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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 :
:
EDWARD M. KANE, IV :
Certification # 42RC00192500 :
:
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 Edward M. Kane, IV

("Respondent"), a State Certified Residential Real Estate Appraiser, for properties located at: 925 Watchung Avenue, Plainfield (report dated September 15, 2014); and 27 Tamaques Way, Westfield (reports dated September 18, 2014 and September 28, 2014).

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

Plainfield Appraisal

Respondent's appraisal report stated that the subject property "may or may not be a short sale." Respondent viewed the sales contract, but failed to analyze it and failed to verify whether or not it was a short sale.

The appraisal report indicated that the subject property was built in 1912 with an effective age of ten years, which Respondent acknowledged was a mistake. The report suggested that the subject property was subject to repairs, which were not reflected in the report.

Regarding comparable sales, Respondent missed that one comparable was a short sale and had a previous, recent sale and

that another comparable had been listed for sale, but the sale had not been completed. Respondent failed to adequately verify information that he reported.

Respondent included the cost approach to value on the report, but failed to have documentation in his workfile to substantiate the figures reported. Respondent acknowledged that \$35 per square foot which he listed to build a dwelling is too low.

Westfield Appraisal

At the time Respondent inspected the property, an older single family home was erected on the site. The property was being purchased with the intention that the older home would be razed and a new home would be built on the property. Respondent submitted an appraisal report of the subject property on September 16, 2014, which valued the subject property at \$535,000. Respondent was under the impression that the \$500,000 contract price was the total sum when, in fact, \$500,000 was the contract price for the land only and not future improvements. Respondent submitted a revised appraisal valuing the subject property at \$1,135,000 on September 29, 2014 which included the land and the proposed new construction.

Respondent's two reports of the property blended information from the existing older structure and the proposed

new construction and failed to clarify or explain the information reported. The cost approach to value on the two reports of the same property were vastly different and Respondent's workfile lacked documentation for either.

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(a) in that Respondent failed to be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal;

2. 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;

3. Standards Rule 1-4(b) in that Respondent failed to:

- a. develop an opinion of site value by an appropriate appraisal method or technique;

b. analyze such comparable cost data as are available to estimate the cost new of the improvements (if any); and

c. analyze such comparable data as are available to estimate the difference between the cost new and the present worth of the improvements (accrued depreciation).

4. 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.

The Board concludes that, by failing to ensure that the subject property appraisal 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 28th day of February, 2016

ORDERED and AGREED:

1. For three months following the date of filing of this Consent Order, Respondent shall maintain a log of all appraisal

reports completed. At the end of the three month period, Respondent shall submit the log to the Board. The Board will review a random selection of reports and determine whether a period of stayed suspension, to be served as a period of probation, is warranted and on what terms. If the Board determines that a period of stayed suspension is warranted, Respondent hereby agrees to abide by the terms and conditions, which may include working with a Board-approved supervisor and having all reports signed by a Supervisory Appraiser.

2. Respondent is assessed two thousand seven hundred ninety-one dollars and fifty cents (\$2,791.50) which includes a civil penalty of two thousand five hundred dollars (\$2,500) and costs of two hundred ninety-one dollars and fifty cents (\$291.50). 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:

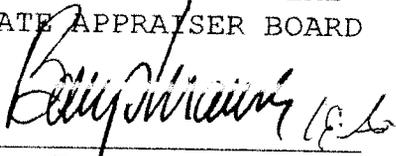
a) 15 hour USPAP course; and

b) 15 hour Residential Market Analysis and Highest and Best Use.

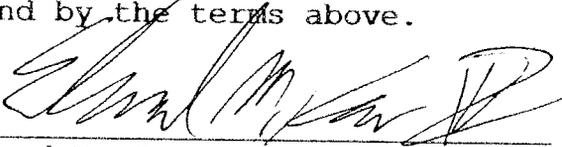
Respondent shall be required to secure pre-approval from the Board for any course he proposes to take to satisfy the requirements of this paragraph. The courses may be in-classroom or online. For purposes of this paragraph, Asuccessfully complete@ means that Respondent shall fully attend sessions, pass 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.

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.



Edward M. Kane, IV
Certification # 42RC00192500

Consent as to form and entry.



Thomas Harley, Esq.
Attorney for Edward M. Kane, IV