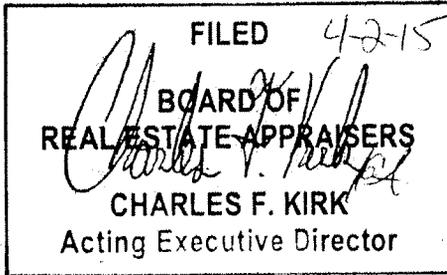


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STATE OF NEW JERSEY  
DEPARTMENT OF LAW & PUBLIC SAFETY  
DIVISION OF CONSUMER AFFAIRS  
STATE REAL ESTATE APPRAISERS BOARD

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In the matter of:

THOMAS J. SLIWOWSKI  
Certification #42RC00040200

CONSENT ORDER

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This matter was opened before the New Jersey State Real Estate Appraisers Board (the "Board") upon the receipt of a complaint dated February 7, 2014 from Joseph J. Kuzner, on behalf of Flagstar Bank, alleging generally that respondent Thomas Sliwowski prepared an appraisal report with an inflated value conclusion on property located at 91 Cape May Avenue, Mantua Township, New Jersey. The report was signed October 2, 2007 with an effective date of September 25, 2007 (the report will hereinafter be referred to as the "subject property appraisal report.").

In reviewing this matter, the Board has considered and reviewed the subject property appraisal report,<sup>1</sup> Mr. Kuzner's complaint (along with supporting documentation provided, to include

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<sup>1</sup> The workfile maintained by respondent for the subject property appraisal report was not available for review, as respondent testified that he purged the workfile five years after the effective date of the appraisal.

a review appraisal dated March 6, 2013), respondent's initial written response to the complaint dated February 24, 2014 and a supplemental written response dated June 24, 2014, and testimony which respondent offered when he appeared before the Board, represented by Dennis A. Scardilli, Esq., for an investigative hearing on July 22, 2014.

Upon review of all available information, the Board finds that the subject property was a residential property (ranch design, 3 bedroom, 2 bath) located in Sewell/Mantua Township, New Jersey. Respondent was engaged by Advanced Capital Mortgage to prepare an appraisal of the subject property, and did so by completing a sales comparison analysis (respondent analyzed three comparable sales of properties also located in Sewell, New Jersey).

The Board finds that respondent made significant errors in reporting the gross living area of each of the comparable sales, and in failing to report that a \$12,000 seller's concession had been made on comparable sale #1. Specifically, respondent reported the gross living area of each of the three comparable sales to be 1,426 square feet (comparable sale #1, 550 Breakneck Road, Sewell), 1,476 square feet (comparable sale #2, 201 Densten Road, Sewell) and 1,820 square feet (comparable sale #3, 153 Stanhope Avenue, Sewell). Available public records suggest that the actual square footage of each of the comparable sales was 1,686 square feet (comparable sale #1), 2,376 square feet (comparable sale #2) and

2,020 square feet (comparable sale #3). While respondent testified that his square footage estimates were based on his own visual inspection of each comparable sale, and that he believed the assessor's records to be overstated in each case, respondent was unable to produce any documentation to support his living area estimates, and respondent failed to include any explanation in the subject property appraisal report that addressed the discrepancy between public records and his estimates.

With regard to the selling price of comparable sale #1, respondent reported that no sales or financing concessions had been made when in fact he knew, or should have known, that the property was sold with a \$12,000 seller's concession. While respondent stated in his written responses to the Board and his testimony that seller's concessions were common in the area at the time the subject property appraisal was prepared, and that it was his judgment that no adjustments were warranted for concessions, the Board finds that respondent should have accurately reported information regarding the terms of sale, to include seller's concessions. The Board thus finds that respondent's failure to have reported that comparable #1 sold with a \$12,000 seller's concession was misleading (regardless whether or not an adjustment for the concession was warranted).

In addition to factual reporting errors, the Board found that respondent failed to make apparent indicated adjustments for

differences in lot sizes (and/or to have explained the basis for his decision not to have made such adjustments). Respondent reported the lot size of comparable sale #1 to be "250 x 655 irr" (4.28 acres total) and the lot size of comparable sale #2 to be 280 x 220, in contrast to the subject property, which was situate on a 120 x 115 lot. Respondent did not, however, make any adjustments in his sales comparison approach for the substantial differences in lot sizes between comparable sales #1 and #2 and the subject property. While respondent testified, when appearing before the Board, that he had considered the additional acreage on comparable sales #1 and #2 to be "surplus land," which did not in his judgment contribute to the value of either comparable sale, he failed to include any explanation of his thought and decision-making process in the subject property appraisal report.

Finally, the Board found that respondent failed to adequately analyze a prior sale of the subject property that occurred within three years of the appraisal date. While respondent accurately reported that the subject property had been sold on March 24, 2005 for \$201,097, he failed to explain or analyze the issue why the subject property appreciated to the appraised value of \$325,000 in the thirty month period between the prior sale and the effective date of the appraisal (notwithstanding the fact that respondent also reported that property values in the neighborhood were "stable").

Based on the above findings, the Board concludes that respondent violated multiple requirements of the Uniform Standards of Professional Practice when preparing the subject property appraisal (all references herein are to the USPAP standards in effect in July 2007). Specifically, the Board finds that respondent violated Standards Rules 1-1(b) ("In developing a real property appraisal, an appraiser must not commit a substantial error of omission or commission that significantly affects an appraisal"), 1-5(b) ("When the value opinion to be developed is market value, an appraiser must, if such information is available to the appraiser in the normal course of business, analyze all sales of the subject property that occurred within three (3) years prior to the effective date of the appraisal; 2-1(b) ("Each written or oral real property appraisal report must contain sufficient information to enable the intended users of the appraisal to understand the report properly") and Rule 2-2(b) (viii) (the content of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum: summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; ...).

All licensees are required, by N.J.A.C. 13:40A-6.1, to ensure that all appraisals conform to the USPAP. The Board thus concludes that cause for disciplinary sanction against respondent

exists pursuant to N.J.S.A. 45:1-21(h) (failing to comply with provisions of Board regulations). The parties desiring to resolve this matter without the need for further administrative proceedings, and the Board finding that good cause exists for the entry of the within Order,

IT IS on this 24th day of February, 2015:

ORDERED and AGREED:

1. Respondent Thomas Sliowski is hereby formally reprimanded, for having prepared an appraisal report that failed to conform to requirements of the Uniform Standards of Professional Appraisal Practice, as more fully detailed above.

2. Respondent is assessed a civil penalty in the amount of \$2,500, which penalty shall be payable in full upon the entry of this Order.

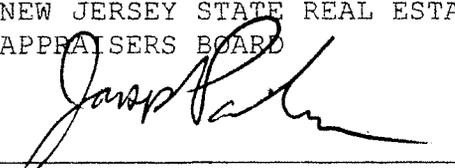
3. Respondent is hereby assessed costs, limited to transcript costs, in the amount of \$315.25, which costs shall be due and payable in full at the time of entry of this Order.

4. Respondent shall, within six months of the date of entry of this Order, be required to successfully complete: (1) a 15 hour Residential Report Writing and Case Studies Course; and (2) a 15 hour course in the Uniform Standards of Professional Appraisal Practice. Prior to commencing said courses, respondent shall provide all available information regarding the courses she proposes to take to the Executive Director of the Board, and shall obtain

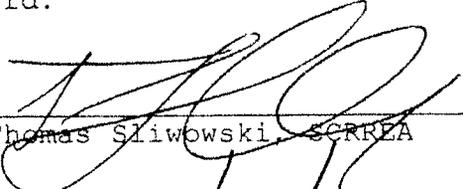
pre-approval, in writing, from the Executive Director for all proposed courses. Respondent shall thereafter be responsible to ensure that documentation of successful completion of each course is forwarded by the course provider to the Board (said documentation must be provided within thirty days of the date of respondent's completion of the course). In the event that respondent fails to successfully complete the course work required herein in a timely fashion (that is, in the event the Board does not receive documentation of successful completion of the required course within seven months of the date of entry of this Order), respondent shall be deemed to have failed to comply with the terms of this Order. In such event, the parties expressly agree that the Board may enter an Order of Immediate Suspension of certification for failure to comply with the terms of this Order. In such event, respondent's certification shall thereafter continue to be actively suspended until such time as he successfully completes the required course work, documentation thereof is submitted to the Board, and written notice of reinstatement is provided by the Board to respondent.

NEW JERSEY STATE REAL ESTATE  
APPRAISERS BOARD

By:

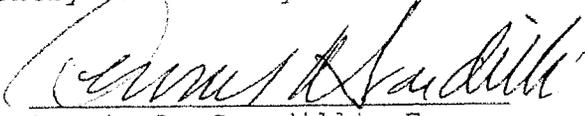
  
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Joseph Palumbo  
Board President

I represent that I have carefully read and considered this Order, and consent to the entry of the Order by the Board.

  
Thomas Sliwowski, SCRREA

Dated: 2/12/15

Consent to form of Order and to entry of Order by the Board.

  
Dennis A. Scardilli, Esq.

Dated: 2/14/15