

**STATE OF MINNESOTA
DEPARTMENT OF COMMERCE**

In the Matter of the Appraiser License of Thomas Trepanier
License No. 20420454

CONSENT ORDER

TO: Thomas Trepanier
49116 Teal Wing Dr.
Bemidji, Minnesota 56601

Commissioner of Commerce Steve Kelley (Commissioner) has determined as follows:

1. The Commissioner has advised Thomas Trepanier (Respondent) that he is prepared to commence formal action pursuant to Minn. Stat. § 45.027 (2018), and other applicable law, based on the following allegations:

- a. Respondent failed to clearly and conspicuously state what appears to have been a hypothetical condition. Respondent erroneously appraised two established, legal parcels as five separate "tracts" of land, without the appropriate support. By failing to disclose these items, Respondent is in violation of the Uniform Standards of Professional Appraisal Practice (USPAP) Scope of Work Rule, Standard Rule (SR) 1-2 (g), SR 2-1 (a), (b), (c), 2-2 (a)(ix) (2018), Minn. Stat. § 82B.20 subd. 2 (5), (6), (7), and Minn. Stat. § 82B.195 subd. 2 (12) (2018).
- b. Respondent inaccurately considered and misrepresented elements of the subject property. While properly identifying the subject property's parcel numbers, Respondent did not attribute accurate legal descriptions of those parcel numbers. In addition, Respondent reported inaccurate site sizes. By inaccurately considering and misrepresenting the subject property, Respondent is in violation of USPAP Scope of

Work Rule, SR 1-2 (e)(i), SR 2-2 (a)(iii) (2018) and Minn. Stat. § 82B.20 subd. 2 (7), (13) (2018).

- c. Respondent failed to report the intended use of the appraisal. Failure to report the intended use is a violation of the USPAP Scope of Work Rule, SR 2-2 (a)(ii) (2018) and Minn. Stat. § 82B.195 subd. 2 (3), § 82B.20 subd. 2 (5), (6), (7), (13) (2018).
- d. Respondent included unintended users in the appraisal report. Establishing intended users is an element of the appraisal assignment that the appraiser and the client must agree upon. Adding unintended users without the consent of the client potentially affords others access to confidential information or assignment results that they should not receive. Including unintended users is a violation of the USPAP Ethics Rule, Scope of Work Rule, SR 1-1 (c), SR 1-2 (a), 2-2 (a)(i) (2018) and Minn. Stat. § 82B.195 subd. 1, § 82B.20 subd. 2 (5), (6), (13) (2018).
- e. Respondent failed to provide a definition of value or cite the source of that definition. Failure to provide a definition of value or citing the source of that definition is a violation of the USPAP Scope of Work Rule, SR 1-1 (a), SR 1-2 (c), SR 2-2 (a)(v) (2018) and Minn. Stat. § 82B.195 subd. 1, § 82B.20 subd. 2 (5), (6), (7) (2018).
- f. Respondent failed to provide a summary of the scope of work used for the appraisal. In order for a report to be credible, the scope of work must be provided to determine which steps the appraiser took when arriving at the final opinion of value. Failure to summarize the scope of work is a violation of the USPAP Scope of Work Rule, SR 2-2 (a)(vii) (2018), and Minn. Stat § 82B. 20 subd. 2 (7), (13) (2018).
- g. Respondent failed to provide a signed certification in the appraisal report. A signed certification is an integral part of the appraisal where the appraiser takes ownership of their contributions to the assignment results and declare that they have

maintained their status as an independent, disinterested, and unbiased party in developing the appraisal. Failure to include this certification is a violation of the USPAP SR 2-3 and Minn. Stat. § 82B.195 subd. 1 (2018).

- h. Respondent failed to provide an adequate reconciliation of the approaches to value. While the sales comparison approach to value may be the best indicator of value for the subject property, an adequate reconciliation should explain why the sales comparison approach was the best approach to use when developing the appraisal. In addition, Respondent failed to state why the income and cost approaches were not appropriate in developing the appraisal. Failure to reconcile the approaches to value is a violation of USPAP SR 1-6 (b), SR 2-2 (a)(viii) (2018) and Minn. Stat. § 82B.20 subd. 2 (13) (2018).
- i. Respondent failed to provide an adequate reconciliation of the sales comparison approach to value. Reconciliation of the sales comparison approach should include commentary explaining the strengths and weaknesses of the data presented by the market and the quality and quantity of the data available and analyzed within the sales comparison approach. In this case, the sales comparison to value resulted in an adjusted sales price range. A proper reconciliation would have explained how the adjusted sales price range was calculated, which would lend credibility to the appraisal report. Failure to provide an adequate reconciliation of value is a violation of USPAP SR 1-6 (a), SR 2-2 (a)(viii) (2018) and Minn. Stat § 82B.20 subd. 2 (13) (2018).
- j. Respondent failed to provide a value opinion that was supported by available market data. Respondent used methodology that strayed from the acceptable appraisal standards. As such, Respondent's appraisal report cannot be considered credible. Respondent's actions and inactions call into question the public trust that should be

afforded in the profession and is a violation of USPAP Preamble, Ethics Rule, SR 1-1 (a) (2018) and Minn. Stat. § 82B.195 subd. 1, 82B.20 subd. 2 (13) (2018).

- k. Respondent failed to maintain an adequate work file. Documentation necessary to support the opinions and conclusions reached in the appraisal report were not included in Respondent's work file. Failure to maintain an adequate work file is a violation of USPAP Record Keeping Rule (2018) and Minn. Stat § 82B.071 (2018).

2. Respondent acknowledges that he has been advised of his rights to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing. Respondent hereby expressly waives those rights. Respondent further acknowledges that he has been represented by legal counsel throughout these proceedings or has waived that right.

3. Respondent has agreed to informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2018) and Minn. R. 1400.5900 (2017).

4. For purposes of Minn. Stat. § 16D.17 (2018), Respondent expressly waives his right to any notice or opportunity for a hearing on any civil penalty imposed by the Commissioner. Further, Minn. Stat. § 16D.17 (2018) allows the Commissioner to file and enforce the civil penalty imposed by this Order as a judgment against Respondent in district court without further notice or additional proceedings.

5. The civil penalty and/or any resulting judgment arising from this Order will be non-dischargeable in any bankruptcy proceeding. See 11 U.S.C. 523 (a)(7) (2018) ("A discharge under section 727, 1141, 1228(a), 1228(b) or 1328(b) of this title does not discharge an individual debtor from any debt... to the extent such debt is for a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit, and is not compensation for actual pecuniary loss, other than a tax penalty...").

6. The following Order is in the public interest.

NOW, THEREFORE, IT IS HEREBY ORDERED, pursuant to Minn. Stat. Ch. 45 (2018) that:

A. Respondent complete the following corrective education courses by January 31, 2020. These corrective courses cannot be used for any of Respondent's continuing education requirements. Respondent must provide proof of completion within thirty days of completing the course work;

- a. 15 hour USPAP course;
- b. The Appraisal Foundation Corrective Education Course: Residential Report Writing vs. Form Filling; and
- c. The Appraisal Foundation Corrective Education Course: Appraiser Self Protection: Documentation and Record Keeping.

B. Respondent shall cease and desist from violating any laws, rules, or orders related to the duties and responsibilities entrusted to the Commissioner under Minnesota Statute Chapters 45 and 82B;

C. Respondent's Real Property Appraiser license shall be suspended for a period of six (6) months from the date this order is fully executed by signature by or on behalf of the Commissioner; and

D. Respondent shall pay all investigative costs in the amount of \$675 pursuant to Minn. Stat. § 45.027, subd. 1(8) (2018).

This Order shall be effective upon signature by or on behalf of the Commissioner.

Date: 1/24/2020

STEVE KELLEY
Commissioner



MATTHEW VATTER
Assistant Commissioner of Enforcement
Minnesota Department of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

CONSENT TO ENTRY OF ORDER

The undersigned states that he has read this Consent Order; that he knows and fully understands its contents and effect; that he has been advised of the right to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing and expressly waives those rights. Respondent further acknowledges that he has been represented by legal counsel throughout these proceedings, or has been advised of his right to be represented by legal counsel, which right he hereby expressly waives; and that he consents to entry of this Order by the Commissioner. It is further understood that this Consent Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either express or implied.

Thomas Trepanier

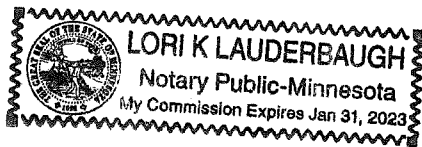
Date: 01/14/2020

By: Thomas Trepanier
Signature

STATE OF Minnesota
COUNTY OF Beltrami

Signed or attested before me on 01-14-2020 (Date).

(Notary stamp)



Lori K Lauderbaugh
(Signature of Notary)

My Commission expires:

1-31-2023