

NORTH CAROLINA
WAKE COUNTY

BEFORE THE NORTH CAROLINA
APPRAISAL BOARD

Case No. 2013-0009 (AMC)
2013-0010 (AMC)

IN RE:)
)
COESTER GROUP, INC) CONSENT ORDER
)

IT APPEARING to the Board that the undersigned Respondent has agreed to the entry of a Consent Order in conformity with the following allegations;

(1) Respondent was registered in North Carolina as an Appraisal Management Company on February 1, 2011 and was given registration number NC-1080.

(2) On July 2, 2013, the Board received two complaints against Respondent filed by two different appraisers alleging that the Respondent failed to pay appraisal fees to them.

(3) The Respondent admits that these invoices were not paid on time.

(4) Both Complainants have been paid in full for those invoices.

(5) Board staff requested and received information about all appraisal orders processed by the Respondent in North Carolina for calendar year 2013 and for the first quarter of 2014. The Respondent hired and paid for a forensic accounting firm to assist them with gathering this information. During the third quarter of 2013, Respondent had been the victim of fraud by third parties who fraudulently duplicated the company's checks. As a result, Respondent had to close its bank accounts, open new accounts, and review payments made to ensure legitimacy. This process resulted in some slower payments to appraisers in North Carolina during this quarter. All appraisers with outstanding invoices were notified of the issue with payment. It appears that the Complainants in both cases had been affected by this problem with the company's bank accounts.

(6) For the other three quarters in 2013 and the first quarter in 2014, there were 4,192 total appraisal orders. 3,136 of them were paid within 30 days, and 1,066 payments were made beyond 30 days, however, a substantial majority of the payments on these 1,066 appraisal orders were made within 35 days. Respondent has paid every appraiser for reports generated in 2013.

(7) There were two complaints filed against the Respondent with the Board, one in 2011 and another in 2012. Both were dismissed with a warning to pay appraisers within 30 days of the date of original transmission of the report to the Respondent.

(8) N.C.G.S. 93E-2-4(d) requires an appraisal management company to pay fees to appraisers within 30 days of the date the appraisal was submitted to the appraiser.

(9) The conduct described in Paragraphs 1 through 7 above constitutes a violation of N.C.G.S. 93E-2-4(d).

(10) The undersigned Respondent expressly waives notice of hearing, a hearing, the making of findings of fact and conclusions of law, and all further proceedings before the Board to which the Respondent may be entitled by law.

(11) The undersigned Respondent waives all right to seek judicial review or otherwise challenge the validity of this CONSENT ORDER.

(12) This CONSENT ORDER contains the entire agreement between the undersigned, there being no agreement of any kind, verbal or otherwise, which varies, alters, or adds to this CONSENT ORDER. The undersigned Respondent agrees that presentation of this CONSENT ORDER to the Board without the undersigned Respondent being present shall not constitute an improper ex parte communication between the Board and its counsel. This CONSENT ORDER shall be effective only after approval by the Board and the Executive Director of the Board has affixed his signature hereto.

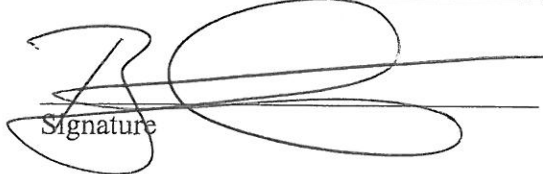
NOW, THEREFORE, IT IS HEREBY ORDERED that effective December 1, 2014:

The undersigned Respondent, holding registration number NC-1080, is hereby:

1. Suspended for a period of six months. The suspension is stayed until February 1, 2015.
2. Ordered to pay a civil penalty of \$10,000 by February 1, 2015.
3. Ordered to, in the future, pay fees to an appraiser within 30 days of the date the appraisal is first transmitted by the appraiser to the Respondent as follows:
 - (a) If payment is made by electronic means, the funds for the fee shall be deposited into the appraiser's account so that they are available to the appraiser on the 31st day following the date the appraisal is first transmitted to the Respondent.
 - (b) If payment is made by check, the check shall be postmarked no later than the 30th day following the date the appraisal is first transmitted to the Respondent.
4. If Respondent fails to comply with Paragraph 2, the suspension will become active.

CONSENTED TO:

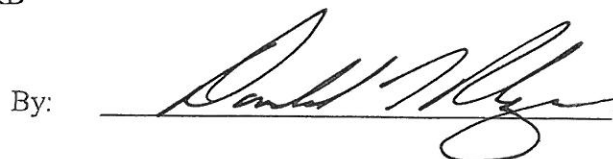
This 13th day of October, 2014


Signature

CEO
Title

NORTH CAROLINA APPRAISAL BOARD

Dated: 11/5/14

By: 

Donald T. Rodgers, Executive Director