

FILED
BOARD OF
REAL ESTATE APPRAISERS
CHARLES F. KIRK
Acting Executive Director

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

COPY

In the Matter of:

CHARLES PARENT
Certification #42RC00227500

CONSENT ORDER

This matter was opened before the New Jersey State Real Estate Appraiser Board (the "Board") upon the Board's receipt of a complaint filed by William Coleman, Jr., against respondent Charles Parent. The complainant alleged that respondent substantially undervalued the complainant's property located at 204 Alloway Aldine Road, Alloway Township, New Jersey, in an appraisal report that he prepared dated July 22, 2010 (hereinafter the "subject property appraisal"), primarily by failing to have recognized that respondent's property included not only a home situate on a one acre lot but also an additional 43 acres of farmland, all of which were not considered in the development of the appraisal. The Board has considered available information concerning this matter, to include a copy of the subject appraisal report and the workfile which respondent maintained for said project; documents provided by the complainant and respondent's written reply to the Board dated January 24, 2011; oral testimony offered by respondent when he appeared before the Board, *pro se*, for an Investigative Hearing on

October 25, 2011; and information concerning the subject property obtained by the Board during the course of its investigation.

Upon review of all available information, the Board finds that respondent committed a substantial error when preparing the subject property appraisal by failing to have recognized or identified that the total acreage of the parcel on which the subject property, a 237 year old house, was situate was 44.24 acres, rather than one acre (as reported by respondent in the subject property appraisal). The subject property was in fact assessed as a "Q Farm" under the Farmlands Assessment Act, allowing for the creation of a separate identification of the area actively farmed from the actual home site for the sole purpose of assessing. In this case, one acre was assigned to the house and the remaining acreage was assigned as qualified farmland. While respondent has testified that he secured his data for the report (including the information that the lot size was one acre) by accessing publicly available information, to include records maintained at certain web based information services, the data which respondent accessed details that the property classification was "3A." That property classification should have alerted respondent to the fact that there was additional acreage on the parcel (which in turn would have been classified as "3B"). When appearing before the Board, respondent conceded that he did not know what the "3A" classification meant.

Based on the above, the Board concludes that respondent failed to conform to requirements of the Uniform Standards of

Professional Appraisal Practice (the "USPAP") when preparing the subject property appraisal. Most significantly, the Board concludes that respondent failed to perform a minimum level of due diligence prior to finalizing his appraisal report, both by failing to have made sufficient efforts to verify the total acreage of the parcel and by failing to have sought to determine the meaning and significance of the "3A" property classification. Respondent thereby violated the requirements of both the Scope of Work Rule, which requires an appraiser to perform the scope of work necessary to develop credible assignment results¹, and the Competency Rule, which requires an appraiser to determine, prior to accepting an assignment, that he or she can perform the assignment competently.² The Board further finds that respondent's error significantly affected the appraisal, as his failure to identify or consider the additional 43 acres of property necessarily impacted the value conclusions that respondent reached in the report. The Board therefore concludes that respondent additionally violated Standards

1

The "Scope of Work Acceptability" subsection of the Scope of Work Rule provides that "the scope of work must include the research and analyses that are necessary to develop credible assignment results."

2

The Competency Rule provides that "[a]n appraiser must: (1) be competent to perform the assignment; (2) acquire the necessary competency to perform the assignment; or (3) decline or withdraw from the assignment." As respondent lacked the requisite familiarity with the property type that he was appraising, he needed to acquire the necessary competency or decline or withdraw from the assignment.

3

Rule 1-1(b) when preparing the subject property appraisal ("An appraiser must not commit a substantial error of omission or commission that significantly affects an appraisal").

Appraisers licensed or certified by this Board are required, pursuant to N.J.A.C. 13:40A-6.1(a), to ensure that all appraisals, at a minimum, conform to the USPAP. Respondent's preparation of an appraisal report that failed to comply with USPAP requirements provides grounds for disciplinary sanction pursuant to N.J.S.A. 45:1-21(h).

The parties desiring to resolve this matter without the necessity for further administrative proceedings, and the Board being satisfied that any need that might otherwise exist to conduct further proceedings is obviated by respondent's agreement to the entry of this Order, and the Board being satisfied that good cause exists for the entry of this Order,

IT IS on this 15th day of May, 2012

ORDERED and AGREED:

1. For the reasons set forth above, Respondent Charles Parent is hereby formally reprimanded for having prepared an appraisal report which failed to conform to requirements of the USPAP.

2. Respondent is hereby assessed a civil penalty in the amount of \$10,000, which penalty shall be payable in monthly installments of \$250.00. The first installment is to be made on or before June 1, 2012, and payments of \$250.00 per month shall

thereafter continue to be made on or before the first of each following month, with a final payment due on or before September 1, 2015. Provided that respondent makes all payments required herein on or before the due date, the Board shall waive the imposition of any interest upon the penalty assessed herein. In the event respondent fails to make timely payments as required herein, such failure shall be deemed to constitute a violation of the terms of this Consent Order, and shall be grounds upon which the Board may enter a further Order suspending respondent's certification to practice real estate appraising in the State of New Jersey.

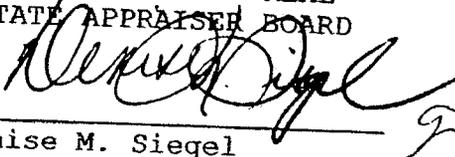
3. Respondent is hereby assessed costs of investigation, limited to transcript costs, in the amount of \$391.75. The costs herein assessed shall be payable in full upon entry of this Order.

4. Respondent shall, within six months of the date of entry of this Order, take and successfully complete two courses in the fundamentals of tax administration. 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" shall mean that respondent shall be required to pass the 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.

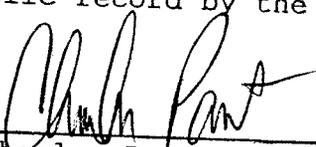
4. Respondent shall, within six months of the date of entry of this Order, take and successfully complete a 15 hour course in the Uniform Standards of Professional Appraisal Practice. Respondent shall be required to secure pre-approval from the Board for any course she proposes to take to satisfy the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


Denise M. Siegel
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.


Charles Parent, SCRREA