

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

In the Matter of the Appraiser License of Alan Gottschalk
License No.: 20263577

CONSENT ORDER

TO: Alan Gottschalk
9459 Alamo Ct NE
Blaine, Minnesota 55449

Commissioner of Commerce Grace Arnold (Commissioner) has determined as follows:

1. The Commissioner has advised Alan Gottschalk (Respondent) that she is prepared to commence formal action pursuant to Minn. Stat. § 45.027 (2020), and other applicable law, based on the following allegations:

- a. Respondent failed to fully consider and analyze the subject's ownership right in relation to the comparable sales used. The subject property was a condominium whereas several comparable sales were not of condominium ownership. Failing to consider and analyze relevant legal characteristics of the subject property is a violation of the Uniform Standard of Professional Appraisal Practice (USPAP) Standard Rule (SR) 1-2 (e)(i), SR 2-2 (a)(iii) (2018) and Minn. Stat. § 82B.20 subd. 2 (6) (2020);
- b. Respondent applied adjustments that lacked market data support. Adjustments were applied to comparable sales, but the adjustments were not warranted or supported by the market. Failing to adequately analyze comparable sales using data reflective of the market is a violation of USPAP SR 1-4 (a) (2108) and Minn. Stat. § 82B.195 subd 3 (1)(vi) (2020);
- c. Respondent failed to provide an accurate reconciliation of the sales comparison approach: Respondent indicated the wrong comparables as reconciliation to the final

opinion of value, which resulted in a lack of a reconciliation of the sales comparison approach. Failing to provide a credible reconciliation of an approach to value is a violation of USPAP SR 2-2 (a)(viii) (2018) and Minn. Stat. § 82B.20 subd. 2 (13) (2020);

d. Respondent provided an unsupported opinion of value. By failing to adequately analyze legal aspects of the subject property and applying unsupported adjustments, the final opinion of value was not supported by the market data presented. Providing an unsupported opinion of value and performing an appraisal in a negligent manner is a violation of USPAP Ethics Rule (2018) and Minn. Stat § 82B.195 subd. 3 (1)(viii) (2020); and

e. Respondent acted in an untrustworthy manner by offering a sum of money to avoid consequences of the above-mentioned issues. While communicating with a representative of an appraiser panel, Respondent offered a sum of money to avoid being removed from the panel. Such an offer is considered an untrustworthy act, fails to preserve the public trust, and is considered a violation of the USPAP Ethics Rule (2018) and Minn. Stat. § 45.027 subd. 7 (4) (2020).

2. Respondent acknowledges 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. 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. Respondent has agreed to informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2020) and Minn. R. 1400.5900 (2017).

3. 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.

4. 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...”).

5. The following Order is in the public interest.

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

A. Respondent shall pay a civil penalty in the amount of \$10,000 to the State of Minnesota. The Commissioner has stayed \$7,000 of this penalty. Respondent must pay \$3,000 at the time the Consent to Entry of Order is signed. The stayed portion of the civil penalty may be lifted if Respondent commits no further violations of any law, rule, or order related to the duties and responsibilities entrusted to the Commissioner. If the Commissioner determines that Respondent has committed further violations of any law, rule, or order over which the Commissioner has authority, the stay shall be lifted and the stayed portion of the penalty shall become effective in addition to any additional administrative action the Commissioner deems appropriate for the new violation(s). If the Commissioner seeks to lift the stay, Respondent may request a hearing to challenge the factual basis for lifting the stay but may not challenge the amount of the stayed penalty. If the stay has not been lifted by May 31, 2023, the stayed portion of the civil penalty will be vacated.

B. Respondent shall complete the following corrective education courses offered by the Appraisal Foundation, on their website within ninety days of the effective date of this order;

1. Scope of Work: Appraisals and Inspections;
2. Assignment Conditions, Elements and Results;

3. Missing Explanations;
4. Ethics, Competency and Negligence; and
5. Approach Reconciliation.

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;

C. 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; and

D. Respondent shall pay all investigative costs in the amount of \$517.50 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: 06/08/2021

GRACE ARNOLD
Commissioner



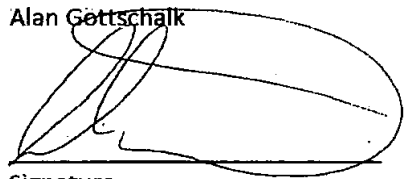
MATTHEW VATTER
Assistant Commissioner of Enforcement
Minnesota Department of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

CONSENT TO ENTRY OF ORDER

The undersigned states that he has read this Consent Order; that the undersigned knows and fully understands its contents and effect; that the undersigned 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 Respondent has been represented by legal counsel throughout these proceedings or has been advised of the right to be represented by legal counsel, which right Respondent hereby expressly waives; and that Respondent 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.

Date: 6/1/2021

Alan Gottschalk



By:

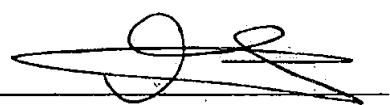
Signature

STATE OF Minnesota

COUNTY OF Anoka

Signed or attested before me on 06/01/2021 (Date).

(Notary stamp)



(Signature of Notary)

My Commission expires:

01/31/2025

