

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

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

2-10-12

In the Matter of:

EUGENE C. TRAVISANO
Certification #42RC00150800

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 from Christopher and Diana Meredith regarding an appraisal report, dated April 30, 2009, that respondent Eugene Travisano prepared upon residential property located at 7 Rine Road, Hillsborough, New Jersey (the "subject property appraisal"). In reviewing this matter, the Board has considered available information concerning the subject property appraisal, to include, without limitation, information provided within the Meredith's written complaint; a written reply that respondent's counsel, Thomas A. Harley, Esq., provided to the Board dated October 13, 2009; a copy of the workfile that respondent maintained for the subject property appraisal; and testimony that respondent offered when he appeared before the Board, represented by Mr. Harley, for an investigative hearing on August 3, 2010.

Upon review of available information, the Board finds that respondent initially prepared and submitted to his client (Bank of America/Land Safe) an appraisal report on the subject property in

which he concluded that the value of the subject property was \$510,000. After submitting that initial report, respondent was contacted by a review appraiser from his client, and asked to reconsider his value conclusion and/or supply additional comparable sales. Respondent testified that he thereafter "revisited" the subject property appraisal report and concluded that a reduction in his initial value estimate was warranted.

Respondent then submitted a second appraisal report wherein he opined that the value of the subject property was \$455,000. Respondent testified that, when submitting the second appraisal report, he did not make any changes to any data or analysis that had been set forth in the initial report, and that accordingly the only difference between the two reports was the \$55,000 reduction in the opinion of the value of the subject property. Respondent did not retain a copy of the initial appraisal report that he submitted to his client within his workfile, and was thus unable to produce the initially submitted report (with the value conclusion of \$510,000) when appearing before the Board.

Respondent further testified that the interior inspection of the property was performed by R.P., an individual who had held a trainee permit previously but whose permit had expired as of April 2009. Respondent admitted that R.P. alone conducted the interior inspection of the subject property (respondent inspected the exterior of the property independently, but was unable to gain access to the interior), and that he relied on R.P.'s observations

of the interior layout of the house when preparing the subject property appraisal.

The Board finds that the value conclusion of \$455,000 which respondent reached in the subject property appraisal was not credible, because it was not supported by the analysis in the report. When preparing the subject property appraisal, respondent analyzed the property by both the sales comparison approach and the cost approach. While respondent opined that the "indicated value" of the subject property based on the sales comparison approach was \$455,000, his opinion was completely unsupported by the analysis in the appraisal report. Specifically, the expressed value was below the adjusted value of all four closed sales that respondent analyzed when developing the sales comparison approach (that is, after adjustments were made, the four closed sales which respondent analyzed had adjusted values ranging from a low of \$463,270 to a high of \$514,500, with three of the four closed sales having adjusted values greater than \$500,000). Respondent also opined within the report that the indicated value of the subject property by the cost approach was \$528,413, which again was a value that far exceeded his final value conclusion.

The Board thus finds that, in preparing the subject property appraisal, respondent violated provisions of the Uniform Standards of Professional Appraisal Practice (the "USPAP") (effective January 1, 2008) as follows:

- 1) Respondent violated the Record Keeping Section of the

Ethics Rule, by failing to keep a true copy of the initial appraisal report that he submitted to his client (that is, the report wherein he reached a value conclusion of \$510,000).

2) Respondent violated Standards Rules 1-6(a) by failing to reconcile the quality and quantity of data available and analyzed within the approaches used; and

3) Respondent violated Standards Rule 2-2(b)(vii) and 2-3 by failing to summarize the extent of R.P.'s assistance in the appraisal process and failing to identify R.P. as an individual who provided significant real property appraisal assistance, and by falsely stating in his certification that he performed a complete visual inspection of the interior of the subject property.

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). Based on the findings set forth above, additional grounds for disciplinary sanction in this matter exist pursuant to N.J.S.A. 45:1-21(e).

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 *16th* day of *December*, 2012

ORDERED and AGREED:

1. For the reasons set forth above, respondent Eugene Travisano is hereby formally reprimanded.

2. Respondent is assessed a civil penalty in the amount of \$2500, which shall be payable in monthly installments of \$250, with the first payment to be due on or before December 15, 2012. Each subsequent payment shall be made on or before the 15th of each month thereafter, with a final payment to be due on or before September 15, 2013. In the event that respondent fails to timely make required payments, the Board may declare him to be in default of the conditions of this Order, in which event all sums that may then remain due and owing shall be required to be paid in full. The Board may also, in such event, enter a supplemental Order actively suspending respondent's license until such time as payment in full is made.

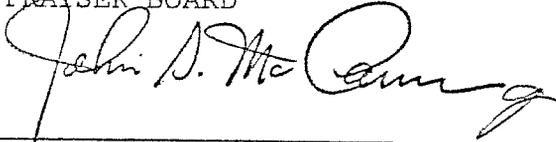
3. Respondent is hereby assessed costs of investigation, limited to transcript costs, in the amount of \$388.00, which costs shall be paid in full upon entry of this Order.

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.

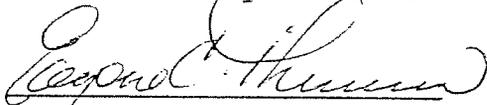
NEW JERSEY STATE REAL ESTATE
APPRAISER BOARD

By:



John A. McCann
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.



Eugene C. Travisano

Dated: 11/19/2012

Consent to form and entry of Order.



Thomas A. Harley, Esq.

Dated: 11/26/12