

STATE OF MINNESOTA  
DEPARTMENT OF COMMERCE

State of Minnesota  
Dept of Commerce

DEC 24 2019

Rec'd \$

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In the Matter of the Appraiser License of Ted W. Carey  
License No. 4002381

CONSENT ORDER

TO: Ted W. Carey  
512 Oak St  
Farmington, MN 55024

Commissioner of Commerce Steve Kelley (Commissioner) has determined as follows:

1. The Commissioner has advised Ted W. Carey (Respondent) that he is prepared to commence formal action pursuant to Minn. Stat. § 45.027 (2018), and other applicable law, based on the following allegations:

- a. Respondent failed to analyze plans and specifications when completing an appraisal on a new construction property. Additionally, he failed to analyze a price increase provided on a purchase agreement addendum. By failing to analyze the necessary agreements of sale, Respondent's appraisal lacked credibility and is in violation of Uniform Standards of Professional Appraisal Practice (USPAP) Standard Rule (SR) 1-5 (a), 2-2 (a)(viii) (2018) and Minn. Stat. § 82B.20 subd. 2 (6)(13) (2018).
- b. Respondent's appraisal report lacked credibility because of a series of errors including: 1) not including the subject's location in the neighborhood boundaries; 2) incorrectly classifying the view as Neutral Residential; 3) incorrectly stating that the subject is an existing home, but the appraisal report was made subject to

completion; and 4) incorrectly placing comparable sales on the location map. In addition, Respondent failed to analyze if a location adjustment would be appropriate to sale one because it was located in a mature neighborhood and not in a new construction neighborhood similar to the subject's neighborhood. By failing to provide a credible appraisal report because of a series of errors, Respondent is in violation of USPAP Ethics Rule and SR 1-1 (c), SR 1-4 (a), (b)(i)(ii), SR-2-1 (a)(b), 2-2 (a)(viii) (2018) and Minn. Stat. § 82B.20 subd. 2 (5)(6)(7)(13) (2018).

- c. Respondent failed to provide an objective appraisal report because he did not use comparables that were physically similar to the subject. By providing dissimilar comparables, Respondent is in violation of USPAP Ethics and Scope of Work Rules (2018) and Minn. Stat. § 82B.195 subd. 3 (1)(i)(iv) and Minn. Stat. § 82B.20 subd. 2 (7) (2018).
- d. Respondent failed to maintain a work file sufficient to support his opinions and conclusions. The work file did not contain: 1) support for the cost approach, 2) support for the determination of the site value in the cost approach, or 3) the data used for the characteristics of one of the comparable sales. By not maintaining a sufficient work file Respondent, is in violation of USPAP Work File Rule (2018) and Minn. Stat. § 82B.071 (2018).

2. Respondent acknowledges that he has been advised of his rights to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing. Respondent hereby expressly waives those rights. Respondent

further acknowledges that he has been represented by legal counsel throughout these proceedings or has waived that right.

3. Respondent has agreed to informal disposition of this matter without a hearing as provided under Minn. Stat. § 14.59 (2018) and Minn. R. 1400.5900 (2017).

4. For purposes of Minn. Stat. § 16D.17 (2018), Respondent expressly waives his right to any notice or opportunity for a hearing on any civil penalty imposed by the Commissioner. Further, Minn. Stat. § 16D.17 (2018) allows the Commissioner to file and enforce the civil penalty imposed by this Order as a judgment against Respondent in district court without further notice or additional proceedings.

5. The civil penalty and/or any resulting judgment arising from this Order will be non-dischargeable in any bankruptcy proceeding. See 11 U.S.C. 523 (a)(7) (2018) ("A discharge under section 727, 1141, 1228(a), 1228(b) or 1328(b) of this title does not discharge an individual debtor from any debt... to the extent such debt is for a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit, and is not compensation for actual pecuniary loss, other than a tax penalty...").

6. The following Order is in the public interest.

**NOW, THEREFORE, IT IS HEREBY ORDERED**, pursuant to Minn. Stat. Ch. 45 (2018) that:

A. Respondent shall pay a civil penalty in the amount of \$1,000 to the State of Minnesota;

B. Respondent shall complete the following corrective education courses by December 31, 2019:

1. The Appraisal Foundation (TAF) Corrective Education Course; Scope of Work: Appraisals and Inspections, and
2. TAF Corrective Education Course; Report Certification: What am I signing and why?

These corrective courses cannot be used for any of Respondent's continuing education requirements. Respondent must provide proof of completion within thirty days of completing the course work;


C. Respondent shall cease and desist from violating any laws, rules, or orders related to the duties and responsibilities entrusted to the Commissioner under Minnesota Statute Chapters 45 and 82B; and

D. Respondent shall pay all investigative costs in the amount of \$180 pursuant to Minn. Stat. § 45.027, subd. 1(8) (2018).

This Order shall be effective upon signature by or on behalf of the Commissioner.

Date: 12/30/2019

STEVE KELLEY  
Commissioner



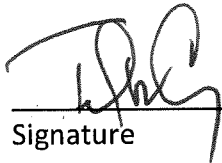
MATTHEW VATTER  
Assistant Commissioner of Enforcement  
Minnesota Department of Commerce  
85 Seventh Place East, Suite 280  
St. Paul, MN 55101  
(651) 539-1600

**CONSENT TO ENTRY OF ORDER**

The undersigned states that he has read this Consent Order; that he knows and fully understands its contents and effect; that he has been advised of the right to a hearing in this matter, to present argument to the Commissioner, and to appeal from any adverse determination after a hearing and expressly waives those rights. Respondent further acknowledges that he has been represented by legal counsel throughout these proceedings, or has been advised of his right to be represented by legal counsel, which right he hereby expressly waives; and that he consents to entry of this Order by the Commissioner. It is further understood that this Consent Order constitutes the entire settlement agreement between the parties, there being no other promises or agreements, either express or implied.

Ted W. Carey

Date: 12-10-19

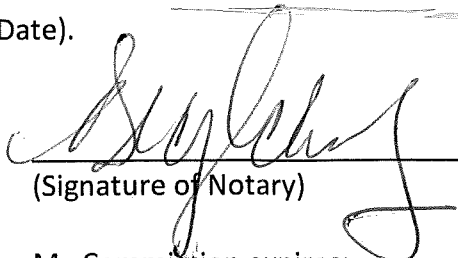
By:   
Signature

STATE OF Minnesota

COUNTY OF Dakota

Signed or attested before me on 12/10/2019 (Date).

(Notary stamp)

  
(Signature of Notary)  
My Commission expires:

**RECEIVED**

DEC 12 2019

**MAILROOM**

