of another appraiser without independent review in violation of Iowa Code sections 272C.10(3), 543D.17(1), 543D.17(1)(F)(1997), and 193 F IAC 7.1(2), 7.1(5).

CIRCUMSTANCES

1. The Respondent prepared and communicated two appraisals for real property identified as 7300 NW 2nd Court, Ankeny, Iowa and vacant site, Elkhart, Iowa.

2. The above appraisals were prepared and communicated after the Respondent was issued Iowa Certified Residential Real Property Certificate No. CR01249.

3. The 7300 NW 2nd Court, Ankeny, Iowa (dated November 27, 1998) report contains deficiencies including but not limited to the following violations of the Uniform Standards of Professional Appraisal Practice:

- a. Failure to adequately identify and report the site description [1-2(a) and 2-2(b)(i)].
- b. Failure to collect, verify, analyze and reconcile the cost of new improvements [1-4(b)(I) and 2-2(b)(viii)].
- c. Failure to collect, verify, analyze and reconcile comparable sales [1-4(b)(iii) and 2-2(b)(viii)].
- d. Failure to explain and support the exclusion of the income approach [2-2(b)(x)].
- e. Failure to consider, analyze and report any prior sales [1-5(b) and 2-2(b)(xi)].
- f. Failure to comply with USPAP Ethics Rule "Conduct".

4. Respondent certified the 7300 NW 2nd Court, Ankeny, Iowa, appraisal as his own work product when, in fact, he simply adopted the work product of an appraiser whose certificate had been revoked without independent review.

5. The vacant site, Elkhart, Iowa (dated March 1, 1999) report contains deficiencies including but not limited to the following USPAP violations:

- a. Failure to prominently state the report option used (2-2).
- b. Failure to consider and identify the intended use and user of the appraisal [1-2(a) and 2-2(b)(iii)].
- c. Failure to provide a definition of value [1-2(b) and 2-2(b)(iv)].

- d. Failure to report on the extent of the process of collecting, confirming and reporting data [1-2(a) and 2-2(b)(vi)].
- e. Failure to state all assumptions and limiting conditions that affect the analysis and conclusions of the appraisal [1-2(a) and 2-2(b)(vii)].
- f. Failure to report highest and best use [1-3(b) and 2-2(b)(ix)].
- g. Failure to collect, verify, analyze and reconcile comparable sales, adequately identified and described [1-4(b)(iii) and 2-2(b)(viii)].
- h. Failure to consider, analyze and report any current sale, option or listing of the property being appraised [1-5(b) and 2-2(b)(xi)].
- i. Failure to consider, analyze and report any prior sales [1-5(b) and 2-2(b)(xi)].
- j. Failure to include sufficient information to enable the person(s) who are expected to receive or rely on the appraisal to understand it properly [2-1(b)].
- k. Failure to include a signed certification [2-3 and 2-2(b)(xii)].

WHEREAS, the Complainant prays that a hearing be held in this matter and that the Board take such action as it deems appropriate under the law.

William M. Schroeder, Executive Secretary
Complainant

On this 18th day of June, 1999, the Iowa Real Estate Appraisal Examining Board found probable cause to file this complaint and to order a hearing in this case.

Gary Johnson, Chair
Iowa Real Estate Appraiser Examining board

BEFORE THE REAL ESTATE APPRAISER EXAMINING BOARD
OF THE STATE OF IOWA

IN THE MATTER OF:)	
JOHN E. LUNDSTROM)	CASE NO. 98-38
Certificate Number CR01249)	
RESPONDENT)	CONSENT ORDER

The Iowa Real Estate Appraiser Examining Board (Board) and John E. Lundstrom (Respondent) enter into this Settlement Agreement and Consent Order (Order) pursuant to Iowa Code sections 17A.10(1999) and 193F IAC 8.6:

1. The Board has jurisdiction of this matter pursuant to Iowa Code chapters 17A, 543D, and 272C (1999).
2. The Board issued a Statement of Charges against the Respondent on June 18, 1999.
3. Respondent has a right to a hearing on the charges, but waives his right to hearing and all attendant rights, including the right to appeal, by freely and voluntarily agreeing to this Order. Once entered, this Order shall have the force and effect of a disciplinary order entered following contested case hearing.
4. Respondent agrees the State's counsel may present this Order to the Board and may have ex parte communications with the Board while presenting it.
5. This Order shall be part of the permanent record of Respondent and shall be considered by the Board in determining the nature and severity of any disciplinary action to be imposed in the event of any future violations.
6. This Order and the Statement of Charges are public records available for inspection and copying in accordance with the requirements of Iowa Code chapter 22 (1999).
7. Failure to comply with the provisions of this Order shall be considered prima facie evidence of a violation of Iowa Code section 543D.17(1) (1999), and shall be grounds for disciplinary action pursuant to Iowa Code section 272C.3(2)(a) (1999). However, no action may be taken against Respondent for violations of these provisions without a hearing, or waiver of hearing.
8. This Agreement is subject to approval of the Board. If the Board fails to approve this Agreement, it shall be of no force or effect on either party, and it shall not be admissible for any purpose in further proceedings in this matter. If the Board approves this Agreement, it shall fully dispose of all issues in this case.

*Mr. Lundstrom
Paid \$500 fine
9/15/99*

IT IS THEREFORE ORDERED:

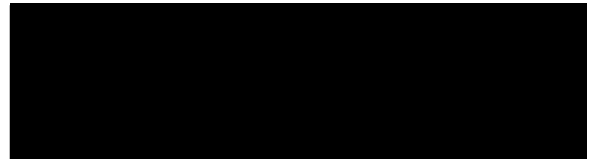
A. Respondent shall pay a civil penalty of \$500 within thirty days of receipt of this fully executed document.

B. Respondent's Certified Residential Real Property Appraisal certificate (CR01249) shall be suspended for thirty (30) days commencing on the first day of November, 1999.. Respondent shall return his certificate and pocket card to the Board office, with a signed copy of this document. The Board shall reissue the certificate and pocket card if no further violations are found as soon as the suspension period is served and the civil penalty is paid.

AGREED AND ACCEPTED:



John E. Lundstrom
Respondent



Gary Johnson, Chair
Iowa Real Estate Appraiser Examining Board

8-29-99
Date

9-14-99
Date