

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

RECEIVED

MAY 4 2009

Director's Office
Business Regulation
Office of Legal Counsel

IN THE MATTER OF:

EDWARD J. ALESSANDRINI,

RESPONDENT.

:
:
:
: DBR No. 09-L-0088
:
:
:

CONSENT AGREEMENT

The Department of Business Regulation (“Department”) and Edward J. Alessandrini (“Respondent”) hereby agree that:

1. Respondent is a Licensed Residential Appraiser, License Number A00999L, pursuant to R.I. Gen. Laws § 5-20.7-1, *et seq.*
2. The Real Estate Appraisers Board (“Board”) investigated Respondent’s appraisal of the property located at 58 Ashmont Street, Providence, Rhode Island, with an effective date of September 11, 2008 (the “Appraisal”).
3. Respondent met with the Board on April 1, 2009 to answer questions regarding the Appraisal.
4. Based upon its investigation and its informal meeting with Respondent, the Board found probable cause that Respondent failed to comply with the Uniform Standards of Professional Appraisal Practice (“USPAP”).
5. USPAP Standards Rule 2-1 provides that each written or oral real property appraisal report must:

a. Clearly and accurately set forth the appraisal in a manner that will not be misleading;

b. Contain sufficient information to enable the intended users of the appraisal to understand the report properly; and

c. Clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.

6. The Board found that Respondent violated USPAP Standards Rule 2-1 because the Appraisal lacks credibility due to the lack of explanation to support it:

a. Respondent provides no explanation or analysis of the prior two sales and the most current pending transaction which would have allowed the reader to understand why the property transfer prices changed from \$80,000 in February 2008, to \$152,000 in June 2008 to the current appraised value of \$205,000 in September 2008;

b. The Appraisal also lacks explanation as to why Respondent rated the property as average quality and condition yet mentions substantial renovations;

c. Respondent also describes the effective age to be ten (10) years, with no explanation as to what lead to that conclusion; and

d. Finally, there is no explanation of when these supposed repairs and renovations were performed, so that one could understand how it affected the sale of the property in February, June, or in September.

7. USPAP Standards Rule 1-1 provides that an appraiser must “not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affects the results of an appraisal, in the aggregate affects the credibility of those results.”

8. The Board found that Respondent violated USPAP Standards Rule 1-1 for the following reasons:

- a. He describes the subject house as a colonial when it is not;
- b. He identified the market as stable even though it was in decline;
- c. He described the market as “in balance”;
- d. He committed careless mistakes regarding site value; and
- e. He lacks understanding in stating “professional appraisers are required to use comparables that are not over one mile away, or sold over six months ago.” The latter is not factual, nor is it part of USPAP.

9. USPAP Standards Rule 1-5 provides that an appraiser must, if such information is available to the appraiser in the normal course of business:

- (a) Analyze all agreements of sale, options, and listings of the subject property current as of the effective date of the appraisal; and
- (b) Analyze all sales of the subject property that occurred within three years prior to the effective date of the appraisal.

10. The Board found that Respondent violated USPAP Standards Rule 1-5 because, while there is a brief recording of sale price and date, there is no explanation or analysis as to what lead to those three distinctly different prices, when the renovations may have been made, and if they affected any of those three sale prices. In addition, he failed to mention any listing of the subject property, marketing efforts, or agreements of sales. In essence, Respondent reported on certain items but failed to analyze them.

11. 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.

12. 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).

13. 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 the following:

a. Respondent acknowledges that there is probable cause that the Appraisal did not conform with USPAP as set forth above;

b. Respondent shall enroll and successfully complete a fifteen (15) hour course in appraisal report writing in a classroom setting (i.e., not via online or other distance learning method) within twelve (12) months of the date of this Consent Agreement; and

c. Respondent shall submit the next thirty (30) appraisals of property located in Rhode Island completed after the date of execution of this Consent Agreement to the Board for its review in PDF format via e-mail (deannadaniels@dbr.state.ri.us); and

d. Respondent shall not use the 15-hour course in appraisal report writing to fulfill the continuing education requirement for renewal of his license.


14. 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, and/or (iii) other

additional administrative penalties as deemed appropriate by the Department. Respondent shall be provided with notice and opportunity for hearing should the Department decide to take 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:

Edward J. Alessandrini, Respondent
By:



Date: 5-4-09



Date: 4-27-09