

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

IN THE MATTER OF:	:	
	:	
ROCCO IANNOTTI	:	DBR No. 10-L-0020
	:	
RESPONDENT.	:	

CONSENT AGREEMENT

The Department of Business Regulation (“Department”) and Rocco Iannotti (“Respondent”) hereby agree that:

1. Respondent is a Licensed Residential Appraiser, holding License Number A00423L, pursuant to R.I. Gen. Laws § 5-20.7-1, *et seq.*
2. The Real Estate Appraisers Board (“Board”) received a complaint against the Respondent on September 28, 2009 regarding his appraisal of the property located at 46 Pine Hill Avenue, Johnston, Rhode Island, which had an effective date of July 12, 2008 (the “Appraisal”).
3. The Respondent met with the Board on February 3, 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. The Respondent showed inadequate recordkeeping practices, as he failed to produce for the Board a copy of the engagement letter which initiated this appraisal.

b. The Respondent's estimate of market value in the Appraisal was overstated as a result of the misapplication of the Sales Comparison Approach and the associated adjustment process.

c. Respondent failed to utilize more appropriate comparable sales which would have resulted in a significantly lower value estimate;

d. Respondent mischaracterized the status of the real estate market at the time of the appraisal as being a "stable market", when in fact the market was in decline at that time.

e. Respondent failed to include in his appraisal the recent sale of a residential property located on the same street as the subject property which should have been included in the report of comparable sales.

5. Given the conduct above, the Board determined that Respondent has violated the following rules of USPAP:

a. The Conduct Section of the Ethics Rule, which provides that an appraiser must not use or communicate a misleading or fraudulent report, and further provides that an appraiser must keep a complete file of each assignment, including the engagement letter.

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 1-1(c), which requires that an appraiser not render appraisal services in a careless or negligent manner, such as making a series of errors which, although individually might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results;

d. Standards Rule 1-4(a), which provides that 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 the following:

a. Respondent shall remit a Five Hundred (\$500.00) Dollar administrative penalty, payable to the Rhode Island General Treasurer, due within sixty (60) days from the execution of this Consent Agreement by the Department.


b. Respondent shall submit a monthly list of all appraisals performed by him for the next three (3) months beginning on the date of execution of this Consent Agreement,

c. The list of appraisals shall be submitted to the Board for its review in PDF format via e-mail (deannadaniels@dbr.state.ri.us); and the Respondent shall produce the full report file for any appraisal requested by the Board during that three-month period.

10. 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 choose to initiate 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:



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

Date: 4/6/10

Respondent:



Rocco Iannotti

Date: 3/9/2010