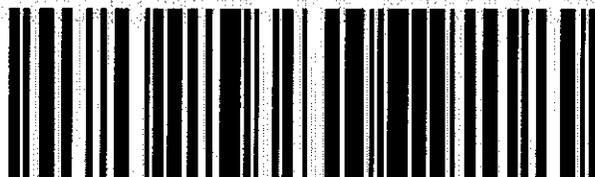


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expiration_date	04/09/2067
author	Tracy Steel
max_versions	4
document	Palumbo John 42RC00049600
description	

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FILED
BOARD OF
REAL ESTATE APPRAISERS
James S. Hsu 4/9/02
DR. JAMES S. HSU
Executive Director

STATE OF NEW JERSEY
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF CONSUMER AFFAIRS
BOARD OF REAL ESTATE APPRAISERS

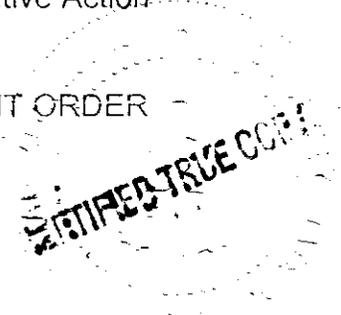
IN THE MATTER OF THE SUSPENSION :
OR REVOCATION OF THE LICENSE OF :

JOHN PALUMBO :
License No. RC00496 :

TO PRACTICE REAL ESTATE APPRAISING :
IN THE STATE OF NEW JERSEY :

Administrative Action

CONSENT ORDER



This matter was opened to the New Jersey State Board of Real Estate Appraisers (hereinafter "the Board") upon receipt of complaints with regard to five appraisal reports signed by respondent, including an appraisal report of 1122 Sewall Avenue, Asbury Park, date of valuation May 20, 2001; 7 Deepwood Lane, Colts Neck, date of valuation May 12, 2001; 200 Easy Street, Howell, date of valuation May 3, 1998; 330 Broad Street, Carlstadt, date of valuation April 12, 2001; 425 Tremont Avenue, Westfield, date of valuation June 18, 2001. On November 13, 2001, respondent appeared with counsel, Robert F. Dato, Esq., at an investigative inquiry into the matter held by the Board. During the course of this

inquiry, respondent was asked about the manner in which he prepared the aforementioned reports, and he acknowledged such specific acts of "carelessness" as the following:

a) Due to secretarial error, Respondent's appraisal of 330 Broad Street indicated that the comparable properties were two-family dwellings, when in fact they were three-family dwellings.

b) Respondent's appraisal report of 300 Easy Street grossly underestimated the gross living area of the comparables used in the report; overestimated the gross living area of the subject, and inappropriately compared a 140-year old historic house to the 23-year-old subject.

c) Respondent's appraisal report of 425 Tremont indicated that a comparable property which was new construction was 80+ years old; and inappropriately used a comparable that was 4500 square feet when the subject was 2560 square feet.

d) The appraisal report of 1122 Sewall Avenue indicated that the property had not sold within a one-year period, although it had sold for \$36,000 in February of 2001, even though the tax records ought to have triggered an inquiry on respondent's part; the report inappropriately used a comparable in Ocean Township, which is outside of Asbury Park, although the report indicated it was in Asbury Park; the report indicated that one comparable closed on January 31, 2001, for \$165,000, although in actuality the property closed on November 8, 2000 for \$111,000.

Respondent acknowledged that he had made "terrible mistakes," T63-25, and that he had been "negligent" and "careless." T64-1. The Board notes that the above conduct constitutes, inter alia, a violation of the Uniform Standards of Professional Appraisal Practice, with regard to Standards Rule 1-1(a) (correctly employing recognized methods

and techniques necessary to produce a credible appraisal); Standards Rule 1-1(b) (substantial error of omission or commission); Standards Rule 1-1(c) (rendering appraisal services in a careless or negligent manner); Standards Rule 1-5(b) (considering prior sales of property within one year); and may be misleading within the intendment of the Conduct Section of the USPAP.

Having reviewed the entire record, including the testimony of respondent at the investigative inquiry, and it appearing that respondent desires to resolve this matter without without recourse to formal proceedings and for good cause shown:

IT IS ON THIS ^{9th} DAY OF ^{April} ~~3rd~~ ²⁰⁰², 2002

HEREBY ORDERED AND AGREED THAT:

1. Respondent agrees to surrender his certification as a real estate appraiser in the State of New Jersey; which surrender shall be deemed a revocation.
2. Respondent agrees that said surrender shall be with prejudice to any future application for licensure or certification as a real estate appraiser in the State of New Jersey, based upon respondent's having engaged in acts of gross negligence pursuant to N.J.S.A. 45:1-21(c) and repeated acts of negligence pursuant to N.J.S.A. 45:1-21(d), as well as violations of the Uniform Standards of Professional Appraisal Practice, which constitute grounds for discipline pursuant to N.J.S.A. 45:1-21(e), as indicated in N.J.A.C. 13:40A-6.1.
3. Respondent is hereby assessed civil penalties, pursuant to N.J.S.A. 45:1-22, in the amount of \$2,500.00, as well as costs in the amount of \$634.50. A certified check or money order made payable to the State of New Jersey shall be sent within twenty-one days of the entry date of this Consent Order to Dr. James S. Hsu, Executive Director,

Board of Real Estate Appraisers, P.O. Box 45032, 124 Halsey Street, Third Floor,
Newark, New Jersey 07101.

4. Failure to remit any payment required by this Order will result in the filing of
a certificate of debt.

NEW JERSEY STATE BOARD OF
REAL ESTATE APPRAISERS

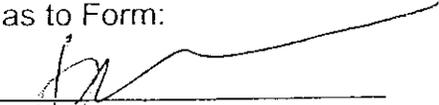
By: 
John A. McCann
Board President

I have read and understand the
within Consent Order and agree
to be bound by its terms. Consent
is hereby given to the Board to
enter this Order.


John A. Palumbo

Dated: 3/7/2002

Consent as to Form:


Robert F. Dato, Esq.

Dated: 3/13/02