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

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

IN THE MATTER OF THE LICENSE :
OR CERTIFICATION OF :
:
SEAN E. KANE :
License # 42RA00413600 :
:
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 (ABoard@) upon receipt of information concerning appraisal reports prepared by Sean E. Kane ("Respondent"), a State Licensed Residential Real Estate Appraiser, for properties located at: 45 Cedar Lane, Watchung, New Jersey as of July 7, 2014 ("Watchung appraisal"), and 50

Willow Avenue, Iselin, New Jersey as of October 15, 2014 ("Iselin appraisal").

In reviewing this matter, the Board has considered available information including the complaint forms and their attachments, Respondent's replies to the complaint forms, Respondent's complete work files for each appraisal, and Respondent's testimony when he appeared, with counsel, before a committee of the Board for an investigative inquiry on May 19, 2015.

Watchung Appraisal

The subject property is within a unique land-leased community known as "Free Acres," which spans across two counties, Union and Somerset. The subject property is physically located in Berkeley Heights, Union County. The subject property has a mailing address of Watchung, Somerset County. The subject property is also located in close proximity to Interstate 78 -- a six lane highway which lies across the street and beyond a patch of woods, but without a barrier/sound wall or fence. Real estate properties within Free Acres are of diverse styles and quality.

Respondent failed to accurately report and describe the uniqueness and details of the neighborhood, leasehold community, and amenities associated therewith. Respondent failed to

include any comparable sales or listings from within Free Acres or any other leasehold community. Respondent included all non-leasehold comparable sales from homogeneous neighborhoods with superior curb appeal, quality and location and failed to make any adjustments for those differences. Respondent had never appraised a leasehold property before and failed to obtain and analyze the lease. Respondent failed to identify the external obsolescence of the property's location near Interstate 78. Respondent failed to adequately report the difference between the property's physical location and mailing address. As an aggregate, these shortcomings resulted in a significantly inflated value conclusion.

Iselin Appraisal

The subject property is a unique three-family detached residential property located in a dense area of Middlesex County where multi-family homes of this size and style are scarce. Respondent accepted the difficult assignment and made multiple revisions to the report. He included comparable sales from the towns of Westfield and Summit, but failed to include proper analysis or adjustments for locational differences and failed to explain why sales from another county were used as comparables.

In both the Watchung and Iselin appraisals, Respondent reported the cost approach to value with the source of cost data

being Marshall & Swift Valuation Services. However, Respondent's workfiles failed to contain Marshall & Swift documentation or any other documentation from local builders.

The Board finds that in preparing the reports, Respondent violated provisions of the Uniform Standards of Professional Appraisal Practice ("USPAP") (2014-2015 Edition, effective January 1, 2014 through December 31, 2015) including the following:

1. Standards Rule 1-1(c) in that Respondent rendered appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results;

2. Standards Rule 1-4(a) in that Respondent failed to analyze comparable sales data as are available to indicate a value conclusion, when a sales comparable approach is necessary for credible assignment results;

3. Standards Rule 1-4(d) in that when developing an opinion of the value of a leased fee estate or a leasehold estate, an appraiser must analyze the effect on value, if any, of the terms and conditions of the lease(s);

4. Standards Rule 1-6(a) in that Respondent failed to reconcile the quality and quantity of data available and analyzed within the approaches used;

5. Standards Rule 2-1(a) in that Respondent's report failed to clearly and accurately set forth the appraisal in a manner that was not misleading;

6. Standards Rule 2-1(b) in that Respondent's report failed to contain sufficient information to enable users of the appraisal to understand the report properly; and

7. Competency Rule in that Respondent lacked competency in appraising leasehold properties.

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, Respondent waiving any right to a hearing, and the Board being satisfied that good cause exists for the entry of the within Order;

IT IS on this 9th day of February, 2016

ORDERED and AGREED:

1. Respondent's license to practice real estate appraising is hereby suspended for a minimum of six months, which suspension shall be stayed and served as a period of probation. During the stayed suspension/probation, Respondent shall maintain a log of all appraisals. After six months, Respondent may petition the Board for an Order terminating the stayed suspension/period of probation. At that time, the Board will choose and review samples from Respondent's log and, in its sole discretion, make a determination as to whether the stayed suspension/period of probation should be terminated or continued.

2. Respondent is assessed three thousand seven hundred sixty-one dollars and seventy-five cents (\$3,761.75) which includes a civil penalty of three thousand five hundred dollars (\$3,500) and costs of two hundred and sixty-one dollars and seventy-five cents (\$261.75). Payment shall be made by certified check, bank cashier check, or money order payable to AState of New Jersey,@ or by wire transfer, direct deposit, or credit card payment delivered or mailed to Charles Kirk, Executive Director, State Real Estate Appraiser Board, P.O. Box 45032, Newark, New Jersey 07101. Any other form of payment will be rejected and will be returned to the party making the payment. Payment shall be made no later than fifteen (15) days

after the date of filing of this Consent 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.

3. Respondent shall, within six (6) months of the date of filing of this Order, provide proof of having fully attended and successfully completed the following courses:

- a) 15 hour USPAP course; and
- b) 30 hour Basic Appraisal Principles.

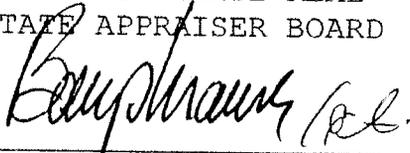
Respondent shall be required to secure pre-approval from the Board for any course he proposes to take to satisfy the requirements of this paragraph. The courses may be in-classroom or online. For purposes of this paragraph, Asuccessfully complete@ means that Respondent shall fully attend sessions, pass 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 courses herein required; these courses shall be in addition to the continuing education required for biennial license renewal. Respondent shall mail proof of completion to Charles Kirk, Executive Director, State Real Estate Appraiser

Board, P.O. Box 45032, Newark, New Jersey 07101 within six months of the date of filing of this Order.

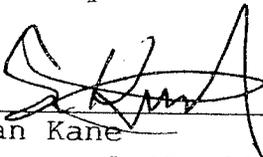
4. During the period of probation and thereafter, Respondent shall obey all the laws of the State of New Jersey, the United States and their political subdivisions as well as all regulations, rules or laws pertaining to the practice of real estate appraising in the State or jurisdiction in which he practices appraising, including USPAP. Any further violation may subject Respondent to enhanced penalties.

NEW JERSEY STATE REAL
ESTATE APPRAISER BOARD

By:


Barry Krauser
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.


Sean Kane
License # 42RA00413600

Consent as to form and entry.


Thomas Harley, Esq.
Attorney for Sean Kane