

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:

PAUL P. MULLIGAN,

RESPONDENT.

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DBR No. 09-L-0089

**CONSENT AGREEMENT**

The Department of Business Regulation (“Department”) and Paul P. Mulligan (“Respondent”) hereby agree that:

1. Respondent is a Licensed Residential Appraiser, License Number A00883L, 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 9 Shane Drive, West Warwick, Rhode Island, with an effective date of September 23, 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 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.”

6. 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.

7. The Board found that Respondent violated USPAP Standards Rules 1-1 and 2-1 because of the following errors:

- a. Respondent states that the real estate market in West Warwick was stable as of the effective date of September 23, 2008 when in fact it was in decline.
- b. Respondent noted that the house was “well maintained on the interior and exterior” with no mention made of upgrades (except for a new kitchen floor) since the house was purchased in 2006.
- c. Respondent compared the subject property to one-year old houses with only a \$3,000 adjustment made for the newer condition.
- d. Respondent failed to choose the most relevant comparable properties.
- e. Respondent failed to make adjustments regarding Comparable #1 with respect to its granite countertops, cathedral ceilings, or tile bathroom.

f. Respondent failed to make adjustments regarding Comparable #2 with respect to its granite countertops and underground sprinklers. He also failed to mention that this property was more than one mile from the subject property.

g. Respondent failed to make adjustments regarding Comparable #3 in that it was new construction and is located more than one mile from the subject property.

i. Respondent failed to utilize two sales (9 Tower Road and 144 Gough Avenue) that were occurred within six months of the Appraisal's effective date and were located within one mile from the subject property.

j. Respondent appears to have inflated the numbers used to support the Cost Approach. He gave no support for the site value of \$118,000 and used a "cost to build" figure of \$155.00 per square foot appears to be strong with respect to the subject's overall quality.

8. 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.

9. 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).

10. 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@dbbr.state.ri.us](mailto:deannadaniels@dbbr.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.

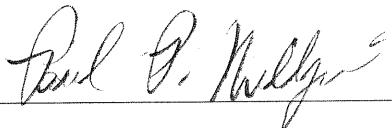
11. If Respondent fails to abide by any of the requirements of this Consent Agreement, the Department will initiate administrative proceedings to impose penalties against Respondent including, but not limited to: (i) suspension, (ii) revocation, and/or (iii) other additional administrative penalties 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:

Paul P. Mulligan, Respondent  
By:

  
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Michael P. Jolin  
Department of Business Regulation

  
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Paul P. Mulligan

Date: 4/30/09

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