

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

In the Matter of:

CERTIFIED TRUE COPY

JOSEPH CAMPBELL, SCRREA
Certification # RC 00189400

CONSENT ORDER

COPY

This matter was opened before the New Jersey State Real Estate Appraiser Board (the Board) upon the Board's receipt of information concerning two appraisal reports, both dated April 5, 2006, that respondent Joseph Campbell prepared on properties located at 122 East 87th Street, Sea Isle City, New Jersey and 122 West 87th Street, Sea Isle City (the "subject property appraisals"). Respondent signed both of the subject property appraisals as the appraiser, and both were signed by Ronald G. Brandon as "supervisory appraiser." The appraisals were prepared for Washington Mutual Bank. The properties appraised were newly constructed condominium units, located approximately 1 and one-half blocks from the beach, in Sea Isle City.

In reviewing this matter, the Board has considered available information concerning the subject property appraisals, to include, without limitation, information provided within a written complaint concerning the appraisals submitted to the Board by Washington Mutual Bank, written statements that respondent

provided to the Board dated September 5, 2008 and December 18, 2008, and testimony that respondent offered when he appeared before the Board, *pro se*, for an investigative hearing on July 14, 2009.

Upon review of available information, the Board finds that respondent prepared and then submitted two appraisal reports dated April 5, 2006 to Washington Mutual Bank upon the two subject properties. The two appraisal reports were intended to be identical and to have identical value conclusions (as both had been based on exterior inspection only, and both were of newly constructed condominiums having identical design), however in fact the value conclusion on the unit at 122 East 87th Street was \$1,860,000 and the value conclusion for the unit at 122 West 87th Street was \$1,680,000.¹

When appearing before the Board, respondent testified that he initially prepared a "draft" appraisal on or about April 3, 2006, wherein he concluded that the value of each of the two subject units was \$1,180,000. Respondent did not analyze or

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The two reports are essentially identical (that is, all information reported concerning the units is the same in both reports), and use the same three comparable sales in the sales comparison approach. On the appraisal for the unit at 122 East 87th Street, the location adjustment made for comparable sale #2 was \$15,000, whereas a location adjustment of \$150,000 was made for the same sale on the appraisal for the unit at 122 West 87th Street. Respondent has asserted that the difference was a product of an unrecognized "typographical error," that an adjustment of \$150,000 was intended to have been taken on both appraisals, and that the appraised value that should have been reported on both units was \$1,680,000.

consider any beachfront properties when developing the sales comparison approach for the "draft" appraisal, instead selecting comparable sales of condominiums that were situate in non-beachfront locations reasonably similar to the subject properties.

Respondent testified that he provided his "draft" appraisal to the Appraisal Department at Washington Mutual for review. He was then contacted by a representative from Washington Mutual who questioned the adequacy of his value conclusion, and suggested that he consider analyzing beachfront properties as comparable sales, and then taking any necessary downward adjustments to account for location. Respondent then prepared the two subject property appraisals which he in fact signed and submitted to Washington Mutual. When doing so, respondent did not analyze or consider any of the comparable sales that he had identified in his "draft" appraisal, and instead selected and analyzed three entirely different sales, to include two sales of beachfront properties.

The Board has reviewed the subject property appraisals and concludes that the reports were prepared in a grossly incompetent manner, and that the reports are misleading in that the opinion of the value of the two condominium units is inflated to a level which cannot be reasonably supported. The Board finds that, in preparing said reports, respondent violated numerous provisions of the Uniform Standards of Professional Appraisal Practice (the

"USPAP"), to include the following:

1) Respondent violated the Conduct Section of the Ethics Rule of the USPAP, by, among other items, failing to perform his assignment without accommodation of the interests of his client and by ultimately communicating a misleading or fraudulent report.

2) Respondent violated the Scope of Work Rule of the USPAP in that, when accepting suggestions made by his client concerning potential comparable sales to analyze in developing the appraisal, respondent allowed the client's objectives to cause the assignment result to be biased.

3) Respondent violated Standards Rules 1-1 (a), (b) and (c), 1-2 (h), and 1-4(a) in developing the subject property appraisals, by, among other items,

- selecting superior properties for use as comparable sales in the sales comparison approach to value, and then taking inadequate downward adjustments for the locations of said properties, when there were other sales of properties situate in non-beachfront locations that were reasonably similar to the subject properties that were not analyzed or considered.

The Board concludes that, by failing to ensure that the subject property appraisals conformed to the requirements of the USPAP, respondent violated N.J.A.C. 13:40A-6.1 and engaged in professional misconduct. The Board thus finds that cause for formal action against respondent exists pursuant to N.J.S.A. 45:1-

21 (c), (d), (e) and/or N.J.S.A. 45:1-21(h). The parties desiring to resolve this matter without need for additional administrative proceedings, and the Board being satisfied that good cause exists for the entry of the within Order,

IT IS on this 1st day of September, 2010.

ORDERED and AGREED:

1. The certification of respondent Joseph Campbell to practice real estate appraising is hereby suspended for a period of one year, the entirety of which shall be stayed and served as a period of probation, provided that respondent complies with all other terms and conditions of the within Order.

2. Respondent is hereby assessed a civil penalty in the amount of \$10,000, which penalty shall be paid in full upon entry of this Order, or pursuant to such schedule of payments (to include the assessment of interest at a rate of 1.5%) that may be deemed acceptable by the Board.

3. Respondent is hereby assessed costs of investigation, in the amount of \$484.50, which costs shall be paid in full upon entry of this Order.

4. Respondent shall, within six months of the date of entry of this Order, take and successfully complete a 15 hour course in the Uniform Standards of Professional Appraisal Practice. Respondent shall be required to secure pre-approval from the Board for any course he proposes to take to satisfy the requirements of

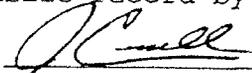
this paragraph. The course shall be taken in a classroom setting (that is, the Board will not approve an "on-line" course). For purposes of this paragraph, "successfully complete" means that respondent shall pass any examination given at the end of the course and/or obtain a passing grade at the completion of the course. Respondent may not claim any continuing education credit for the completion of the course herein required.

NEW JERSEY STATE REAL ESTATE
APPRAISER BOARD

By: _____

Barry J. Krauser, SCGREA
Board President

I acknowledge that I have read and considered this Order, and agree to the entry of the Order as a matter of public record by the Board.



Joseph Campbell, SCRECA

Dated: 08/30/2010

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NEW JERSEY STATE REAL ESTATE
APPRAISER BOARD

By: Frank A. Willis
Frank A. Willis
Board President

I acknowledge that I have read and considered this Order, and agree to the entry of the Order as a matter of public record by the Board.

Joseph Campbell, SCRREA

Dated: _____