

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF BUSINESS REGULATION  
JOHN O. PASTORE CENTER  
1511 PONTIAC AVENUE  
CRANSTON, RHODE ISLAND 02920**

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**IN THE MATTER OF:**

**ROBERT COLSTON,  
Respondent.**

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**DBR No. 10-L-0172**

**CONSENT AGREEMENT**

The Department of Business Regulation (“Department”) and Robert Colston (“Respondent”) hereby agree that:

1. Respondent is a licensed residential appraiser, holding license number A00256R, pursuant to R.I. Gen. Laws § 5-20.7-1, *et seq.*

2. The Real Estate Appraisers Board (“Board”) had investigated Respondent’s appraisal of the property located at 12 Marion Drive, Coventry, Rhode Island, with an effective date of December 16, 2008 (the “Appraisal”).

3. Respondent met with the Board on October 6, 2010 to answer questions raised during its investigation regarding the Appraisal.

4. Based upon its investigation and its informal meeting with Respondent, the Board found probable cause that the Appraisal did not conform to the Uniform Standards of Professional Appraisal Practice (“USPAP”) for the following reasons:

- a. Respondent did not have, and made no effort to obtain, the requisite knowledge of lakefront properties in the subject area, had no knowledge of the highest earlier sales prices in the subject area, and

acknowledged that he had only performed appraisals in the subject area “once every few years”.

- b. Respondent stated in his report that property values were stable on the effective date of the subject appraisal, when they were in fact declining at that point in time.
- c. Respondent failed to adequately analyze and identify the limited nature of the waterfront area on the subject lot and the other physical attributes of the subject property.
- d. Respondent failed to utilize two recent sales in the subject area and older sales in that area, which significantly impacted the valuation of the subject property.
- e. Respondent used sales data from remote locations significantly distant from the subject area.

5. Given the conduct above, the Board determined that Respondent has violated the following Uniform Standards of Professional Appraisal Practice (“USPAP”) rules:

- a. The Competency Rule, which requires that in an assignment where geographic competency is necessary, an appraiser preparing an appraisal in an unfamiliar location must spend sufficient time to understand the nuances of the local market, and the supply and demand factors related to the property type and location.
- b. Standards Rule 1-1(b), which provides that in developing a real property appraisal, an appraiser must not commit a substantial error of omission or commission that significantly affects an appraisal;
- c. Standards Rule 1-2 which provides that an appraiser must identify the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal, including its location and physical, legal and economic attributes.

d. Standards Rule 1-4, which provides that an appraiser must collect, verify and analyze all information necessary for credible assignment results. Further in Section A, when a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

6. Pursuant to R.I. Gen. Laws § 5-20.7-19, a certified or licensed real estate appraiser must comply with the Uniform Standards of Professional Appraisal Practice (“USPAP”) as promulgated by the Appraisal Standard Board of the Appraisal Foundation.

7. Pursuant to R.I. Gen. Laws § 5-20.7-19, the Department has cause to initiate administrative proceedings to sanction Respondent’s license via suspension or revocation or otherwise pursuant to R.I. Gen. Laws § 5-20.7-20(2).


8. In an effort to resolve the above-referenced matter, effect a timely and amicable resolution of the issues raised in this Consent Agreement, and allow Respondent to maintain his license in good standing, Respondent understands and agrees to pay an administrative penalty in the amount of **FIVE HUNDRED (\$500.00) DOLLARS**, payable to the Rhode Island General Treasurer, sent to the Department within thirty (30) days after execution of this Consent Agreement by the Department.

9. If Respondent fails to abide by any of the requirements of this Consent Agreement, the Department will initiate administrative proceedings to impose penalties against Respondent including, but not limited to: (i) suspension, (ii) revocation, or (iii) other additional administrative penalties as deemed appropriate by the Department. Respondent shall be provided with notice and opportunity for hearing if the Department initiates such action.

**THE DEPARTMENT AND RESPONDENT HEREBY CONSENT AND  
AGREE TO THE FOREGOING AS TO FORM AND SUBSTANCE:**

Department of Business Regulation  
By its Legal Counsel:

Respondent:

  
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Ellen R. Balasco, Esq.  
Deputy Chief of Legal Services

  
\_\_\_\_\_  
Robert Colston

Date: 11/16/10

Date: 11/10/10