

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

IN THE MATTER OF THE LICENSE OF :
: Administrative Action
KATHERINE L. SMITH :
License # 42RC00223800 :
: FINAL ORDER
: OF DISCIPLINE
TO ENGAGE IN THE PRACTICE OF :
REAL ESTATE APPRAISING IN :
THE STATE OF NEW JERSEY :

This matter was opened to the New Jersey Board of Real Estate Appraisers (the "Board") upon receipt of information which the Board has reviewed and upon which the following findings of fact and conclusions of law are made:

1. Katherine L. Smith ("Respondent") is a State Certified Residential Real Estate Appraiser in the State of New Jersey and has been a licensee at all times relevant hereto.

2. Pursuant to N.J.S.A. 45:14F-18 and N.J.A.C. 13:40A-5.3, all licensed and certified real estate appraisers are required to complete all continuing education requirements established by "The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria" promulgated by the Appraisal Qualifications Board of the Appraisal Foundation (the "AQB"). The AQB requirements are incorporated by reference in

the Board's regulations. For the two year period between January 1, 2010 and December 31, 2011, the AQB Qualification Criteria mandated that appraisers complete a minimum of twenty-eight (28) class hours of approved continuing education.

3. Pursuant to N.J.A.C. 13:40A-5.4, all licensed and certified appraisers are required to complete a seven hour National Update Course on the Uniform Standards of Professional Appraisal Practice ("USPAP"), or its equivalent, at least once every twenty-four (24) months. The AQB Qualification Criteria similarly mandate that appraisers must successfully complete the seven hour USPAP Update Course, or its equivalent, every two calendar years.

4. Pursuant to N.J.A.C. 13:40A-5.8, licensees or certificate holders are required to maintain documentation for at least four years of continuing education hours completed in order to verify program attendance and/or activity completion.

5. On or about December 31, 2011, Respondent completed and submitted an online biennial license renewal form, for the period January 1, 2012 through December 31, 2013, and Respondent's license was then renewed through December 31, 2013.

6. Respondent was asked on the biennial renewal

application whether Respondent "completed the continuing education requirement during the past two years," referring to the biennial renewal period of January 1, 2010 through December 31, 2011. The renewal application included specific instructions regarding this question, which read:

As a condition of renewal, licensees are required to obtain at least 28 credit hours of approved continuing education for each biennial renewal period subsequent to licensure/certification or 14 hours of continuing education if initially licensed or certified in the first six months of the second year. If initially licensed or certified during the last six months of the second year, no continuing education is required. If you are exempt from this requirement for this renewal period only, please answer "yes" to this question. Credits may not be carried over to another renewal period.

Respondent answered "yes" to the question.

7. Respondent was asked on the biennial renewal form whether Respondent successfully completed the seven hour National USPAP Update Course, or its equivalent, during the past two years, referring to the biennial period of January 1, 2010 through December 31, 2011. The renewal application included specific instructions regarding this question, which read:

As a condition of renewal, licensees must successfully complete the seven-hour National USPAP Update Course, or its equivalent, at a minimum of every two years. Equivalency shall be determined through the AQB Course Approval Program or by an alternate method established

by the AQB.

Respondent answered "yes" to this question.

8. Respondent certified, when submitting the renewal application, that all of the information on the renewal form was true and complete to the best of Respondent's knowledge, and acknowledged awareness that if any of the information submitted was willfully false, Respondent would be subject to punishment and/or disciplinary sanction to include license suspension or revocation or the imposition of civil penalties as provided by law.

9. After January 1, 2012, the Board commenced a continuing education audit, asking a random sampling of its licensees to submit documentation to verify completion of required continuing education. Respondent was selected for inclusion within the continuing education audit.

10. On or about February 22, 2012, all licensees selected for inclusion in the audit were sent a notice, by regular mail, addressed to the address of record that the licensee maintained with the Board, advising of the need to supply copies of documentation maintained to verify continuing education hours claimed.

11. On or about May 25, 2012, those licensees who failed to respond to the first notice were sent a second notice by the Board detailing the need to supply documentation to verify continuing education claims. The second notice was sent both certified and regular mail to Respondent's address in Clifton, New Jersey. The certified mail was returned as "unclaimed." The regular mail was returned as "not deliverable as addressed, unable to forward." The regular mail included a notation "moved," but did not include a forwarding address.

12. Respondent failed to reply to any of the notices that were forwarded regarding the need to supply documentation verifying completion of continuing education.

CONCLUSIONS OF LAW

Respondent's failure to reply to the notice that was sent requiring Respondent to supply documentation verifying the completion of continuing education constituted a violation of the Uniform Duty to Cooperate regulation, N.J.A.C. 13:45C-1.2 and 1.3, which in turn subjected Respondent to sanctions pursuant to N.J.S.A. 45:1-21(e).

By virtue of having failed to respond to the notice, Respondent was deemed to have failed to demonstrate, to the

satisfaction of the Board, that Respondent completed any hours of continuing education and the seven hour USPAP Update course for the biennial period of January 1, 2010 - December 31, 2011. The Board therefore found Respondent in violation of N.J.A.C. 13:40A-5.3 and 5.4, which in turn subjected Respondent to sanctions pursuant to N.J.S.A. 45:1-21(e) and (h).

Respondent failed to demonstrate, to the satisfaction of the Board, completion of a seven hour USPAP Update Course, or its equivalent, for the two year period between January 1, 2010 and December 31, 2011. The Board therefore found Respondent in violation of N.J.A.C. 13:40A-5.4, which in turn subjected Respondent to sanctions pursuant to N.J.S.A. 45:1-21(e) and 45:1-21(h).

As a license holder, Respondent has the duty to maintain a current and accurate address with the Board pursuant to N.J.A.C. 13:40A-7.10(a). Service to Respondent's address of record shall be deemed adequate notice within the intendment of N.J.A.C. 13:40A-7.10(b).

Based on the above findings and conclusions, the Board further found that Respondent falsely certified on the renewal application that all responses to all questions that were asked

on that application were true. By doing so, the Board found that Respondent engaged in misrepresentation, and was therefore subject to sanction pursuant to N.J.S.A. 45:1-21(b).

Based on the foregoing findings and conclusions, a Provisional Order of Discipline suspending Respondent's license to practice and imposing a civil penalty was entered on December 20, 2012 and a copy was forwarded to Respondent's last known mailing address in Clifton, New Jersey by means of both regular and certified mail. The Provisional Order was subject to finalization by the Board at 5:00 p.m. on the thirtieth day following entry unless Respondent requested a modification or dismissal of the stated Findings of Fact or Conclusions of Law by submitting a written request for modification or dismissal setting forth in writing any and all reasons why said findings and conclusions should be modified or dismissed and submitting any and all documents or other written evidence supporting Respondent's request for consideration and reasons therefor.

The Provisional Order sent by means of regular mail was returned as "not deliverable as addressed" with a handwritten notation "moved." The Provisional Order sent by means of certified mail was returned as "unclaimed".

The Board mailed a second copy of the Provisional Order to Respondent's last known address of record in Paterson, New Jersey. Both the certified mail and the regular mail were returned as "unable to forward - "forwarding order expired". Because the Orders were forwarded to Respondent's addresses of record, the Board deems service to have been effected. Accordingly, the Board determined that further proceedings were not necessary and that the Provisional Order should be made final.

WHEREFORE, it is on this 26th day of June, 2013

ORDERED that:

1. Respondent's license to practice real estate appraising in the State of New Jersey is hereby suspended until Respondent provides proof of completion of twenty-eight (28) hours of continuing education to be applied to the January 1, 2010 - December 31, 2011 biennial period. Continuing education hours taken currently and applied to cure the deficiency from the previous biennial period shall not be used to satisfy the requirements of the current biennial period. Respondent shall complete an additional twenty-eight (28) hours of continuing education prior to December 31, 2013 to satisfy the requirements

of the current biennial period.

2. Respondent is hereby assessed a civil penalty in the amount of three thousand five hundred dollars (\$3,500). Said penalty is an aggregate penalty, which includes a penalty in the amount of one thousand dollars (\$1,000) for violating the Uniform Duty to Cooperate Regulation; one thousand dollars (\$1,000) for having provided false answers to two questions on the biennial renewal application (that is, falsely claiming completion of twenty-eight (28) hours of continuing education credit and falsely claiming completion of a seven hour USPAP Update Course, or its equivalent); one thousand dollars (\$1,000) for failing to complete twenty-eight (28) hours of required continuing education; and five hundred dollars (\$500) for failing to complete a seven hour USPAP Update Course, or its equivalent.

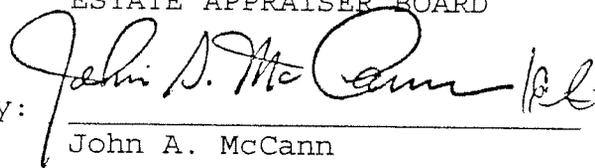
Payment shall be made by certified check or money order payable to the State of New Jersey, delivered or mailed to Charles Kirk, Executive Director, State Board of Real Estate Appraisers, P.O. Box 45032, Newark, New Jersey 07101. Payment shall be made no later than 15 days after the date of filing of any Final Order of Discipline which may be filed subsequent to

this Provisional Order of Discipline. 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.

3. Respondent shall refrain from practicing as a real estate appraiser and shall not represent herself as a State licensed or certified real estate appraiser until such time as Respondent's license is reinstated. Any practice in this State prior to reinstatement shall constitute grounds for a charge of unlicensed practice.

NEW JERSEY STATE REAL
ESTATE APPRAISER BOARD

By:



John A. McCann
Board President