JEFFREY S. CHIESA
ATTORNEY GENERAL OF NEW JERSEY
Division of Law - 5th Floor
124 Halsey Street
P.O. Box 45029
Newark, New Jersey 07101
Attorney for New Jersey State Real
Estate Appraisers Board

By: Barbara Lopez
Deputy Attorney General
(973) 648-7454

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FILED
BOARD OF
REAL ESTATE APPRAISERS
CHARLES F. KIRK
Acting Executive Director
9-25-12

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

IN THE MATTER OF THE LICENSE OF **RAYMOND J. McCARTHY** **License No. 42RA00076400** TO ENGAGE IN THE PRACTICE OF 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 ("Board") upon receipt of information concerning appraisal reports prepared by Raymond McCarthy ("Respondent") for property located at 18 Summer Street, Passaic, New Jersey (report dated September 8, 2006) and for property located at 221 Kingsland Road, Roxbury Township, New Jersey (report dated November 16, 2010). Respondent has held a

license as a Residential Real Estate Appraiser in New Jersey since 1992.

In reviewing this matter, the Board has considered available information concerning the subject property appraisals including the two complaints, Respondent's replies, Respondent's complete work files, and Respondent's testimony when he appeared before the Board, accompanied by his attorney, on May 22, 2012.

The Board finds that in preparing the reports, Respondent violated numerous provisions of the Uniform Standards of Professional Appraisal Practice ("USPAP") (2006 Edition for the 2006 Passaic report and 2010-2011 Edition for the 2010 Roxbury report) including the following:

1. With respect to the Passaic report, Respondent violated Standard 1-1(c) by rendering appraisal services in a careless or negligent manner in that he omitted two important comparable sales. The Passaic property consisted of a condominium unit in a complex totaling twelve units. Respondent missed the sales of two units within the complex. Respondent failed to go to the management office of the complex to inquire about any unit sales after he allegedly could not access county records because the county records were not up-to-date. Additionally, Respondent's workfile included a computer search whereby he used price for sales as the search criteria and set the search criteria too high. He missed comparable sales that

were below the lowest price that Respondent had set for his search. Respondent had no proof that he conducted another search with lower criteria and a review of the dates and prices indicate that a search with lower criteria would have produced at least one of the missed sales.

2. With respect to the Roxbury report, Respondent violated Standard 1-1(c) by rendering appraisal services in a careless or negligent manner. Respondent prepared two reports for the Roxbury property. On the first, Respondent characterized the property as a raised ranch, and on the second, Respondent characterized the property as a bi-level. As a raised ranch, Respondent failed to adequately consider the first level and failed to make a sufficient adjustment to reflect the first level. After Respondent received a call from his client requesting that the property be considered a bi-level, Respondent changed the report, but failed to reconcile the adjustments. After changing the property to a bi-level, Respondent merely made bigger adjustments to the same comparable sales and those adjustments were not market oriented.

3. With respect to the Roxbury report, Respondent violated Standard 1-4(a) in that he failed to collect, verify, and analyze comparable sales data for similar style properties. The Roxbury property was a waterfront property. Respondent limited his search to waterfront properties in Roxbury.

Respondent failed to collect data on similar style properties in Roxbury that were not on the waterfront. Respondent failed to collect data on similar style properties in competing markets that were on the waterfront. Additionally, Respondent failed to collect, verify, and analyze new and different comparable sales data after changing the characterization of the property to a bi-level. The change to a bi-level gave the property a larger size and greater room count which required new and different comparable sales.

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(e) and (h).

The parties desiring to resolve this matter without need for further proceedings, and the Board being satisfied that good cause exists for the entry of the within Order;

IT IS on this 28th **day of** September**, 2012**

ORDERED and AGREED:

1. Respondent is hereby reprimanded for violations of N.J.S.A. 45:1-21(e) and (h).

2. Respondent shall, within one year of the date of entry of this Order, provide proof to the Board that he has fully attended and successfully completed Board approved courses in:

a. Basic Appraisal Procedures (minimum of 30 hours); and

b. USPAP (15 hours).

Respondent shall secure pre-approval from the Board for any courses he proposes to take to satisfy the above course requirements. These courses shall be taken in a classroom setting; the Board will not approve any distance learning or on-line courses. "Successfully complete" means that respondent shall fully attend and pass any examinations given at the end of the courses and/or obtain passing grades at the completion of the courses. Respondent may not claim any continuing education credit for the completion of the courses herein required. These courses shall be in addition to all continuing education required for license renewal.

3. A civil penalty of two thousand five hundred dollars ($2,500) is hereby imposed upon Respondent. Additionally, Respondent is hereby assessed costs in the amount of three hundred twelve dollars and fifty cents ($312.50). Total payment of two thousand eight hundred twelve dollars and fifty cents ($2,812.50) shall be made by certified check or money order payable to "State of New Jersey," delivered or mailed to Charles

F. Kirk, Executive Director, New Jersey State Board of Real Estate Appraisers, P.O. Box 45032, Newark, New Jersey 07101. Payment shall be made no later than 15 days after the date of filing of this Order. In the event Respondent fails to make a timely payment, a certificate of debt shall be filed in accordance with N.J.S.A. 45:1-24 and the Board may bring such other proceedings as authorized by law.

NEW JERSEY STATE REAL
ESTATE APPRAISER BOARD

By: _____
John A. McCann
Board President

I have read and understand this Order, agree to the entry of this Order as a matter of public record, and agree to be bound by the terms above.

_____ 9/11/12
Raymond McCarthy Date

Consent as to form and entry of this Order.

_____ 9/18/12
Lawrence N. Meyerson, Esq. Date
Attorney for Raymond McCarthy