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By: James R. Michael  
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DIVISION OF LAW  
**FILED**  
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Division of Consumer Affairs

**FILED**  
MAR 26 2010  
CAMDEN COUNTY SUPERIOR COURT

SUPERIOR COURT OF NEW JERSEY  
LAW DIVISION - CAMDEN COUNTY  
DOCKET NO.: L-3114-08

\_\_\_\_\_  
PAULA T. DOW, Attorney General  
of the State of New Jersey, and SHARON  
JOYCE, Acting Director of the New  
Jersey Division of Consumer Affairs,  
  
Plaintiffs,  
  
v.  
  
ULTIMATE REAL ESTATE SOLUTIONS,  
L.L.C., HALIMAH PRATER,  
EMPIRE EQUITY GROUP, INC., dba  
1<sup>st</sup> METROPOLITAN MORTGAGE  
SERVICES, CASSANDRA COLES,  
FRANK MEMMO, TMR APPRAISAL  
SERVICES, INC., NLS APPRAISAL  
SERVICE, INC., MICHAEL FORDEN,  
JOHN AND JANE DOES 1-10 et al.,  
  
Defendants.  
\_\_\_\_\_

Civil Action

CONSENT JUDGMENT AS TO  
DEFENDANTS NLS APPRAISAL  
SERVICES, INC. AND MICHAEL  
FORDEN

WHEREAS, the parties to this Action are Plaintiffs PAULA T. DOW, Attorney General of the State of New Jersey ("Attorney General") and SHARON JOYCE, Acting Director ("Director") of the

New Jersey Division of Consumer Affairs, (“Division”) (collectively “Plaintiffs”), and Ultimate Real Estate Solutions, L.L.C., Halimah Prater, Empire Equity Group, Inc., dba 1<sup>st</sup> Metropolitan Mortgage Services, Cassandra Coles, Frank Memmo, TMR Appraisal Services, Inc., NLS Appraisal Service, Inc., and Michael Forden. As evidenced by their signatures below, Plaintiffs and Defendants NLS Appraisal Services, Inc. and Michael Forden (“Settling Defendants” “Company” or “NLS Appraisal”) (collectively “Parties”) consent to the entry of this Consent Judgment (“Consent Judgment”) and its provisions as to Defendant NLS Appraisal without trial of any issue of fact or law, and without an admission of any liability or wrongdoing of any kind.

**WHEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:**

**PART ONE: DEFINITIONS**

1. Unless otherwise specified, the following definitions shall apply:
  - a. And and or shall be construed conjunctively or disjunctively as necessary to make the meaning inclusive rather than exclusive.
  - b. Settling Defendants or “NLS Appraisal” means Defendants NLS Appraisal Services, Inc. and Michael Forden.
  - c. Order means this Consent Judgment.
  - d. Effective Date means the date this Order is executed by the parties hereto.
  - e. Including means without limitation.
  - f. The use of the singular form of any word includes the plural and vice versa.

## **PART TWO: COMPLIANCE WITH THE LAW**

2. Settling Defendants agree to comply fully with all Federal and State laws, including but not limited to the New Jersey Consumer Fraud Act, N.J.S.A. 56:8-1 et seq., the New Jersey RICO statute, N.J.S.A. 2C:41-1 et seq., the Real Estate Appraisers Act, N.J.S.A. 45:14F-1 et seq., as well as the regulations of the New Jersey State Real Estate Appraiser Board.

## **PART THREE: INJUNCTIVE RELIEF**

3. Settling Defendants shall not engage in any unfair or deceptive acts or practices in the conduct of any business and shall comply with such State and/or Federal laws, rules and regulations as now constituted or as may hereafter be amended, including the CFA, RICO, the Real Estate Appraisers Act and all regulations of the New Jersey State Real Estate Appraiser Board.

4. Settling Defendants shall continue to cooperate with the Plaintiffs in the within litigation and investigation of matters related to the Complaint, as well as other investigations Plaintiffs may initiate. Settling Defendants agree to respond to requests by Plaintiffs for documents or information in a timely manner, and agrees to make its principals and employees available for interviews by representatives of Plaintiffs upon reasonable advanced notice to Settling Defendants.

5. In conducting its real estate appraisal business, Settling Defendants agree to comply with the Code of Professional Ethics of the Appraisal Institute and with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation. Settling Defendants shall also adopt the following business practices:

- a. Settling Defendants shall not accept any assignment:
  - i. Where any family member of any principal or employee of NLS Appraisal has a personal interest in the property that is the subject of the appraisal, or is playing any role other than a real estate appraiser in the transaction, such as serving as a mortgage broker or real estate agent;
  - ii. Which has been ordered by any party other than the lender when the appraisal is to be used as a basis for financing or refinancing a home mortgage;
  - iii. Where the fee is contingent on the reporting of a predetermined value, or is contingent on the transaction closing, or is based on a percentage of the value reported; or
  - iv. Where NLS Appraisal lacks knowledge or experience concerning a particular type of property or geographical area.
- b. In conducting any real estate appraisal, Settling Defendants shall:
  - i. Physically view as much of the subject property as is practicable; and use its best efforts to physically view as much of the comparable properties as possible; provided, however, that Settling Defendants shall decline to complete an appraisal report whenever it is precluded from viewing any portion of the subject property that would materially affect its ability to conduct an accurate appraisal of the property as a whole;
  - ii. Use its best efforts to independently verify any information regarding the subject or comparable properties received from any person involved in the underlying transaction;
  - iii. Collect data from appropriate public record data sources for use in its appraisals report;
  - iv. Report any limiting conditions for any property;

- v. Use best efforts to list as comparable properties those most equivalent to the property that is the subject of the appraisal, and not withhold pertinent comparable sales; and
- vi. Not have any substantive communications regarding the determination of appraisal value with any person from the loan production staff of the lender, or the real estate agent.
- c. In connection with its real estate appraisal business, Settling Defendants shall:
  - i. Not accept additional compensation, gifts or bonuses outside of its reported fee;
  - ii. Not receive or offer any referral or finder's fees; and
  - iii. Report to the New Jersey Department of Banking and Insurance, or an appropriate law enforcement authority, any attempts by a lender or mortgage broker to coerce, extort, induce or bribe Settling Defendant to meet a predetermined value in any appraisal.

#### **PART FOUR: MONETARY RELIEF**

6. The Parties have agreed to a Settlement of the Action in the amount of Five Thousand Dollars (\$5,000) (the Settlement Amount), which shall be paid within thirty (30) days of the Effective Date.

7. The payments referenced in paragraph 6 shall be made by wire transfer, certified funds, or cashier's check made payable to New Jersey Division of Consumer Affairs" and shall be forwarded to the undersigned:

DAG James R. Michael  
Division of Law  
124 Halsey Street, 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, New Jersey 07101

8. Upon making the payments referenced in paragraph 6, Settling Defendants shall deemed to have immediately become fully divested of any interest in, or ownership of, the monies paid and all

interest in the monies, and any subsequent interest or income derived there from, shall inure entirely to the benefit of the Plaintiffs pursuant to the terms herein.

**PART FIVE: JURISDICTION AND OTHER PROVISIONS**

9. Pursuant the CFA and RICO, jurisdiction of this Court over the subject matter and over the Settling Defendants for purposes of entering into and enforcing this Consent Judgment is admitted. Jurisdiction is retained by this Court for such further orders and directions as may be necessary or appropriate for the construction and modification of the injunctive provisions herein, or execution of this Consent Judgment, including punishment for any violation of this Consent Judgment. If the Plaintiffs are required to file a petition to enforce any provision of this Consent Judgment against Settling Defendants, Settling Defendants agree to pay the court costs associated with the filing of said petition and reasonable attorneys' fees associated with any successful petition to enforce any provision of this Consent Judgment. Pursuant to N.J.S.A. 56:8-8, venue is proper in this Court, and venue as to all matters between the Parties relating hereto or arising out of this Consent Judgment is solely in the Superior Court of New Jersey, Camden County.

10. The Plaintiffs and Settling Defendants have consented to the entry of this Consent Judgment for the purposes of settlement only without this Consent Judgment constituting evidence against or any admission by any party and without trial of any issue of fact or law. This Consent Judgment does not constitute any admission of liability or wrongdoing, either express or implied, by Settling Defendants or any other party. Further, this Consent Judgment shall not be competent evidence in any judicial or other proceeding of any liability or wrongdoing by Settling Defendants.

11. The entry of this Consent Judgment has been consented to by Settling Defendants as their own free and voluntary act and with full knowledge and understanding of the nature of the proceedings

and the obligations and duties imposed upon them by this Consent Judgment, and they consent to its entry without further notice, and avers that no offer, agreement or inducements of any nature whatsoever have been made to them by the Plaintiffs or their attorneys or any employee of the Office of the Attorney General to procure this Consent Judgment.

12. In the event that the Court shall not enter this Consent Judgment, this proposed Consent Judgment shall be of no force and effect against the Attorney General of New Jersey and the Director or the Settling Defendants.

13. Settling Defendants have, by its signature and the signature of its counsel hereto, waived any right to appeal, petition for certiorari, move to reargue or rehear or be heard in connection with entry of this Consent Judgment concerning the terms addressed in this Consent Judgment.

14. In exchange for the consideration set forth herein, and conditioned upon Settling Defendants making payments referenced in paragraph 6, the Plaintiffs agree to release Settling Defendants from any and all civil claims or consumer-related administrative claims, to the extent permitted by State law, which the Plaintiffs brought or could have brought prior to the Effective Date against Settling Defendants for violations of the New Jersey Consumer Fraud Act (CFA), N.J.S.A. 56:8-1 et seq., or the New Jersey Racketeering Influenced Corrupt Organizations statute (RICO), N.J.S.A. 2C:41- 1 et seq., and arising out of or based upon matters addressed in this Consent Judgment and the Complaint filed by the Plaintiffs in this matter. The release language in this paragraph is not intended to apply to any private right of action brought by any individual or entity. The Plaintiffs reserve, and this Consent Judgment is without prejudice to, all rights against the Settling Defendants concerning all other matters, including any proceedings before the New Jersey State Real Estate Appraiser Board or any criminal liability.

15. This Order, when fully executed and performed by Settling Defendants to a reasonable expectation of the Attorney General, will resolve all claims relating to the Settling Defendants that were raised in the complaint filed by the Attorney General in this action. However, nothing in this Order is intended to, nor shall, limit the Attorney General's investigatory or compliance review powers otherwise provided by law.

16. The signatories to this Order warrant and represent that they have read and understand this Order, that they are duly authorized to execute this Order, and that they have the authority to take all appropriate action required to be taken pursuant to the Order to effectuate its terms.

17. This Order may be executed in multiple counterparts, each of which shall be deemed a duplicate original.

18. All of the terms of this Order are contractual and not merely recitals, and none may be amended or modified except by a writing executed by all Parties hereto approved by the Court or with Court approval.

19. This above captioned Complaint shall be dismissed with prejudice as to Settling Defendants only. However, the Court shall retain jurisdiction over the Parties and the matter and shall retain the power to order all applicable equitable remedies to ensure compliance with this Order, including, but not limited to, contempt.

20. This Order supersedes and renders null and void any and all written or oral prior undertakings or agreements between the Parties regarding the subject matter hereof.

21. If any provisions, terms, or clauses in this Order are declared illegal, unenforceable, or ineffective in a legal forum, those provisions, terms, and clauses shall be deemed severable, such that all other provisions, terms, and clauses of this Order shall remain valid and binding on the Parties.

22. The Parties may seek to enforce this Order by motion before the Court to the full extent of the law; however, in the event of a dispute among the Parties regarding any issue arising hereunder, the Parties shall make a good faith effort to resolve the dispute before seeking the Court's intervention.

23. Failure to comply with any provision of this Order shall be considered a violation of this Consent Order. Upon such a violation, the Attorney General may take any and all steps available to enforce this Consent Order, including seeking an order of contempt. Upon application by the Attorney General showing the Settling Defendants have failed to pay the sum due pursuant to paragraph 6 herein, the Court shall also enter a money judgment in the amount of the unpaid balance, plus interest at the rate allowable under the Court Rules from the date of violation or nonpayment, against Defendants, and the Attorney General shall have execution thereof.

24. In any application by the Attorney General pursuant to paragraph 23 above, the Attorney General may request an allowance for costs.

25. Failure by any party to seek enforcement of this Order pursuant to its terms with respect to any instance or provision shall not be construed as a waiver to such enforcement with regard to other instances or provisions.

26. Nothing in this Order shall preclude a right of action by action by any person not a party to this Agreement.

27. All communications and notices regarding this Order shall be sent by first class mail and facsimile, if twenty-five (25) pages or less in length, to:

Office of the Attorney General

James R. Michael  
Deputy Attorney General  
Division of Law  
124 Halsey Street, 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, NJ 07101

Attorney for Plaintiffs

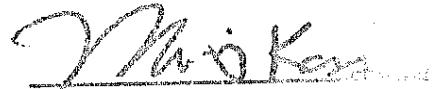
Settling Defendants

Peter M. Williams, Esq.  
O'Brien & Ryan, LLP  
Hickory Pointe  
2250 Hickory Road, Suite 300  
Plymouth Meeting, PA 19462-1047

Attorney for Defendant NLS Appraisal  
Services, Inc. and Michael Forden

IT IS ON THIS 26 DAY OF MARCH, 2010 SO ORDERED, ADJUDGED AND  
DECREED.

TRUE COPY



MICHAEL J. KASSEL, J.S.C.

Jointly Approved and Submitted for Entry:

PAULA T. DOW  
ATTORNEY GENERAL OF NEW  
JERSEY

By: 

James R. Michael  
Deputy Attorney General  
124 Halsey Street - 5<sup>th</sup> Floor  
P.O. Box 45029  
Newark, New Jersey 07101

Dated: 

FOR DEFENDANTS NLS APPRIASAL SERVICES, INC.  
AND MICHAEL FORDEN:

By: 

Peter M. Williams, Esq.  
O'Brien & Ryan, LLP  
Hickory Pointe  
2250 Hickory Road, Suite 300  
Plymouth Meeting, PA 19462-1047

Dated: 3/12/2010

By: 

Michael Forden

Dated: 3/4/2010