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State of Minnesota
Dept of Commerce

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

MAR 06 2026
Rec'd \$ 815

In the Matter of The Real Property Appraiser License
of John James Hadtrath
License No. 4003345

CONSENT ORDER

TO: John James Hadtrath
15774 Killdeer Street NW
Andover, MN 55304

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

1. The Commissioner has advised John James Hadtrath (Respondent) that she is prepared to commence formal action pursuant to Minn. Stat. § 45.027 (2024), and other applicable law, based on the following allegations pertaining to an appraisal report in Saint Francis, Minnesota:

- a. Respondent failed to provide a credible appraisal report because of numerous errors, and omissions in violation of the Uniform Standards of Professional Appraisal Practice (USPAP) Standard Rule (SR) 1-1 (a), (b), (c), 1-2 (e) (I), 1-3 (a) (i)(v), (b), 1-4 (b)(i)(ii), 1-6 (a), (b) 2-1 (a), (b), 2-2 (a) (x)(5) (2020) and Minn. Stat. §§ 82B.195, subd. 1, subd. 2(5), 82B.20, subd. 2(6), (7), (13) (2024).
- b. Respondent failed to use comparables that were by location the most similar to the subject. Respondent failed to provide an analysis on why the comparable locations in the competing neighborhoods were similar to the subject and did not need adjusting. Respondent failed to use correct appraisal methodologies in developing the adjustments. In addition, Respondent failed to provide market support for the dollar amounts of the adjustments and failed to make adjustments when they appear to have been necessary. Respondent failed to provide a credible sales comparison approach to

value in violation of USPAP SR 1-1 (a), 1-4 (a), 2-1 (a), (b) (2020) and Minn. Stat. §§ 82B.195, subd. 1, subd. 3(1)(iv)(vi)(viii), and 82B.20, subd. 2(6), (7), (13) (2024).

- c. Respondent failed to provide a work file that contained the necessary documentation supporting their opinions and conclusions in violation of the USPAP Record Keeping Rule (2020) and Minn. Stat. § 82B.071, subd. 2 (2024).

2. Respondent acknowledges that they have 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 they have 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 (2024) and Minn. R. 1400.5900 (2021).

4. For purposes of Minn. Stat. § 16D.17 (2024), Respondent expressly waives the right to any notice or opportunity for a hearing on any civil penalty imposed by the Commissioner. Further, Minn. Stat. § 16D.17 (2024) 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) (“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 (2024) that:

- A. Respondent shall pay a civil penalty in the amount of \$500 to the State of Minnesota;

B. Respondent to complete the 30-hour Basic Appraisal Procedure Course from a Minnesota Department of Commerce approved appraisal education provider. Respondent must take and pass the end of course examination. This course must be completed within six (6) months of the effective date of this order. A course completion certificate must be provided to the Department within thirty (30) days of course completion. This course cannot be used for continuing education credit;

C. Respondent to complete the Appraiser Self Protection: Documentation and Record Keeping corrective education course provided by the Appraisal Foundation. This course must be completed within six (6) months of the effective date of this order. A course completion certificate must be provided to the Department within thirty (30) days. This course cannot be used for continuing education credit;

D. 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

E. Respondent shall pay all investigative costs in the amount of \$315 at the time the Consent to Entry of Order is signed pursuant to Minn. Stat. § 45.027, subd. 1(8) (2024).

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

Date: March 13, 2026

GRACE ARNOLD
Commissioner



SARA PAYNE
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 they have 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.

John James Hadtrath

Date: 3/2/26

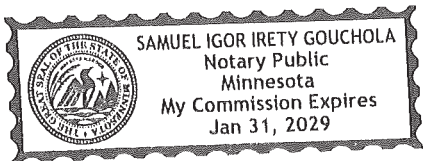
By: *J. J. Hadtrath*
(Signature)

STATE OF Minnesota

COUNTY OF Anoka

Signed or attested before me on 03/02/2026 (Date).

(Notary stamp)



S. I. Gouchola
(Signature of Notary)

My Commission expires:

Jan 31, 2029