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6 **BEFORE THE**  
7 **DIRECTOR OF THE OFFICE OF REAL ESTATE APPRAISERS**  
8 **STATE OF CALIFORNIA**

9 In the Matter of the Accusation Against:

Case No. C091215-08

10 **KETRIC B. MAHONEY**  
11 **3435 Camino Del Rio South, Suite 317**  
12 **San Diego, CA 92108**

**DEFAULT DECISION AND ORDER**

13 **Real Estate Appraiser License No.**  
14 **AR028918**

[Gov. Code, §11520]

15 Respondent.

16 **FINDINGS OF FACT**

17 1. On or about February 2, 2012, Elizabeth Seaters, acting solely in her official capacity  
18 as the Acting Chief of Enforcement, acting on behalf of the Office of Real Estate Appraisers  
19 (Complainant), filed Accusation No. C091215-08 against Ketric B. Mahoney (Respondent)  
20 before the Director of the Office of Real Estate Appraisers. (Accusation attached as Exhibit A.)

21 2. On or about May 9, 2003, the Director of the Office of Real Estate Appraisers  
22 (Director) issued Real Estate Appraiser License No. AR028918 to Respondent. The Real Estate  
23 Appraiser License expired on April 25, 2010, and has not been renewed.

24 3. On or about February 2, 2012, Respondent was served by Certified and First Class  
25 Mail copies of the Accusation No. C091215-08, Statement to Respondent, Notice of Defense,  
26 Request for Discovery, and Discovery Statutes (Government Code sections 11507.5, 11507.6,  
27 and 11507.7) at Respondent's address of record which, pursuant to Title 10, California Code of  
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1 Regulations, section 3527, is required to be reported and maintained with the Director.

2 Respondent's address of record was and is:

3 3435 Camino Del Rio South, Suite 317, San Diego, CA 92108.

4 4. Service of the Accusation was effective as a matter of law under the provisions of  
5 Government Code section 11505, subdivision (c) and/or Business & Professions Code section  
6 124.

7 5. Subsequent to the date of service, the aforementioned documents were returned by  
8 the U.S. Postal Service marked "Undeliverable as Addressed." The address on the documents  
9 was the same as the address on file with the Director. Respondent failed to maintain an updated  
10 address with the Director and the Director has made attempts to serve the Respondent at the  
11 address on file. Respondent has not made himself available for service and therefore, has not  
12 availed himself of his right to file a notice of defense and appear at hearing.

13 6. Government Code section 11506 states, in pertinent part:

14 (c) The respondent shall be entitled to a hearing on the merits if the respondent  
15 files a notice of defense, and the notice shall be deemed a specific denial of all parts  
16 of the accusation not expressly admitted. Failure to file a notice of defense shall  
constitute a waiver of respondent's right to a hearing, but the agency in its discretion  
may nevertheless grant a hearing.

17 7. Respondent failed to file a Notice of Defense within 15 days after service upon him  
18 of the Accusation, and therefore waived his right to a hearing on the merits of Accusation No.  
19 C091215-08.

20 8. California Government Code section 11520 states, in pertinent part:

21 (a) If the respondent either fails to file a notice of defense or to appear at the  
22 hearing, the agency may take action based upon the respondent's express admissions  
23 or upon other evidence and affidavits may be used as evidence without any notice to  
respondent.

24 9. Pursuant to its authority under Government Code section 11520, the Deputy Director  
25 finds Respondent is in default. The Deputy Director will take action without further hearing and,  
26 based on the relevant evidence contained in the Default Decision Evidence Packet in this matter,  
27 as well as taking official notice of all the investigatory reports, exhibits and statements contained  
28 therein on file at the Director's offices regarding the allegations contained in Accusation No.

1 C091215-08, finds that the charges and allegations in Accusation No. C091215-08, are separately  
2 and severally, found to be true and correct by clear and convincing evidence.

3 DETERMINATION OF ISSUES

4 1. Based on the foregoing findings of fact, Respondent Ketric B. Mahoney has subjected  
5 his Real Estate Appraiser License No. AR028918 to discipline.

6 2. The agency has jurisdiction to adjudicate this case by default.

7 3. The Deputy Director of the Office of Real Estate Appraisers is authorized to revoke  
8 Respondent's Real Estate Appraiser License based upon the following violations alleged in the  
9 Accusation which are supported by the evidence contained in the Default Decision Evidence  
10 Packet in this case:

11 a. Title 10, California Code of Regulations, sections 3721(a)(6) and (a)(7), 3701,  
12 3702(a)(1) and (a)(3), and Business and Professions Code section 11328.

13 ORDER

14 IT IS SO ORDERED that Real Estate Appraiser License No. AR028918, heretofore issued  
15 to Respondent Ketric B. Mahoney, is revoked.

16 Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a  
17 written motion requesting that the Decision be vacated and stating the grounds relied on within  
18 seven (7) days after service of the Decision on Respondent. The agency in its discretion may  
19 vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

20 This Decision shall become effective on May 11, 2012.

21 It is so ORDERED May 11, 2012

22 **Original Signed**

23 FOR THE DEPUTY DIRECTOR OF THE OFFICE  
24 OF REAL ESTATE APPRAISERS

25 20597927.DOC  
26 DOJ Matter ID:SF2012204314

27 Attachment:  
28 Exhibit A: Accusation

# Exhibit A

Accusation

1 Kathleen S. Chovan  
2 Department Counsel, State Bar No. 158325  
3 Office of Real Estate Appraisers  
4 1102 "Q" Street, Suite 4100  
5 Sacramento, CA 95811  
6 Telephone: (916) 552-9000  
7 Facsimile: (916) 552-9008  
8 *Attorney for Complainant*

9 **BEFORE THE**  
10 **DIRECTOR OF THE OFFICE OF REAL ESTATE APPRAISERS**  
11 **STATE OF CALIFORNIA**

12 **In the Matter of the Accusation Against:**

**Case No. C 091215-08**

13 **KETRIC B. MAHONEY**

**A C C U S A T I O N**

14 3435 Camino Del Rio South, Suite 317  
15 San Diego, CA 92108

16 **Certified Residential Appraiser License No.**  
17 **AR028918**

18 **Respondent.**

19 **Complainant alleges:**

20 **PARTIES**

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

24 2. On or about May 22, 2008, the Director of the Office of Real Estate Appraisers issued  
25 Certified Residential Appraiser License Number AR028918 to Ketric B. Mahoney (Respondent).  
26 The Certified Residential Appraiser License was in full force and effect at all times relevant to the  
27 charges brought herein and expired on April 25, 2010.

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4. Code section 11313 requires OREA to adopt and enforce rules and regulations as are determined reasonably necessary to carry out the purposes of the Real Estate Appraisers' Licensing and Certification law.

**FINES**

6. Code section 11316, subdivision (a) states:

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

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8. Code section 11328 states:

To substantiate documentation of appraisal experience, or to facilitate the investigation of illegal or unethical activities by a licensee, applicant, or other person acting in the capacity that requires a license, that licensee, applicant or person shall, upon the request of the director, submit

1 copies of appraisals, or any work product which is addressed by the Uniform Standards of  
2 Professional Appraisal Practice, and all supporting documentation and data to the office. This  
3 material shall be confidential in accordance with the confidentiality provisions of the Uniform  
4 Standards of Professional Appraisal Practice.

#### 5 COST RECOVERY

6 9. Code section 11409, subdivision (a) states:

7 Except as otherwise provided by law, any order issued in resolution of a disciplinary  
8 proceeding may direct a licensee, applicant for licensure, person who acts in a capacity that  
9 requires a license under this part, course provider, applicant for course provider accreditation, or a  
10 person who, or entity that, acts in a capacity that requires course provider accreditation found to  
11 have committed a violation or violations of statutes or regulations relating to real estate appraiser  
12 practice to pay a sum not to exceed the reasonable costs of investigation, enforcement, and  
13 prosecution of the case.

#### 14 REGULATORY PROVISIONS

15 10. The OREA regulations appear in Title 10, Chapter 6.5, section 3500 et seq., as  
16 amended from time to time, of the California Code of Regulations (Regulation.)

17 11. Regulation section 3527, subdivision (a) states, in pertinent part:

18 (a) All applicants for and holders of a license...shall submit written notice to OREA  
19 of any change to the following within 10 days on the Change Notification and Miscellaneous  
20 Requests Form REA 3011 (Rev. 5/8/00), which is herein incorporated by reference:

- 21 (1) Name;
- 22 (2) Residence telephone number
- 23 (3) Business telephone number
- 24 (4) Residence Address
- 25 (5) Business name or address; or
- 26 (6) Mailing address.

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1           12. Regulation section 3701 states:

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

6           13. Regulation section 3702 (a) states, in pertinent part:

7           (a) The Director finds and declares as follows:

8                   (1) That the profession of real estate appraisal is vested with a fiduciary  
9 relationship of trust and confidence as to clients, lending institutions, and both public  
10 and private guarantors or insurers of funds in federally-related real estate transactions  
11 and that the qualifications of honesty, candor, integrity and trustworthiness are  
12 directly and substantially related to and indispensable to the practice of the appraisal  
13 profession ...

14                   (3) Every holder of a license to practice real estate appraisal ...shall be  
15 required to demonstrate by his or her conduct that he or she possesses the  
16 qualifications of honesty, candor, integrity and trustworthiness.

17           14. Regulation section 3705 (a) states:

18           Every appraisal report subject to the Uniform Standards of Professional Appraisal  
19 Practice upon final completion shall bear the signature and license number of the appraiser and  
20 of the supervising appraiser, if appropriate. The affixing of such signature and number  
21 constitute the acceptance by the appraiser and supervising appraiser of full and personal  
22 responsibility for the accuracy, content, and integrity of the appraisal under Standards Rules 1  
23 and 2 of USPAP.

24           15. Regulation 3721 states, in pertinent part:

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



1 (6) Violated any provision of USPAP

2 (7) Violated any provision of the Real Estate Appraisers' Licensing and  
3 Certification Law, Part 3 (commencing with Section 11300) of Division 4 of the  
4 Business and Professions Code, or regulations promulgated pursuant thereto; or any  
5 provision of the Business and Professions Code applicable to applicants for or  
6 holders of licenses authorizing appraisals.

7 **UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)**  
8 **(EFFECTIVE JANUARY 1, 2008)<sup>1</sup>**

9 16. USPAP Standard 1 states:

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

13 17. USPAP Standard 2 states:

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

16 18. The Ethics Rule of USPAP states, in pertinent part:

17 To promote and preserve the public trust inherent in professional appraisal practice,  
18 an appraiser must observe the highest standards of professional ethics. ...

19 **PROPERTY APPRAISED**

20 19. On July 2, 2009, Respondent completed a real estate appraisal report for property  
21 located at 369 Camino Elevado, Bonita, California, with a concluded opinion of value at  
22 \$450,000.00. The property consisted of a 2,670 square foot, 9 rooms, 5 bedrooms, 3.5  
23 bathrooms, home built in 1978.

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27 <sup>1</sup> USPAP is periodically revised: appraisers are responsible for adherence to the edition of USPAP in effect as of the date of report  
28 for an appraisal. The 2008-2009 edition of USPAP (effective January 1, 2008, through December 31, 2009), was applicable to the appraisal in this  
case, which had a report date of July 2, 2009.

1           20. On December 3, 2009, Complainant received a request to initiate a disciplinary action  
2 against Respondent regarding Respondent's appraisal of the property described in paragraph 19,  
3 above.

4                                   **BASIS FOR DISCIPLINE**

5                                   **FIRST CAUSE FOR DISCIPLINE**

6                                   **(Failure to notify of change of Personal or Contact Information)**

7           21. Respondent is subject to disciplinary action under Regulation section 3721,  
8 subdivisions (a) (6) and (a) (7), by and through his violation of Regulation sections 3701, 3702  
9 subdivisions (a) (1) and (a) (3), for failure to notify within ten days as required under Regulation  
10 3527(a) of a change in: **residence telephone number: (619) 341-3881; business telephone**  
11 **number: (619) 584-2121; business name or address: 3435 Camino Del Rio South, Suite 317,**  
12 **San Diego, CA 92108.**

13                                   **SECOND CAUSE FOR DISCIPLINE**

14                                   **(Failure to Respond or Cooperate in an Investigation of Alleged**

15                                   **USPAP Violations – 369 Camino Elevado, Bonita, California 91902)**

16           22. Respondent is subject to disciplinary action under Regulation section 3721,  
17 subdivisions (a) (6) and (a) (7), by and through his violation of Regulation sections 3701, 3702  
18 subdivisions (a) (1) and (a) (3), and the following USPAP violations:

19           23. Respondent is subject to disciplinary action under Business and Professions Code  
20 section 11328 for failing to cooperate with the investigation and provide a copy of the appraisal  
21 report and associated workfile for the property located at 369 Camino Elevado, Bonita, California  
22 when requested to do so, as follows:

23           24. On or about December 30, 2009, Complainant sent a letter. The letter was sent by  
24 Certified Mail to Respondent's address of record with the Director, which was and is:

25                   3435 Camino Del Rio South, Suite 317

26                   San Diego, CA 92108.

27           25. On or about January 6, 2010, the aforementioned document was returned by the U.S.  
28 Postal Service marked "Return to sender. Not deliverable as addressed. Unable to forward."

1       26. On or about January 7, 2010, Complainant attempted to contact Respondent and left a  
2 message to please return the call concerning a letter that was returned from the post office as  
3 "unable to forward".

4       27. On or about January 25, 2010, Complainant sent a letter. The letter was sent by  
5 Certified Mail to Respondent's business address of record with the Director, which was and is:

6       3435 Camino Del Rio South, Suite 317

7       San Diego, CA 92108.

8       28. On or about February 8, 2010, the aforementioned document was returned by the U.S.  
9 Postal Service marked "Return to sender. Not deliverable as addressed. Unable to forward."

10       29. On or about January 26, 2010, Complainant sent a letter. The letter was sent by  
11 Certified Mail to Respondent's physical address of record with the Director, which was and is:

12       954 Camino De La Reina #95

13       San Diego, CA 92108.

14       30. On or about February 17, 2010, the Office of Real Estate Appraisers received  
15 certified returned receipt signed by K. Mahoney on February 11, 2010.

16       31. On or about April 14, 2010, Complainant attempted to contact Respondent at business  
17 number (619) 584-2121. The phone rang about twelve times and then a woman's recording says,  
18 "your party is not answering, please call again later." Complainant then telephoned Respondent at  
19 home number (619)341-3881. Respondent asked to re-send demand letter to:

20       910 Camino De La Reina #48

21       San Diego, CA 92108.

22       32. On or about May 17, 2010, the aforementioned document was returned by the U.S.  
23 Postal Service marked "Return to sender. Unclaimed. Unable to forward."

24       33. On or about June 9, 2010, Complainant sent a letter. The letter was sent by Certified  
25 Mail to Respondent's physical address of record with the Director, which was and is:

26       3435 Camino Del Rio South, Suite 317

27       San Diego, CA 92108; and

28       ///

910 Camino De La Reina #48

San Diego, CA 92108.

34. On or about June 17, 2010, the aforementioned document that was sent to 3435 Camino Del Rio South, Suite 317, San Diego, CA 92108 was returned by the U.S. Postal Service marked "Return to sender. Not deliverable as addressed. Unable to forward."

35. On or about July 6, 2010, the aforementioned document that was sent to 910 Camino De La Reina #48, San Diego, CA 92108 was returned by the U.S. Postal Service marked "Unable to forward." Along with a new address of:

3015 Mission Village Drive

San Diego, CA 92123.

**PRAYER**

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Director of the Office of Real Estate Appraisers issue a decision

1. Revoking or suspending Certified Residential Appraiser License Number AR028918, issued to Ketric B. Mahoney.

2. Ordering Ketric B. Mahoney to pay the Director of the Office of Real Estate Appraisers a fine pursuant to section 11316, subdivision (a); and

3. Taking such other and further action as deemed necessary and proper.

DATED: 2/2/12

***Original Signed***

Elizabeth Seaters  
Acting Chief of Enforcement  
Office of Real Estate Appraisers  
State of California  
*Complainant*