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7
8 **BEFORE THE**
BUREAU OF REAL ESTATE APPRAISERS
9 **DEPARTMENT OF CONSUMER AFFAIRS**
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. C20130614-04¹

12 **CURTIS D. HARRIS**
13 **16174 Woodrow Court**
Chino Hills, CA 91709

ACCUSATION

14 **630 North Sepulveda Blvd. #9A-702**
15 **El Segundo, CA 90245**

16 **Real Estate Appraiser's License No. 002574**

17 Respondent.

18
19 Complainant alleges:

20 **PARTIES**

21 1. Elizabeth Seaters, acting on behalf of the Bureau of Real Estate Appraisers
22 (Complainant), Department of Consumer Affairs, brings this Accusation solely in her official
23 capacity as Chief of Enforcement for Complainant.

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25 _____
26 ¹ The Bureau lists the following case numbers for this matter, as this action results from
27 several consumer complaints: C20130614-04, C20140528-02, C20140313-02,
28 C20140805-01, C20140508-02, C20140821-04, C20141028-01, C20140821-01,
C20140821-03, C20140821-02, and C20150122-01. For ease of reference, the matter is
captioned herein with case number C20130614-04.

1 2. On or about November 18, 1992, the Bureau of Real Estate Appraisers (formerly the
2 Office of Real Estate Appraisers) issued Real Estate Appraiser's License Number 002574 to Curtis
3 D. Harris (Respondent). The Real Estate Appraiser's License expired on November 24, 2014, and
4 has not been renewed.

5 JURISDICTION, STATUTORY AND REGULATORY PROVISIONS

6 3. This Accusation is brought before the Bureau of Real Estate Appraisers (Bureau) for
7 the Department of Consumer Affairs, under the authority of the following laws. All section
8 references are to the Business and Professions Code unless otherwise indicated.

9 4. Business and Professions Code (Code) section 11313 states:

10 "The bureau is under the supervision and control of the Director of Consumer Affairs. The
11 duty of enforcing and administering this part is vested in the chief, and he or she is responsible to
12 the Director of Consumer Affairs therefor. The chief shall adopt and enforce rules and regulations
13 as are determined reasonably necessary to carry out the purposes of this part. Those rules and
14 regulations shall be adopted pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1
15 of Division 3 of Title 2 of the Government Code. Regulations adopted by the former Director of
16 the Office of Real Estate Appraisers shall continue to apply to the bureau and its licensees."

17 5. Business and Professions Code section 11315.3 states:

18 The suspension, expiration, or forfeiture by operation of law of a license or certificate of
19 registration issued by the office, or its suspension, forfeiture, or cancellation by order of the office
20 or by order of a court of law, or its surrender without the written consent of the office, shall not,
21 during any period in which it may be renewed, restored, reissued, or reinstated, deprive the office
22 of its authority to institute or continue a disciplinary proceeding against the licensee or registrant
23 upon any ground provided by law or to enter an order suspending or revoking the license or
24 certificate of registration, or otherwise taking disciplinary action against the licensee or registrant
25 on any such ground.

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1 6. Section 118, subdivision (b), of the Code provides that the expiration of a license shall
2 not deprive the Director of jurisdiction to proceed with a disciplinary action during the period
3 within which the license may be renewed, restored, reissued or reinstated.

4 7. Business and Professions Code section 11301 states:

5 "(a) There is hereby created within the Department of Consumer Affairs a Bureau of Real
6 Estate Appraisers to administer and enforce this part.

7 (b) Whenever the term "Office of Real Estate Appraisers" appears in any other law, it means
8 the "Bureau of Real Estate Appraisers."

9 8. Business and Professions Code section 11316, subdivision (a) states:

10 "(a) The director may assess a fine against a licensee, applicant for licensure, person who
11 acts in a capacity that requires a license under this part, course provider, applicant for course
12 provider accreditation, or a person who, or entity that, acts in a capacity that requires course
13 provider accreditation for violation of this part or any regulations adopted to carry out its
14 purposes."

15 9. Business and Professions Code section 11319 states:

16 "Notwithstanding any other provision of this code, the Uniform Standards of Professional
17 Appraisal Practice constitute the minimum standard of conduct and performance for a licensee in
18 any work or service performed that is addressed by those standards. If a licensee also is certified
19 by the Board of Equalization, he or she shall follow the standards established by the Board of
20 Equalization when fulfilling his or her responsibilities for assessment purposes."

21 10. Business and Professions Code section 11328 states, in pertinent part:

22 "To substantiate documentation of appraisal experience, or to facilitate the investigation of
23 illegal or unethical activities by a licensee, applicant, or other person acting in a capacity that
24 requires a license, that licensee, applicant, or person shall, upon the request of the director, submit
25 copies of appraisals, or any work product which is addressed by the Uniform Standards of
26 Professional Appraisal Practice, and all supporting documentation and data to the OREA."

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1 Title 10, California Code of Regulations section 3527 states that:

2 "(a) All applicants for and holders of a license, temporary practice permit or course provider
3 approval permit shall submit written notice to BREa of any change to the following within 10
4 days on the Change Notification and Miscellaneous Requests Form REA 3011 (Rev. 5/8/00),
5 which is herein incorporated by reference:

- 6 (1) Name;
- 7 (2) Residence telephone number;
- 8 (3) Business telephone number;
- 9 (4) Residence address;
- 10 (5) Business name or address; or
- 11 (6) Mailing address.

12 . . .

13 "(c) The business name, address and telephone number shall be considered the applicant's,
14 licensee's or Registrant's address and telephone number of record for all purposes unless otherwise
15 requested in writing by the applicant, licensee or Registrant and shall be considered a matter of
16 public record. If no business address is provided, the mailing address shall be the address of
17 record. A physical address is required as the address of record (a P.O. Box, Rural Route, Star
18 Route, or mail box rental service location is not allowed)."

19 12. Title 10, California Code of Regulations section 3702 states that:

20 "(a) The Director finds and declares as follows:

21 "(1) That the profession of real estate appraisal is vested with a fiduciary relationship of trust
22 and confidence as to clients, lending institutions, and both public and private guarantors or insurers
23 of funds in federally-related real estate transactions and that the qualifications of honesty, candor,
24 integrity, and trustworthiness are directly and substantially related to and indispensable to the
25 practice of the appraisal profession;

26 "(2) That registered Appraisal Management Companies are vested with a relationship of
27 trust and confidence as to their clients, lending institutions, and both public and private guarantors
28 or insurers of funds in federally-related real estate transactions and that the qualifications of

1 honesty, candor, integrity, and trustworthiness are directly and substantially related to and
2 indispensable to their business operations; and

3 "(3) Every holder of a license to practice real estate appraisal, Registrant, Controlling Person
4 of an Appraisal Management Company, or person or entity acting in a capacity requiring a license
5 or Certificate of Registration shall be required to demonstrate by his or her conduct that he or she
6 possesses the qualifications of honesty, candor, integrity, and trustworthiness.

7 "(b) The Director may require such proof as he may deem advisable concerning the special
8 qualifications of an applicant for or holder of an appraisers' license or a Certificate of
9 Registration."

10 13. California Code of Regulations, title 10, section 3721 states:

11 "(a) The Director may issue a citation, order of abatement, assess a fine or private or public
12 reproof, suspend or revoke any license or Certificate of Registration, and/or may deny the
13 issuance or renewal of a license or Certificate of Registration of any person or entity acting in a
14 capacity requiring a license or Certificate of Registration who has:

15 "(1) Been convicted of a felony or any crime which is substantially related to the
16 qualifications, functions, or duties of the profession of real estate appraisal;

17 "(2) Done any act involving dishonesty, fraud or deceit with the intent to benefit himself or
18 another, or to injure another;

19 "(3) Been convicted for a commission or solicitation of a criminal act which involved or
20 threatened bodily harm to others;

21 "(4) Done any act which if done by the holder of a license to practice real estate appraisal
22 would be grounds for revocation or suspension of such license;

23 "(5) Knowingly made a false statement of material fact required to be disclosed in an
24 application for a license authorizing the practice of real estate appraisal;

25 "(6) Violated any provision of USPAP;

26 "(7) Violated any provision of the Real Estate Appraisers' Licensing and Certification Law,
27 Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code, or

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1 regulations promulgated pursuant thereto; or any provision of the Business and Professions Code
2 applicable to applicants for or holders of licenses authorizing appraisals;

3 "(8) Been prohibited from participating in the affairs of an insured depository institution
4 pursuant to Section 19(a) of the Federal Deposit Insurance Act (12 U.S.C. Section 1829.); or

5 "(9) Submitted a financial instrument to OREA for the payment of any fee, fine or penalty
6 which instrument is subsequently dishonored by the issuing institution due to an act or omission of
7 that person.

8 "(b) Before issuing any private or public reproof or denying, suspending, or revoking any
9 license or Certificate of Registration issued or issuable under the provisions of the Real Estate
10 Appraisers Licensing and Certification Law or these regulations, the Office shall proceed as
11 prescribed by Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the
12 Government Code (the Administrative Procedure Act) and the Office shall have all the powers
13 granted therein.

14 "(c) Any person issued a citation containing a fine or order of abatement may contest the
15 citation by filing a written notice with the Office within 30 calendar days that states with specificity
16 the basis of the appeal. Upon receipt of such notice, the Office shall proceed as prescribed by
17 Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government
18 Code (the Administrative Procedure Act) and the Office shall have all the powers granted therein."

19 14. California Code of Regulations, title 10, section 3701 states:

20 "Every holder of a license under this part shall conform to and observe the Uniform
21 Standards of Professional Appraisal Practice (USPAP) and any subsequent amendments thereto as
22 promulgated by the Appraisal Standards Board of The Appraisal Foundation which standards are
23 herein incorporated into these regulations by reference as if fully set forth herein."

24 15. Business and Professions Code section 11409, subdivision (a) states:

25 "Except as otherwise provided by law, any order issued in resolution of a disciplinary
26 proceeding may direct a licensee, applicant for licensure, person who acts in a capacity that
27 requires a license under this part, registrant, applicant for a certificate of registration, course
28 provider, applicant for course provider accreditation, or a person who, or entity that, acts in a

1 capacity that requires course provider accreditation found to have committed a violation or
2 violations of statutes or regulations relating to real estate appraiser practice to pay a sum not to
3 exceed the reasonable costs of investigation, enforcement, and prosecution of the case."

4 UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE

5 16. 2012-2013 Uniform Standards of Professional Appraisal Practice (USPAP)

6 Standards Rule 1, states:

7 In developing a real property appraisal, an appraiser must identify the problem to be solved,
8 determine the scope of work necessary to solve the problem, and correctly complete research and
9 analyses necessary to produce a credible appraisal.

10 17. USPAP Standards Rule 1-1, states:

11 In developing a real property appraisal, an appraiser must:

12 (a) be aware of, understand, and correctly employ those recognized methods and
13 techniques that are necessary to produce a credible appraisal;

14 (b) not commit a substantial error of omission or commission that significantly affects
15 an appraisal; and

16 (c) not render appraisal services in a careless or negligent manner, such as by making a
17 series of errors that, although individually might not significantly affect the results of an appraisal,
18 in the aggregate affects the credibility of those results.

19 18. USPAP Standards Rule 1-2, states:

20 In developing a real property appraisal, an appraiser must:

21 (a) identify the client and other intended users;

22 (b) identify the intended use of the appraiser's opinions and conclusions;

23 (c) identify the type and definition of value, and, if the value opinion to be developed is
24 market value, ascertain whether the value is to be the most probable price:

25 (i) in terms of cash; or

26 (ii) in terms of financial arrangements equivalent to cash; or

27 (iii) in other precisely defined terms; and

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1 (iv) if the opinion of value is to be based on non-market financing or financing with
2 unusual conditions or incentives, the terms of such financing must be clearly identified and the
3 appraiser's opinion of their contributions to or negative influence on value must be developed by
4 analysis of relevant market data;

5 (d) identify the effective date of the appraiser's opinions and conclusions;

6 (e) identify the characteristics of the property that are relevant to the type and
7 definition of value and intended use of the appraisal, including:

8 (i) its location and physical, legal, and economic attributes;

9 (ii) the real property interest to be valued;

10 (iii) any personal property, trade fixtures, or intangible items that are not real property
11 but are included in the appraisal;

12 (iv) any known easements, restrictions, encumbrances, leases, reservations, covenants,
13 contracts, declarations, special assessments, ordinances, or other items of a similar nature; and

14 (v) whether the subject property is a fractional interest, physical segment, or partial
15 holding;

16 (f) identify any extraordinary assumptions necessary in the assignment;

17 (g) identify any hypothetical conditions necessary in the assignment; and

18 (h) determine the scope of work necessary to produce credible assignment results in
19 accordance with the SCOPE OF WORK RULE.

20 19. USPAP Standards Rule 1-3, states:

21 When necessary for credible assignment results in developing a market value opinion, an
22 appraiser must:

23 (a) identify and analyze the effect on use and value of existing land use regulations,
24 reasonably probable modifications of such land use regulations, economic supply and demand, the
25 physical adaptability of the real estate, and market area trends; and

26 (b) develop an opinion of the highest and best use of the real estate.

27 20. USPAP Standards Rule 1-4, states:

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1 In developing a real property appraisal, an appraiser must collect, verify, and analyze all
2 information necessary for credible assignment results.

3 (a) When a sales comparison approach is necessary for credible assignment results, an
4 appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

5 (b) When a cost approach is necessary for credible assignment results, an appraiser
6 must:

7 (i) develop an opinion of site value by an appropriate appraisal method or technique;

8 (ii) analyze such comparable cost data as are available to estimate the cost new of the
9 improvements (if any); and

10 (iii) analyze such comparable data as are available to estimate the difference between
11 the cost new and the present worth of the improvements (accrued depreciation).

12 (c) When an income approach is necessary for credible assignment results, an appraiser
13 must:

14 (i) analyze such comparable rental data as are available and/or the potential earnings
15 capacity of the property to estimate the gross income potential of the property;

16 (ii) analyze such comparable operating expense data as are available to estimate the
17 operating expenses of the property;

18 (iii) analyze such comparable data as are available to estimate rates of capitalization
19 and/or rates of discount; and

20 (iv) base projections of future rent and/or income potential and expenses on reasonably
21 clear and appropriate evidence.

22 (d) When developing an opinion of the value of a leased fee estate or a leasehold
23 estate, an appraiser must analyze the effect on value, if any, of the terms and conditions of the
24 lease(s).

25 (e) When analyzing the assemblage of the various estates of component parts of a
26 property, an appraiser must analyze the effect on value, if any, of the assemblage. An appraiser
27 must refrain from valuing the whole solely by adding together the individual values of the various
28 estates or component parts.

1 (f) When analyzing anticipated public or private improvements, located on or off the
2 site, an appraiser must analyze the effect on value, if any, of such anticipated improvements to the
3 extent they are reflected in market actions.

4 (g) When personal property, trade fixtures, or intangible items are included in the
5 appraisal, the appraiser must analyze the effect on value of such non-real property items.

6 21. USPAP Standards Rule 2, states:

7 In reporting the results of a real property appraisal, an appraiser must communicate each
8 analysis, opinion, and conclusion in a manner that is not misleading.

9 22. USPAP Standards Rule 2-1, states:

10 Each written or oral real property appraisal report must:

11 (a) clearly and accurately set forth the appraisal in a manner that will not be misleading;

12 (b) contain sufficient information to enable the intended users of the appraisal to
13 understand the report properly; and

14 (c) clearly and accurately disclose all assumptions, extraordinary assumptions,
15 hypothetical conditions, and limiting conditions used in the assignment.

16 23. USPAP Standards Rule 2-2, states:

17 Each written real property appraisal report must be prepared under one of the following
18 three options and prominently state which option is used: Self-Contained Appraisal Report,
19 Summary Appraisal Report, or Restricted Use Appraisal report.

20 (a) The content of a Self-Contained Appraisal Report must be consistent with the
21 intended use of the appraisal and, at a minimum:

22 (i) state the identity of the client and any intended users, by name or type;

23 (ii) state the intended use of the appraisal;

24 (iii) describe information sufficient to identify the real estate involved in the appraisal,
25 including the physical and economic property characteristics relevant to the assignment;

26 (iv) state the real property interest appraised;

27 (v) state the type and definition of value and cite the source of the definition;

28 (vi) state the effective date of the appraisal and the date of the report

- 1 (vii) describe the scope of work used to develop the appraisal;
- 2 (viii) describe the information analyzed, the appraisal methods and techniques employed,
3 and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales
4 comparison approach, cost approach, or income approach must be explained;
- 5 (ix) state the use of the real estate existing as of the date of value and the use of the real
6 estate reflected in the appraisal; and, when an opinion of highest and best use was developed by
7 the appraiser, describe the support and rationale for that opinion;
- 8 (x) clearly and conspicuously:
- 9 • state all extraordinary assumptions and hypothetical conditions; and
10 • state that their use might have affected the assignment results; and
- 11 (xi) include a signed certification in accordance with Standards Rule 2-3.
- 12 (b) The content of a Summary Appraisal Report must be consistent with the intended
13 use of the appraisal and, at a minimum:
- 14 (i) state the identity of the client and any intended users, by name or type;
- 15 (ii) state the intended use of the appraisal;
- 16 (iii) summarize information sufficient to identify the real estate involved in the appraisal,
17 including the physical and economic property characteristics relevant to the assignment;
- 18 (iv) state the real property interest appraised;
- 19 (v) state the type and definition of value and cite the source of the definition;
- 20 (vi) state the effective date of the appraisal and the date of the report;
- 21 (vii) summarize the scope of work used to develop the appraisal;
- 22 (viii) summarize the information analyzed, state the appraisal methods and techniques
23 employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the
24 sales comparison approach, cost approach, or income approach must be explained.
- 25 (ix) state the use of the real estate existing as of the date of value and the use of the real
26 estate reflected in the appraisal; and, when an opinion of highest and best use was developed by
27 the appraiser, summarize the support and rationale for that opinion;
- 28 (x) clearly and conspicuously:

- 1 • state all extraordinary assumptions and hypothetical conditions; and
- 2 • state that their use might have affected the assignment results; and
- 3 (xi) include a signed certification in accordance with Standards Rule 2-3.
- 4 (c) The content of a Restricted Use Appraisal Report must be consistent with the
- 5 intended use of the appraisal and, at a minimum:
- 6 (i) state the identity of the client, by name or type; and state a prominent use
- 7 restriction that limits the use of the report to the client and warns that the appraiser's opinions and
- 8 conclusions set forth in the report may not be understood properly without additional information
- 9 in the appraiser's workfile;
- 10 (ii) state the intended use of the appraisal;
- 11 (iii) state information sufficient to identify the real estate involved in the appraisal;
- 12 (iv) state the real property interest appraised;
- 13 (v) state the type of value and cite the source of its definition;
- 14 (vi) state the effective date of the appraisal and the date of the report;
- 15 (vii) state the scope of work used to develop the appraisal;
- 16 (viii) state the appraisal methods and techniques employed, state the value opinion(s) and
- 17 conclusion(s) reached, and reference the workfile; exclusion of the sales comparison approach,
- 18 cost approach, or income approach must be explained;
- 19 (ix) state the use of the real estate existing as of the date of value and the use of the real
- 20 estate reflected in the appraisal; and, when an opinion of highest and best use was developed by
- 21 the appraiser, state that opinion;
- 22 (x) clearly and conspicuously:
- 23 • state all extraordinary assumptions and hypothetical conditions; and
- 24 • state that their use might have affected the assignment results; and
- 25 (xi) include a signed certification in accordance with Standards Rule 2-3.
- 26 24. The USPAP Ethics Rule states:
- 27 An appraiser must promote and preserve the public trust inherent in appraisal practice by
- 28 observing the highest standards of professional ethics.

1 An appraiser must comply with USPAP when obligated by law or regulation, or by
2 agreement with the client or intended users. In addition to these requirements, an individual should
3 comply any time that individual represents that he or she is performing the service as an appraiser.

4 Conduct:

5 An appraiser must perform assignments with impartiality, objectivity, and independence, and
6 without accommodation of personal interests.

7 An appraiser:

- 8 • must not perform an assignment with bias;
- 9 • must not advocate the cause or interest of any party or issue;
- 10 • must not accept an assignment that includes the reporting of predetermined opinions and
11 conclusions;
- 12 • must not misrepresent his or her role when providing valuation services that are outside of
13 appraisal practice;
- 14 • must not communicate assignment results with the intent to mislead or to defraud;
- 15 • must not use or communicate a report that is known by the appraiser to be misleading or
16 fraudulent;
- 17 • must not knowingly permit an employee or other person to communicate a misleading or
18 fraudulent report;
- 19 • must not use or rely on unsupported conclusions relating to characteristics such as race,
20 color, religion, national origin, gender, marital status, familial status, age, receipt of public
21 assistance income, handicap, or an unsupported conclusion that homogeneity of such
22 characteristics is necessary to maximize value;
- 23 • must not engage in criminal conduct;
- 24 • must not willfully or knowingly violate the requirements of the RECORD KEEPING
25 RULE; and
- 26 • must not perform an assignment in a grossly negligent manner.

27 If known prior to accepting an assignment, and/or if discovered at any time during the
28 assignment, an appraiser must disclose to the client, and in the subsequent report certification:

1 • any current or prospective interest in the subject property or parties involved; and
2 • any services regarding the subject property performed by the appraiser within the three
3 year period immediately preceding acceptance of the assignment, as an appraiser or in any other
4 capacity.

5 Management:

6 An appraiser must disclose that he or she paid a fee or commission, or gave a thing of value
7 in connection with the procurement of an assignment.

8 An appraiser must not accept an assignment, or have a compensation arrangement for an
9 assignment, that is contingent on any of the following:

- 10 1. The reporting of a predetermined result (e.g., opinion of value);
- 11 2. a direction in assignment results that favors the cause of the client;
- 12 3. the amount of a value opinion;
- 13 4. the attainment of a stipulated result (e.g., that the loan closes, or taxes are
14 reduced); or
- 15 5. the occurrence of a subsequent event directly related to the appraiser's opinions
16 and specific to the assignment's purpose.

17 An appraiser must not advertise for or solicit assignments in a manner that is false,
18 misleading, or exaggerated.

19 An appraiser must affix, or authorize the use of, his or her signature to certify recognition
20 and acceptance of his or her USPAP responsibilities in an appraisal, appraisal review, or appraisal
21 consulting assignment (see Standards Rules 2-3, 3-6, 5-3, 6-9, 8-3, and 10-3). An appraiser may
22 authorize the use of his or her signature only on an assignment-by-assignment basis.

23 An appraiser must not affix the signature of another appraiser without his or her consent.

24 Confidentiality:

25 An appraiser must protect the confidential nature of the appraiser-client relationship.

26 An appraiser must act in good faith with regard to the legitimate interests of the client in the
27 use of confidential information and in the communication of assignment results.

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1 An appraiser must be aware of, and comply with, all confidentiality and privacy laws and
2 regulations applicable in an assignment.

3 An appraiser must not disclose: (1) confidential information; or (2) assignment results to
4 anyone other than:

- 5 • the client;
- 6 • persons specifically authorized by the client;
- 7 • state appraiser regulatory agencies;
- 8 • third parties as may be authorized by due process of law; or
- 9 • a duly authorized professional peer review committee except when such disclosure to a
10 committee would violate applicable law or regulation.

11 A member of a duly authorized professional peer review committee must not disclose
12 confidential information presented to the committee.

13 25. The USPAP Record Keeping Rule states²:

14 An appraiser must prepare a workfile for each appraisal, or appraisal review, or appraisal
15 consulting assignment. A workfile must be in existence prior to the issuance of any report. A
16 written summary of an oral report must be added to the workfile within a reasonable time after the
17 issuance of the oral report.

18 The workfile must include:

- 19 • the name of the client and the identity, by name or type, of any other intended users;
- 20 • true copies of any written reports, documented on any type of media. (A true copy is a
21 replica of the report transmitted to the client. A photocopy or an electronic copy of the entire
22 report transmitted to the client satisfies the requirement of a true copy.);
- 23 • summaries of all oral reports or testimony, or a transcript of testimony, including the
24 appraiser's signed and dated certification;

25
26 _____
27 ² The USPAP Record Keeping Rule cited herein is from the 2012-2013 edition of USPAP,
28 where it was moved from the Ethics Rule to a stand-alone rule. Prior editions of USPAP's Record
Keeping Rule applicable to appraisals before 2012 were substantially the same as the 2012-2013
edition.

1 • all other data, information, and documentation necessary to support the appraiser's
2 opinions and conclusions and to show compliance with USPAP, or references to the location(s) of
3 such other documentation; and

4 • a workfile in support of a Restricted Use Appraisal Report must be sufficient for the
5 appraiser to produce a Summary Appraisal Report (for assignments communicated under
6 STANDARDS 2 and 8) or an Appraisal Report (for assignments communicated under
7 STANDARD 10).

8 An appraiser must retain the workfile for a period of at least five years after preparation or at
9 least two years after final disposition of any judicial proceeding in which the appraiser provided
10 testimony related to the assignment, whichever period expires last.

11 An appraiser must have custody of the workfile, or make appropriate workfile retention,
12 access, and retrieval arrangements with the party having custody of the workfile. This includes
13 ensuring that a workfile is stored in a medium that is retrievable by the appraiser throughout the
14 prescribed record retention period.

15 An appraiser having custody of a workfile must allow other appraisers with workfile
16 obligations related to an assignment appropriate access and retrieval for the purpose of:

- 17 • submission to state appraiser regulatory agencies;
- 18 • compliance with due process of law;
- 19 • submission to a duly authorized professional peer review committee; or
- 20 • compliance with retrieval arrangement

21 An appraiser who willfully or knowingly fails to comply with the obligations of this
22 RECORD KEEPING RULE is in violation of the ETHICS RULE.

23 26. The USPAP Competency Rule states:

24 An appraiser must: (1) be competent to perform the assignment; (2) acquire the necessary
25 competency to perform the assignment; or (3) decline or withdraw from the assignment.

26 Being Competent

27 The appraiser must determine, prior to accepting an assignment, that he or she can perform
28 the assignment competently. Competency requires:

- 1 1. the ability to properly identify the problem to be addressed; and
 - 2 2. the knowledge and experience to complete the assignment competently; and
 - 3 3. recognition of, and compliance with, laws and regulations that apply to the appraiser
- 4 or to the assignment.

5 Acquiring Competency

6 If an appraiser determines he or she is not competent prior to accepting an assignment, the
7 appraiser must:

- 8 1. disclose the lack of knowledge and/or experience to the client before accepting the
 - 9 assignment;
 - 10 2. take all steps necessary or appropriate to complete the assignment competently; and
 - 11 3. describe, in the report, the lack of knowledge and/or experience and the steps taken to
- 12 complete the assignment competently.

13 When facts or conditions are discovered during the course of an assignment that cause an
14 appraiser to determine, at that time, that he or she lacks the required knowledge and experience to
15 complete the assignment competently, the appraiser must:

- 16 1. notify the client, and
 - 17 2. take all steps necessary or appropriate to complete the assignment competently, and
 - 18 3. describe, in the report, the lack of knowledge and/or experience and the steps taken to
- 19 complete the assignment competently.

20 Lack of Competency

21 If the assignment cannot be completed competently, the appraiser must decline or withdraw
22 from the assignment.

23 27. The USPAP Scope of Work Rule states:

24 For each appraisal, appraisal review, and appraisal consulting assignment, an appraiser must:

- 25 1. identify the problem to be solved;
- 26 2. determine and perform the scope of work necessary to develop credible assignment
- 27 results; and
- 28 3. disclose the scope of work in the report.

1 An appraiser must properly identify the problem to be solved in order to determine the
2 appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work
3 is sufficient to produce credible assignment results.

4 Problem Identification

5 An appraiser must gather and analyze information about those assignment elements that are
6 necessary to properly identify the appraisal, appraisal review or appraisal consulting problem to be
7 solved.

8 Scope of Work Acceptability

9 The scope of work must include the research and analyses that are necessary to develop
10 credible assignment results.

11 An appraiser must not allow assignment conditions to limit the scope of work to such a
12 degree that the assignment results are not credible in the context of the intended use.

13 An appraiser must not allow the intended use of an assignment or a client's objectives to
14 cause the assignment results to be biased.

15 Disclosure Obligations

16 The report must contain sufficient information to allow intended users to understand the
17 scope of work performed.

18 **5535 WALNUT AVENUE, CHINO, CALIFORNIA**

19 28. On or about May 10, 2013, Respondent completed an appraisal report of real property
20 located at 5535 Walnut Avenue, Chino, California. The appraised property consisted of a single
21 tenant medical office building which was originally constructed as a single family residence in
22 1969, but was converted to a medical office building in 1984. The property is located adjacent to
23 the Chino Valley Medical Center, a 126 bed community hospital. Respondent agreed to perform a
24 commercial appraisal. Respondent's client paid \$1,750.00 for the appraisal on April 28, 2013.
25 Respondent advised his client that the property's value was \$285,000.00 as a medical building, but
26 that its value as a residential property was \$340,000.00. On May 15, 2013, Respondent emailed
27 his appraisal report to his client, appraising the property as a single family residence, reasoning that
28 the highest and best use of the property was residential. On May 16, 2013, Respondent's client

1 advised Respondent that he had requested and paid for a commercial appraisal, and requested that
2 commercial comparables be used. On or about November 6, 2014, the Bureau requested, in
3 writing, that Respondent provide a copy of the appraisal report and workfile. Respondent claimed
4 that the motel in which he was living and working threw out his workfile. In fact, no one from the
5 motel threw out any of Respondent's documents or workfiles.

6 FIRST CAUSE FOR DISCIPLINE

7 (Failure to Facilitate Investigation and Maintain Workfile; USPAP Violations)

8 29. Respondent is subject to disciplinary action under Code section 11328 and California
9 Code of Regulations, title 10, sections 3702(a)(1) and 3702(a)(3) in that he failed to facilitate the
10 Bureau's investigation of a complaint against him by not responding in a timely manner to multiple
11 letters sent to his addresses of record requesting copies of his appraisal report and workfile.
12 Additionally, Respondent was not truthful with the Bureau's investigator when asked about the
13 whereabouts of his appraiser's workfile.

14 30. Respondent failed to submit written notice to the Bureau within 10 days of any change
15 in personal contact information, including residence and business addresses, in violation of
16 California Code of Regulations, title 10, section 3527.

17 31. Respondent willfully or knowingly failed to retain copies of his appraisal workfile, in
18 violation of USPAP, Conduct section of the Ethics Rule and the Record Keeping Rule.

19 32. Respondent's report was prepared in a careless or negligent manner, in that by making
20 a series of errors that, although individually might not significantly affect the results of an
21 appraisal, in the aggregate, affects the credibility of the results, in violation of USPAP Standards
22 Rules 1-1(c), 2-2(b)(i), 2-2(b)(ii) and 2-2(b)(iii), as follows:

- 23 a. Failed to identify the intended use and users of the report;
- 24 b. Failed to correctly identify the subject property's Assessor Parcel Number;
- 25 c. Failed to correctly identify the subject property's postal zip code; and
- 26 d. Failed to correctly spell the subject property owner's name.

27 33. Respondent failed to correctly state and analyze the current zoning of the subject
28 property, in violation of Standard Rules 1-2(e)(i), 2-2(b)(iii), and 2-2(b)(viii).

1 34. Respondent created a misleading report by failing to develop a Highest and Best Use
2 analysis that is credible. Specifically, Respondent's Highest and Best Use analysis concludes that
3 the Highest and Best Use of the subject property is for single family residential use. However,
4 Respondent's analysis under the test of legally permissible was significantly flawed because he
5 failed to accurately analyze the current zoning of the subject property, which prohibits a single
6 family residential use. Also, the Respondent failed to provide any clear reasoning to support his
7 analysis that the current use of the subject property as a medical office building has a value of
8 \$285,000.00, in violation of Standard Rules 1-3(a), 1-3(b), 2-1(b), 2-2(b)(viii), and 2-2(b)(ix).

9 35. Respondent failed to develop a credible Cost Approach as his analysis was based upon
10 the assumption that the Highest and Best Use of the subject property was for a single family
11 residential use, which is not a legally permissible use, in violation of Standard Rules 1-4(b)(i), 1-
12 4(b)(ii), 1-4(b)(iii) and 2-2(b)(viii).

13 36. Respondent failed to develop a credible Sales Comparison Approach as his analysis
14 was based upon the assumption that the Highest and Best Use of the subject property was for a
15 single family residential use, which is not a legally permissible use, in violation of Standard Rules
16 1-4(a) and 2-2(b)(viii).

17 37. Based upon paragraphs 33 through 36 above, Respondent failed to identify and
18 perform the appropriate scope of work necessary in order to develop credible assignment results,
19 in violation of the Scope of Work Rule, and Standards Rules 1-2(h) and 2-2(b)(vii).

20 38. Based upon paragraphs 33 through 36 above, Respondent failed to correctly employ
21 those recognized methods and techniques that are necessary to produce a credible appraisal, in
22 violation of Standard Rule 1-1(a).

23 39. Based upon paragraphs 33 through 36 above, Respondent committed substantial
24 errors of omission and or commission that significantly affected the appraisal, in violation of
25 Standard Rule 1-1(b).

26 40. Based upon paragraphs 33 through 36 above, Respondent failed to take all steps
27 necessary or appropriate to complete the appraisal assignment competently, resulting in a value
28 conclusion that was not credible, in violation of the Competency Rule.

1 41. Based upon paragraphs 33 through 36 above, Respondent performed the assignment
2 in a grossly negligent manner, in violation of the Conduct section of the Ethics Rule.

3 42. Based upon paragraphs 33 through 36 above, Respondent communicated assignment
4 results in a misleading manner, in violation of Standard Rule 2-1(a).

5 **2064 MAGNOLIA AVENUE, ONTARIO, CALIFORNIA**

6 43. On or about March 15, 2014, Respondent agreed to perform an appraisal of real
7 property located at 2064 Magnolia Avenue in Ontario, California, and accepted a fee of \$1,750.00
8 from the property owner/client. The property consists of a 4.75 acre parcel of essentially vacant
9 land used for agricultural production. Despite multiple requests for the appraisal report by the
10 client, Respondent failed to provide the client with an appraisal report. In fact, Respondent stalled
11 by requesting additional information, blamed the client for his own delays, and declared that he
12 would cease work on the appraisal on April 22, 2014. On or about November 6, 2014, the Bureau
13 requested, in writing, that Respondent provide a copy of the appraisal report and workfile.
14 Respondent claimed that the motel in which he was living and working threw out his workfile. In
15 fact, no one from the motel threw out any of Respondent's documents or workfiles.

16 **SECOND CAUSE FOR DISCIPLINE**

17 (Failure to Facilitate Investigation and Maintain Workfile; Failure to Demonstrate Honesty,
18 Candor, Integrity and Trustworthiness)

19 44. Respondent is subject to disciplinary action under Code section 11328 and California
20 Code of Regulations, title 10, sections 3702(a)(1) and 3702(a)(3) in that he failed to facilitate the
21 Bureau's investigation of a complaint against him by not responding to a written request sent to his
22 addresses of record for copies of his appraisal report and workfile. Additionally, Respondent was
23 not truthful with the Bureau's investigator when asked about the whereabouts of his appraiser's
24 workfile.

25 45. Respondent willfully or knowingly failed to retain copies of his appraiser's workfile, in
26 violation of USPAP, Conduct section of the Ethics Rule and the Record Keeping Rule.

27 46. Respondent failed to demonstrate the special qualifications of an appraiser, including
28 honesty, candor, integrity and trustworthiness, by committing an act involving dishonesty, fraud or

1 deceit with the intent to benefit himself or another, or to injure another, by accepting the appraisal
2 assignment of the subject property and collecting the entire fee, but failing to deliver the appraisal
3 report, in violation of California Code of Regulations, title 10, sections 3702(a)(1) and 3702(a)(3),
4 and 3721(a)(2).

5 **2474 LINCOLN BLVD, VENICE, CALIFORNIA**

6 47. On or about January 29, 2014, Respondent entered into an agreement with the trustee
7 of the property owner of 2474 Lincoln Blvd., Venice, California, to appraise the property for a fee
8 of \$1,725.00, paid in two installments. The property consists of a single tenant retail building. On
9 February 6, 2014, the trustee sent the initial payment of \$875.00 to Respondent. On February 13,
10 2014, Respondent advised the trustee that the appraisal report was ready, and requested the
11 balance of the fee. On February 21, 2014, the trustee issued the second payment to Respondent,
12 in the amount of \$875.00. On February 24, 2014, Respondent asked the trustee for proof of the
13 initial payment. On February 25, 2014, the trustee directed Respondent to either email the
14 appraisal immediately, or he would “initiate measures that will improve your focus and make your
15 life considerably more exciting.” On February 27, 2014, Respondent emailed the trustee and
16 indicated that the trustee had failed to provide necessary information and failed to make final
17 payment and was, accordingly, closing the file. On March 18, 2014, the trustee’s attorney again
18 requested a copy of the appraisal report from Respondent. On March 18, 2014, Respondent
19 replied “See you in Court!” On March 20, 2014, the trustee’s attorney filed a Superior Court
20 complaint against Respondent for breach of contract. Respondent subsequently provided the
21 trustee with the appraisal report.

22 48. Respondent lists a business address of 5780 West Centinela Avenue, Building 1, Suite
23 408, Los Angeles, California 90045 on his website. However, Respondent does not maintain a
24 business at that office. As a result of the misleading information on Respondent’s website, the
25 trustee was unable to serve Respondent with the complaint.

26 49. On November 6, 2014, the Bureau transmitted a letter to Respondent directing him to
27 provide the Bureau with copies of his appraisal report and workfile. Respondent failed to respond
28 to the Bureau’s demand.

1 THIRD CAUSE FOR DISCIPLINE

2 (Failure to Facilitate Investigation and Maintain Workfile; Failure to Demonstrate Honesty,
3 Candor, Integrity and Trustworthiness and Misrepresentation)

4 50. Respondent is subject to disciplinary action under Code section 11328 and California
5 Code of Regulations, title 10, sections 3702(a)(1) and 3702(a)(3) in that he failed to facilitate the
6 Bureau's investigation of a complaint against him by not responding to a written request sent to his
7 addresses of record for copies of his appraisal report and workfile. Additionally, Respondent was
8 not truthful with the Bureau's investigator when asked about there whereabouts of his appraiser's
9 workfile.

10 51. Respondent willfully or knowingly failed to retain copies of his appraiser's workfile, in
11 violation of USPAP, Conduct section of the Ethics Rule and the Record Keeping Rule.

12 52. Respondent misrepresented his address on his website, in violation of the Management
13 section of the Ethics Rule.

14 53. Respondent failed to demonstrate the qualifications of honesty, candor, integrity, and
15 trustworthiness in connection with the appraisal of 2474 Lincoln Blvd. Venice, California, in
16 violation of California Code of Regulations, title 10, section 3702.

17 **583 MARENGO AVENUE, PASADENA, CALIFORNIA**

18 54. On or about May 29, 2014, Respondent entered into an agreement to appraise the
19 property located at 583 Marengo Avenue, Pasadena, California, with a potential buyer of the
20 property. Respondent quoted the buyer \$975.00 to prepare a "Complete Appraisal Summary
21 Report" within two weeks. The property is an eight unit apartment complex. On June 10, 2014,
22 the buyer provided a check in the amount of \$975.00 to Respondent. On June 25, 2014, the buyer
23 contacted Respondent and requested status of the appraisal report. Respondent replied the same
24 day, indicating that he had had personal issues, but expected to have the appraisal completed by
25 June 27, 2014. On June 28, 2014, Respondent emailed the buyer and advised that he was not
26 going to get the kind of detail he wanted in a Limited-Restricted Use Report, and that if the buyer
27 wanted a Summary Report (which Respondent had already promised), the fee would be \$500.00
28 and \$750.00 for the two reports. In response to this, the buyer asked Respondent to call him.

1 Respondent called the buyer on June 28, 2014 and requested an additional \$350.00 to perform a
2 more detailed report. The buyer personally delivered \$350.00 to Respondent that day. On July 7,
3 2014, Respondent requested the legal description for the property from the buyer. On July 9,
4 2014, the buyer emailed Respondent and stated that he had been provided with a copy of the title
5 as requested, that the appraisal was to have been done in two weeks, but it had still not been done
6 a month later. The buyer asked for the completed appraisal in “a day or two” and stated that he
7 would come and pick it up personally. On the same date, Respondent replied, stating “This is not
8 the correct legal, it is what I have.” In response, the buyer asked Respondent to call him ASAP.
9 Rather than calling the buyer as requested, Respondent emailed the buyer on July 9, 2014 and
10 stated “Now I am getting a little annoyed. The delay is your responsibility not mine. I NEED A
11 CORRECT LEGAL DESCRIPTION!!!!!!!!!!” Respondent and the buyer exchanged several
12 additional emails wherein Respondent asked for additional information, and the buyer provided it.
13 On July 29, 2014, the buyer emailed Respondent and asked for a refund, indicating that he no
14 longer wanted the appraisal report. Respondent responded on the same day, stating “you are
15 being placed on our do not respond list.” On November 6, 2014, the Bureau transmitted a letter
16 to Respondent directing him to provide the Bureau with copies of his appraisal report and
17 workfile. Respondent failed to respond to the Bureau’s demand.

18 FOURTH CAUSE FOR DISCIPLINE

19 (Failure to Facilitate Investigation and Maintain Workfile; Failure to Demonstrate Honesty,
20 Candor, Integrity and Trustworthiness)

21 55. Respondent is subject to disciplinary action under Code section 11328 and California
22 Code of Regulations, title 10, sections 3702(a)(1) and 3702(a)(3) in that he failed to facilitate the
23 Bureau’s investigation of a complaint against him by not responding to a written request sent to his
24 addresses of record for copies of his appraisal report and workfile. Additionally, Respondent was
25 not truthful with the Bureau’s investigator when asked about the whereabouts of his appraiser’s
26 workfile.

27 56. Respondent willfully or knowingly failed to retain copies of his appraiser’s workfile, in
28 violation of the Conduct section of the Ethics Rule and the Record Keeping Rule.

1 57. Respondent failed to demonstrate the special qualifications of an appraiser including
2 honesty, candor, integrity and trustworthiness by committing an act involving dishonesty, fraud or
3 deceit with the intent to benefit himself or another, or to injure another, by accepting the appraisal
4 assignment of the subject property and collecting the entire fee, but failing to deliver the appraisal
5 report, in violation of California Code of Regulations, title 10, section 3702(a)(1), 3702(a)(3), and
6 3721(a)(2).

7 58. Respondent failed to demonstrate the qualifications of honesty, candor, integrity, and
8 trustworthiness in connection with the appraisal of 583 Marengo Avenue, Pasadena, California, in
9 violation of California Code of Regulations, title 10, section 3702.

10 **5918 CLOVERLY AVENUE, TEMPLE CITY, CALIFORNIA**

11 59. On or about August 29, 2013, Respondent entered into an agreement with a part
12 owner of the property located at 5918 Cloverly Avenue, Temple City, California, for preparation
13 of an appraisal report for tax purposes. Respondent charged \$1,500.00 for the appraisal report.
14 On October 15, 2013, Respondent advised the property owner that if the original appraisal was
15 going to be used for tax purposes then a second report would have to be prepared, for an
16 additional fee of \$1,500.00. On November 18, 2013, the owner provided Respondent with an
17 additional \$1,500.00. Respondent transmitted the appraisal reports via email attachments, which
18 the owner could not open. Respondent failed to respond to the owner's request for a hard copy of
19 the reports. On November 6, 2014, the Bureau transmitted a letter to Respondent directing him to
20 provide the Bureau with copies of his appraisal report and workfile. Respondent failed to respond
21 to the Bureau's demand.

22 **FIFTH CAUSE FOR DISCIPLINE**

23 (Failure to Facilitate Investigation and Maintain Workfile; Failure to Demonstrate Honesty,
24 Candor, Integrity and Trustworthiness)

25 60. Respondent is subject to disciplinary action under Code section 11328 and California
26 Code of Regulations, title 10, sections 3702(a)(1) and 3702(a)(3) in that he failed to facilitate the
27 Bureau's investigation of a complaint against him by not responding to a written request sent to his
28 addresses of record for copies of his appraisal report and workfile. Additionally, Respondent was

1 not truthful with the Bureau's investigator when asked about the whereabouts of his appraiser's
2 workfile.

3 61. Respondent willfully or knowingly failed to retain copies of his appraiser's workfile, in
4 violation of the Conduct section of the Ethics Rule and the Record Keeping Rule.

5 62. Respondent failed to demonstrate the qualifications of honesty, candor, integrity, and
6 trustworthiness in connection with the appraisal of 5918 Cloverly Avenue, Temple City,
7 California, in violation of California Code of Regulations, title 10, section 3702.

8 **307 SAN PASQUALE AVENUE, SOUTH PASADENA, CALIFORNIA**

9 63. A potential buyer of the real property located at 307 San Pasquale Avenue, South
10 Pasadena, California, paid Respondent \$2,000.00 on October 27, 2011 for a Summary Report to
11 be completed in two to three weeks. The property is owned by the City of South Pasadena and is
12 an irregularly shaped parcel located adjacent to property owned by the potential buyer. On
13 November 22, 2011, Respondent advised the buyer that he needed dimensions of the parcel. The
14 buyer asked Respondent to speak with her engineer. On November 23, 2011, Respondent
15 indicated that he would complete the appraisal using extraordinary assumptions, but would not
16 take responsibility if it was rejected by the City. The same day, the buyer responded by requesting
17 that Respondent return her money if he could not complete the appraisal. On that day,
18 Respondent advised the buyer that he was ceasing work on the assignment until he had her
19 cooperation. On December 1 and 5, 2011, Respondent requested further information from the
20 buyer. On December 6, 2011, the buyer advised Respondent that she had provided him with
21 everything that she had and that they should talk if he could not complete the assignment. The
22 same day, Respondent stated that he would move forward without the requested information and
23 that the report would be completed within "the next few days." On December 18, 2011,
24 Respondent advised the buyer that he could not complete the assignment unless he had a legal
25 description and boundary measurements. On December 19, 2011, the buyer requested a refund of
26 her payment so she could hire another appraiser. On December 28, 2011, Respondent replied,
27 asking that the buyer read their contract. However, the parties did not have a contract; only a fee
28 proposal which was signed only by Respondent. The buyer advised Respondent that she would

1 “let a judge decide.” Respondent indicated that he was ceasing all future communications. On
2 November 6, 2014, the Bureau transmitted a letter to Respondent directing him to provide the
3 Bureau with copies of his appraisal report and workfile. Respondent failed to respond to the
4 Bureau’s demand.

5 SIXTH CAUSE FOR DISCIPLINE

6 (Failure to Facilitate Investigation and Maintain Workfile; Failure to Demonstrate Honesty,
7 Candor, Integrity and Trustworthiness)

8 64. Respondent is subject to disciplinary action under Code section 11328 and California
9 Code of Regulations, title 10, sections 3702(a)(1) and 3702(a)(3) in that he failed to facilitate the
10 Bureau’s investigation of a complaint against him by not responding to a written request sent to his
11 addresses of record for copies of his appraisal report and workfile. Additionally, Respondent was
12 not truthful with the Bureau’s investigator when asked about the whereabouts of his appraiser’s
13 workfile.

14 65. Respondent willfully or knowingly failed to retain copies of his appraiser’s workfile, in
15 violation of USPAP, Conduct section of the Ethics Rule and the Record Keeping Rule.

16 66. Respondent failed to demonstrate the special qualifications of an appraiser including
17 honesty, candor, integrity and trustworthiness by committing an act involving dishonesty, fraud or
18 deceit with the intent to benefit himself or another, or to injure another, by accepting the appraisal
19 assignment of the subject property and collecting the entire fee, but failing to deliver the appraisal
20 report, in violation of California Code of Regulations, title 10, section 3702(a)(1), 3702(a)(3), and
21 3721(a)(2).

22 67. Respondent failed to demonstrate the qualifications of honesty, candor, integrity, and
23 trustworthiness in connection with the appraisal of 307 San Pasquale Avenue, South Pasadena,
24 California, in violation of California Code of Regulations, title 10, section 3702.

25 **3239 AND 3251 ROSECRANS AVENUE, AND 14150 LEMOLI AVENUE,**
26 **HAWTHORNE, CALIFORNIA**

27 68. On August 21, 2014, the daughter of the owner of three commercial properties
28 entered into a verbal agreement with Respondent to perform appraisals. The properties were

1 located at 3239 and 3251 Rosecrans Avenue and 14150 Lemoli Avenue in Hawthorne, California.
2 Respondent agreed to complete the appraisals in two to three weeks, for a fee of \$4,500.00.
3 Respondent's client paid \$2,500.00 as a partial payment and agreed to pay the balance of
4 \$2,000.00 upon delivery of the reports. On September 26, 2014, Respondent advised the client
5 that the appraisals were near completion and directed her to forward a remaining balance of
6 \$2,000.00 in order to release the appraisals. On September 28, 2014, the client requested a
7 meeting with Respondent. He advised that he had no time available. Upon the client's request, on
8 September 30, 2014, Respondent transmitted an invoice showing a balance due of \$2,000.00. On
9 October 2, 2014, Respondent notified the client that he was placing the assignment on hold,
10 pending final payment. On October 10, 2014, Respondent urged his client to pay the outstanding
11 balance, or he would close the file and charge a fee of \$1,000.00 to reopen it. On October 11,
12 2014 the client responded, advising that she had been out of town and reminding Respondent that
13 he had caused delays with the assignment. Respondent wrote back the same day, stating "I NEED
14 THAT PAYMENT TODAY!" On October 13, 2014, Respondent advised his client that he
15 needed the money to pay his typist to complete the appraisals, that he was not a credit company,
16 and that he still needed a week to complete the assignment. On the same day, Respondent advised
17 his client that he was stopping work due to her failure to make the final payment, and that the
18 assignment could only be re-started upon payment of the \$2,000.00, plus \$1,000.00 for
19 consultation fees, and an additional \$250.00 per hour for any additional calls or emails.
20 Respondent indicated that if his client refused these conditions, her calls and emails would be
21 ignored and she would be sued for damages. On that date, the client advised Respondent that she
22 would file a complaint with the Department of Consumer Affairs and reiterated what had
23 transpired with regard to the appraisal assignment. Respondent replied that her communications
24 would be placed in his junk file. On November 6, 2014, the Bureau transmitted a letter to
25 Respondent directing him to provide the Bureau with copies of his appraisal report and workfile.
26 Respondent failed to respond to the Bureau's demand.

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1 SEVENTH CAUSE FOR DISCIPLINE

2 (Failure to Facilitate Investigation and Maintain Workfile; Failure to Demonstrate Honesty,
3 Candor, Integrity and Trustworthiness)

4 69. Respondent is subject to disciplinary action under Code section 11328 and California
5 Code of Regulations, title 10, sections 3702(a)(1) and 3702(a)(3) in that he failed to facilitate the
6 Bureau's investigation of a complaint against him by not responding to a written request sent to his
7 addresses of record for copies of his appraisal report and workfile. Additionally, Respondent was
8 not truthful with the Bureau's investigator when asked about the whereabouts of his appraiser's
9 workfile.

10 70. Respondent willfully or knowingly failed to retain copies of his appraiser's workfile, in
11 violation of the Conduct section of the Ethics Rule and the Record Keeping Rule.

12 71. Respondent failed to demonstrate the special qualifications of an appraiser including
13 honesty, candor, integrity and trustworthiness by committing an act involving dishonesty, fraud or
14 deceit with the intent to benefit himself or another, or to injure another, by accepting the appraisal
15 assignment of the subject property and collecting a partial fee, but failing to deliver the appraisal
16 report, in violation of California Code of Regulations, title 10, section 3702(a)(1), 3702(a)(3), and
17 3721(a)(2).

18 72. Respondent failed to demonstrate the qualifications of honesty, candor, integrity, and
19 trustworthiness in connection with the appraisal of 3239 and 3251 Rosecrans Avenue, and 14150
20 Lemoli Avenue, Hawthorne, California, in violation of California Code of Regulations, title 10,
21 section 3702.

22 **490 WEST ROSECRANS AVENUE, GARDENA, CALIFORNIA**

23 73. On or about March 26, 2010, Respondent was retained to perform an appraisal of a
24 commercial property located at 490 West Rosecrans Avenue, Gardena, California. Respondent
25 was paid \$600.00, but never provided an appraisal report to his client. In July, 2010, the
26 Licensing/Compliance Officer for OCM Bancorp (the client's financial institution) sued
27 Respondent in Small Claims Court. However, Respondent could not be served, despite attempts
28 at Respondent's business address as listed on his website, his main address of record maintained by

1 the Bureau, and his mailing address maintained by the Bureau. None of Respondent's listed
2 addresses were current or valid. On November 6, 2014, the Bureau transmitted a letter to
3 Respondent directing him to provide the Bureau with copies of his appraisal report and workfile.
4 Respondent failed to respond to the Bureau's demand.

5 EIGHTH CAUSE FOR DISCIPLINE

6 (Failure to Facilitate Investigation and Maintain Workfile; Failure to Demonstrate Honesty,
7 Candor, Integrity and Trustworthiness)

8 74. Respondent is subject to disciplinary action under Code section 11328 and California
9 Code of Regulations, title 10, sections 3702(a)(1) and 3702(a)(3) in that he failed to facilitate the
10 Bureau's investigation of a complaint against him by not responding to a written request sent to his
11 addresses of record for copies of his appraisal report and workfile. Additionally, Respondent was
12 not truthful with the Bureau's investigator when asked about the whereabouts of his appraiser's
13 workfile.

14 75. Respondent willfully or knowingly failed to retain copies of his appraiser's workfile, in
15 violation of the Conduct section of the Ethics Rule and the Record Keeping Rule.

16 76. Respondent failed to demonstrate the special qualifications of an appraiser including
17 honesty, candor, integrity and trustworthiness by committing an act involving dishonesty, fraud or
18 deceit with the intent to benefit himself or another, or to injure another, by accepting the appraisal
19 assignment of the subject property and collecting the entire fee, but failing to deliver the appraisal
20 report, in violation of California Code of Regulations, title 10, section 3702(a)(1), 3702(a)(3), and
21 3721(a)(2).

22 77. Respondent failed to demonstrate the qualifications of honesty, candor, integrity, and
23 trustworthiness in connection with the appraisal of 490 West Rosecrans Avenue, Gardena,
24 California, in violation of California Code of Regulations, title 10, section 3702.

25 78. Respondent misrepresented on his web site his business address in violation of
26 USPAP, Management section of the Ethics Rule.

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1 **5269 ALHAMBRA AVENUE, LOS ANGELES, CALIFORNIA**

2 79. On or about January 4, 2011, Respondent was hired to perform an appraisal of the
3 commercial property located at 5269 Alhambra Avenue, Los Angeles, California, for divorce
4 purposes. Respondent agreed to perform the appraisal for \$1,500.00, with \$750.00 payable upon
5 acceptance of the assignment and \$750.00 due upon completion of the report. Respondent
6 promised the report in one to two weeks. The client contacted Respondent several times by
7 telephone inquiring about the appraisal report after the due date. Respondent advised that he
8 needed the remaining balance (\$750.00) prior to delivering the report, which was contrary to their
9 agreement. The client never received a copy of the appraisal report and had to hire a second
10 appraiser to perform the appraisal. On November 6, 2014, the Bureau transmitted a letter to
11 Respondent directing him to provide the Bureau with copies of his appraisal report and workfile.
12 Respondent failed to respond to the Bureau's demand.

13 NINTH CAUSE FOR DISCIPLINE

14 (Failure to Facilitate Investigation and Maintain Workfile; Failure to Demonstrate Honesty,
15 Candor, Integrity and Trustworthiness)

16 80. Respondent is subject to disciplinary action under Code section 11328 and California
17 Code of Regulations, title 10, sections 3702(a)(1) and 3702(a)(3) in that he failed to facilitate the
18 Bureau's investigation of a complaint against him by not responding to a written request sent to his
19 addresses of record for copies of his appraisal report and workfile. Additionally, Respondent was
20 not truthful with the Bureau's investigator when asked about the whereabouts of his appraiser's
21 workfile.

22 81. Respondent willfully or knowingly failed to retain copies of his appraiser's workfile, in
23 violation of the Conduct section of the Ethics Rule and the Record Keeping Rule.

24 82. Respondent failed to demonstrate the special qualifications of an appraiser including
25 honesty, candor, integrity and trustworthiness by committing an act involving dishonesty, fraud or
26 deceit with the intent to benefit himself or another, or to injure another, by accepting the appraisal
27 assignment of the subject property and collecting a partial fee, but failing to deliver the appraisal
28

1 report, in violation of California Code of Regulations, title 10, section 3702(a)(1), 3702(a)(3), and
2 3721(a)(2).

3 83. Respondent failed to demonstrate the qualifications of honesty, candor, integrity, and
4 trustworthiness in connection with the appraisal of 5269 Alhambra Avenue, Los Angeles,
5 California, in violation of California Code of Regulations, title 10, section 3702.

6 **RIVERSIDE COUNTY, SAN BERNARDINO COUNTY, AND MALIBU PROPERTIES**

7 84. On or about May 11, 2011, Respondent and his client entered into a written agreement
8 for appraisals of three properties: Riverside County APN 407-230-011, San Bernardino County
9 APN 0462-102-02, and 20272 Inland Lane, Malibu, California. Respondent agreed to perform the
10 appraisals for \$2,750.00, with \$1,375.00 payable in advance, and \$1,375.00 payable upon
11 completion of the appraisals. On June 6, 2011, the client's daughter emailed Respondent and
12 inquired about the status of the appraisals. On June 7, 2011, Respondent replied "Maybe next
13 week." Throughout June, 2011, the client's daughter asked Respondent for status of the
14 appraisals. On June 30, she telephoned Respondent, and emailed him indicating that if she did not
15 hear from him by the end of the day, she would institute legal action. Within one hour,
16 Respondent replied "I am ceasing work on this project pending receipt of your filing. Your Father
17 (My Client) can reach me via email or telephone. You are instructed to stop harassing me and my
18 employees." On June 30, 2011, the client emailed Respondent, and stated "As per our telephone
19 conversation this morning, I would like to give you until the end of next week. Due to time limit,
20 we must to [sic] receive the appraisal package by July 8, 2011. Thanks." Respondent replied
21 immediately: "I have ceased work on your appraisal request until such time as I have received the
22 balance due, or your certification that you do not plan to go forward with a civil law suit. If I do
23 not receive your affinitive [sic] response by Monday, July 4, 2011, I will accept your cancelation
24 request. Should you choose to cancel, payment for work completed to this point will be calculated
25 at our standard hourly rate of \$250.00." The client wrote back 11 minutes later, stating: "Thank
26 you for your immediate response. I certify and confirm that we shall not pursue any civil legal
27 action against you or your company if we receive the appraisal package by the end of next week
28 (Friday, July 8th) as we agreed." Respondent wrote back 26 minutes later, and stated "Your

1 appraisals are hereby canceled. I will forward my closing invoice.” The same day, the client
2 replied “I will not accept your cancellation without full payment back to me. Unless we receive
3 your full money back by the end of tomorrow, July 1, 2011, I will pursue legal action against you
4 with maximum allowed by the law. I will also pursue with the BBB as well.” Respondent replied
5 32 minutes later with “So noted.” On November 6, 2014, the Bureau transmitted a letter to
6 Respondent directing him to provide the Bureau with copies of his appraisal report and workfile.
7 Respondent failed to respond to the Bureau’s demand.

8 TENTH CAUSE FOR DISCIPLINE

9 (Failure to Facilitate Investigation and Maintain Workfile; Failure to Demonstrate Honesty,
10 Candor, Integrity and Trustworthiness)

11 85. Respondent is subject to disciplinary action under Code section 11328 and California
12 Code of Regulations, title 10, sections 3702(a)(1) and 3702(a)(3) in that he failed to facilitate the
13 Bureau’s investigation of a complaint against him by not responding to a written request sent to his
14 addresses of record for copies of his appraisal report and workfile. Additionally, Respondent was
15 not truthful with the Bureau’s investigator when asked about the whereabouts of his appraiser’s
16 workfile.

17 86. Respondent willfully or knowingly failed to retain copies of his appraiser’s workfile, in
18 violation of the Conduct section of the Ethics Rule and the Record Keeping Rule.

19 87. Respondent failed to demonstrate the special qualifications of an appraiser including
20 honesty, candor, integrity and trustworthiness by committing an act involving dishonesty, fraud or
21 deceit with the intent to benefit himself or another, or to injure another, by accepting the appraisal
22 assignment of the subject property and collecting a partial fee, but failing to deliver the appraisal
23 report, in violation of California Code of Regulations, title 10, section 3702(a)(1), 3702(a)(3), and
24 3721(a)(2).

25 88. Respondent failed to demonstrate the qualifications of honesty, candor, integrity, and
26 trustworthiness in connection with the appraisal of Riverside County APN 407-230-011, San
27 Bernardino County APN 0462-102-02, and 20272 Inland Lane, Malibu, California, in violation of
28 California Code of Regulations, title 10, section 3702.

1 **27985 NORTH SHORE ROAD, LAKE ARROWHEAD, CALIFORNIA**

2 89. On or about February 15, 2014, Respondent agreed to perform an appraisal of
3 property located at 27985 North Shore Road, Lake Arrowhead, California, for a fee of \$750.00.
4 Respondent communicated the terms of the assignment with the bookkeeper of the client/property
5 owner. On February 22, 2014, Respondent met with the property owner at the property and
6 received a check in the amount of \$750.00. On February 27, 2014, the owner emailed and
7 telephoned Respondent inquiring about the status of the appraisal. On March 7, 2014, the owner's
8 bookkeeper called and emailed Respondent regarding the status of the appraisal. On March 8,
9 2014, Respondent emailed the owner, apologized for the delay, and stated that the appraisal
10 should be complete later that day. On March 10, 2014, the owner's bookkeeper emailed
11 Respondent requesting delivery of the appraisal report. Respondent had inquired about square
12 footage of the property, and the bookkeeper advised that she did not have that information.
13 Respondent asked to have the owner call him. Later that day, the owner emailed Respondent and
14 indicated that he did not know why the appraisal report had not yet been delivered. The owner
15 advised Respondent that if he could not complete the assignment, he should refund the money
16 paid. On March 11, 2014, Respondent emailed the owner and asked him to call, specifying that a
17 discrepancy regarding square footage between what he had measured and what was listed at the
18 Assessor's Office would mean that Respondent would be unable to testify in court, and that he
19 refused to waste the court's time on unsubstantiated factual issues. Later that day, Respondent
20 emailed the owner and stated that "You and your wife are becoming quite annoying. Send me the
21 permits for the building structure and I will forward the appraisal. No other communications will
22 be forthcoming." The owner sued Respondent in Small Claims Court, but was unable to locate
23 and serve Respondent.

24 **ELEVENTH CAUSE FOR DISCIPLINE**

25 **(Failure to Demonstrate Honesty, Candor, Integrity and Trustworthiness)**

26 90. Respondent failed to demonstrate the special qualifications of an appraiser including
27 honesty, candor, integrity and trustworthiness by committing an act involving dishonesty, fraud or
28 deceit with the intent to benefit himself or another, or to injure another, by accepting the appraisal

1 assignment of the subject property and collecting the entire fee, but failing to deliver the appraisal
2 report, in violation of California Code of Regulations, title 10, section 3702(a)(1), 3702(a)(3), and
3 3721(a)(2).

4 91. Respondent failed to demonstrate the qualifications of honesty, candor, integrity, and
5 trustworthiness in connection with the appraisal of 27985 North Shore Road, Lake Arrowhead,
6 California, in violation of California Code of Regulations, title 10, section 3702.

7 MATTERS IN AGGRAVATION

8 92. Respondent's Certified General Appraiser's license expired on November 24, 2014.
9 However, he continues to advertise on his website by using the abbreviation "CGREA" (Certified
10 General Real Estate Appraiser) in violation of California Code of Regulations, title 10, section
11 3702.

12 PRAYER

13 WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged,
14 and that following the hearing, the Chief of the Bureau of Real Estate Appraisers issue a
15 decision:

- 16 1. Revoking or suspending Real Estate Appraiser License Number 002574, issued to
17 Curtis D. Harris;
- 18 2. Ordering Curtis D. Harris to pay the Bureau of Real Estate Appraisers the reasonable
19 costs of the investigation and enforcement of this case, pursuant to Business and Professions Code
20 section 11409;
- 21 3. Ordering Curtis D. Harris to pay the Bureau of Real Estate Appraisers a fine pursuant
22 to Business and Professions Code section 11316; and
- 23 4. Taking such other and further action as deemed necessary and proper.

24 DATED: 4/17/2015

25 **Original Signed**
26 _____
27 ELI
28 Chief of the Bureau of Real Estate Appraisers
Bureau of Real Estate Appraisers
Department of Consumer Affairs
State of California
Complainant

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