

BEFORE THE
DIRECTOR OF THE OFFICE OF REAL ESTATE APPRAISERS
OFFICE OF REAL ESTATE APPRAISERS
STATE OF CALIFORNIA

In the Matter of the of the
Real Estate Appraiser License of:

Kevin Greene,

Respondent.

Case No. C090806-05

OAH No. 2012060141

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the
Deputy Director of the Office of Real Estate Appraisers, as its Decision in this matter.

This Decision shall become effective on

Jan. 24, 2013

It is so ORDERED

12/21/12

Original Signed

RENEE FULWIDER, DEPUTY DIRECTOR,
OFFICE OF REAL ESTATE APPRAISERS

1 KAMALA D. HARRIS
Attorney General of California
2 LINDA K. SCHNEIDER
Supervising Deputy Attorney General
3 ANTOINETTE B. CINCOTTA
Deputy Attorney General
4 State Bar No. 120482
110 West "A" Street, Suite 1100
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 645-2095
7 Facsimile: (619) 645-2061
Attorneys for Complainant

8
9 **BEFORE THE**
DIRECTOR OF THE OFFICE OF REAL ESTATE APPRAISERS
10 **STATE OF CALIFORNIA**

11 In the Matter of the Accusation Against:

Case No. C 090806-05

12 **KEVIN S. GREENE**
13 **6780 Mission Gorge Road, #27**
14 **San Diego, CA 92120**

OAH No. 2012060141

15 **Certified Residential License No. AR034138**

**STIPULATED SETTLEMENT AND
DISCIPLINARY ORDER**

16 Respondent.

17 IT IS HEREBY STIPULATED AND AGREED by and between the parties to the above-
18 entitled proceedings that the following matters are true:

19 **PARTIES**

20 1. Elizabeth Seaters, acting on behalf of the Office of Real Estate Appraisers
21 (Complainant), brings this action solely in her capacity as Chief of Enforcement, and is
22 represented in this matter by Kamala D. Harris, Attorney General of the State of California, by
23 Antoinette B. Cincotta, Deputy Attorney General.

24 2. Respondent Kevin S. Greene (Respondent) is represented in this proceeding by
25 attorney Todd F. Stevens, Esq., whose address is: 402 West Broadway, Suite 1820
26 San Diego, CA 92101.

27 3. On or about February 13, 2008, the Office of Real Estate Appraisers issued Certified
28 Residential License No. AR034138 to Kevin S. Greene (Respondent). The Certified Residential

1 License was in full force and effect at all times relevant to the charges brought in Accusation No.
2 C 090806-05 and will expire on May 25, 2014, unless renewed.

3 JURISDICTION

4 4. Accusation No. C 090806-05 was filed before the Director of the Office of Real
5 Estate Appraisers (OREA), and is currently pending against Respondent. The Accusation and all
6 other statutorily required documents were properly served on Respondent on May 15, 2012.
7 Respondent timely filed his Notice of Defense contesting the Accusation.

8 5. When deemed by the Director to be in the public interest, Complainant has the
9 authority under Business and Professions Code section 11315.5 to enter into a settlement related
10 to administrative allegations of violations of the regulations governing the conduct of licensed
11 appraisers and appraisal management companies. The administrative allegations associated with
12 Accusation No. C 090806-05 against Respondent are incorporated herein by reference.

13 6. A copy of Accusation No. C 090806-05 is attached as Exhibit A and incorporated
14 herein by reference.

15 ADVISEMENT AND WAIVERS

16 7. Respondent has carefully read, fully discussed with counsel, and understands the
17 charges and allegations in Accusation No. C 090806-05. Respondent has also carefully read,
18 fully discussed with counsel, and understands the effects of this Stipulated Settlement and
19 Disciplinary Order.

20 8. Respondent is fully aware of his legal rights in this matter, including the right to a
21 hearing on the charges and allegations in the Accusation; the right to confront and cross-examine
22 the witnesses against him; the right to present evidence and to testify on his own behalf; the right
23 to the issuance of subpoenas to compel the attendance of witnesses and the production of
24 documents; the right to reconsideration and court review of an adverse decision; and all other
25 rights accorded by the California Administrative Procedure Act and other applicable laws.

26 9. Respondent voluntarily, knowingly, and intelligently waives and gives up each and
27 every right set forth above.

28 ///

1 CULPABILITY

2 10. Respondent understands and agrees that the charges and allegations in Accusation
3 No. C 090806-05, if proven at a hearing, constitute cause for imposing discipline upon his
4 Certified Residential License.

5 11. For the purpose of resolving the Accusation without the expense and uncertainty of
6 further proceedings, Respondent agrees that, at a hearing, Complainant could establish a factual
7 basis for the charges in the Accusation, and that Respondent hereby gives up his right to contest
8 those charges.

9 12. Respondent agrees that his Certified Residential License is subject to discipline and
10 he agrees to be bound by the Director's probationary terms as set forth in the Disciplinary Order
11 below.

12 CONTINGENCY

13 13. This stipulation shall be subject to approval by the Director of the Office of Real
14 Estate Appraisers. Respondent understands and agrees that counsel for Complainant and the staff
15 of the Office of Real Estate Appraisers may communicate directly with the Director regarding
16 this stipulation and settlement, without notice to or participation by Respondent or his counsel.
17 By signing the stipulation, Respondent understands and agrees that he may not withdraw his
18 agreement or seek to rescind the stipulation prior to the time the Director considers and acts upon
19 it. If the Director fails to adopt this stipulation as its Decision and Order, the Stipulated
20 Settlement and Disciplinary Order shall be of no force or effect, except for this paragraph, it shall
21 be inadmissible in any legal action between the parties, and the Director shall not be disqualified
22 from further action by having considered this matter.

23 14. The parties understand and agree that facsimile copies of this Stipulated Settlement
24 and Disciplinary Order, including facsimile signatures thereto, shall have the same force and
25 effect as the originals.

26 15. This Stipulated Settlement and Disciplinary Order is intended by the parties to be an
27 integrated writing representing the complete, final, and exclusive embodiment of their agreement.
28 It supersedes any and all prior or contemporaneous agreements, understandings, discussions,

1 negotiations, and commitments (written or oral). This Stipulated Settlement and Disciplinary
2 Order may not be altered, amended, modified, supplemented, or otherwise changed except by a
3 writing executed by an authorized representative of each of the parties.

4 RESERVATION

5 16. The admissions made by Respondent herein are only for the purposes of this
6 proceeding, or any other proceedings in which the Director of the Office of Real Estate
7 Appraisers or other professional licensing agency is involved, and shall not be admissible in any
8 other criminal or civil proceeding.

9 17. In consideration of the foregoing admissions and stipulations, the parties agree that
10 the Director may, without further notice or formal proceeding, issue and enter the following
11 Disciplinary Order:

12 DISCIPLINARY ORDER

13 IT IS HEREBY ORDERED that Certified Residential License No. AR034138 issued to
14 Respondent Kevin S. Greene (Respondent) is revoked. However, the revocation is stayed and
15 Respondent is placed on probation for two (2) years on the following terms and conditions.

16 1. **Public Reproval.** Respondent is issued a Published Reapproval.

17 2. **Obey All Laws.** Respondent shall comply with all federal, state and local laws, and
18 conform to the minimum guidelines set forth under the Uniform Standards of Professional
19 Appraisal Practice (USPAP), and all other laws and regulations pertaining to real estate
20 appraisers.

21 3. **Appraisal Log / Work Samples.** Commencing on the effective date of the Decision
22 and Order and continuing through the period of probation, Respondent shall maintain a log of all
23 appraisals Respondent performs on the Log of Appraisal Experience (REA 3004) form.
24 Respondent will submit a complete and accurate copy of the log of all appraisals completed each
25 six months. Each six-month log shall be submitted to the Office of Real Estate Appraisers within
26 30 days following the end of each six-month period. Respondent understands that the Office of
27 Real Estate Appraisers has the option to select work samples for review from each submitted six-
28 month appraisal log.

1 4. **Monitoring.** Respondent shall be subject to, and shall permit, monitoring and
2 investigation of Respondent's professional practice. Such monitoring and investigation shall be
3 conducted by representatives of the Office of Real Estate Appraisers.

4 5. **Monitoring Costs.** Respondent shall pay costs associated with monitoring each and
5 every year of probation. Respondent shall comply with the Office's probation compliance
6 monitoring program. Said costs shall be in a sum sufficient to cover the costs incurred by the
7 Office in reviewing appraisals, and other monitoring, in an amount not to exceed \$250.00 per six-
8 month period. The monitoring costs will be waived for any six month period for which OREA
9 elects not to select samples for review.

10 6. **Personal Appearances.** Respondent shall, during the period of probation, appear in
11 person at interviews/meetings as directed by the Office of Real Estate Appraisers or its designated
12 representatives, provided such notification is accomplished in a timely manner.

13 7. **Comply With Probation.** Respondent shall fully comply with the terms and
14 conditions of the probation imposed by the Director of the Office of Real Estate Appraisers and
15 shall cooperate fully with representatives of the Office in its monitoring and investigation of
16 Respondent's compliance with the terms and conditions of probation.

17 8. **Active License Status.** Respondent shall at all times maintain an active license
18 status with the Office of Real Estate Appraisers, including during any period of suspension. If the
19 license is expired at the time the Decision and Order of the Director of the Office of Real Estate
20 Appraisers becomes effective, the license must be renewed within 30 days of the effective date of
21 the Decision and Order.

22 9. **Tolling of Probation For Out-of-State Residence/Practice.** In the event
23 Respondent should leave California to reside or practice outside this state, Respondent must
24 notify the Office of Real Estate Appraisers, in writing, of the dates of departure and return.
25 Periods of non-California residency or practice outside the state shall not apply to reduction of the
26 probationary period, or of any suspension. No obligation imposed herein, including requirements
27 to file written reports, reimburse the Office costs, or make restitution to consumers, shall be

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1 suspended or otherwise affected by such periods of out-of-state residency or practice except at the
2 written direction of the Office of Real Estate Appraisers.

3 **10. Payment of Outstanding Fine.** Respondent further acknowledges and agrees to pay
4 a fine pursuant to Business and Professions Code section 11316(a) and California Code of
5 Regulations, Title 10, section 3721(a), in the sum of Five Thousand Dollars (\$5,000). Payment of
6 the fine shall be made in six equal quarterly installments with five payments of Eight Hundred
7 and Thirty-Three Dollars (\$833.00), and one payment of Eight Hundred and Thirty-Five Dollars
8 (\$835.00), with the first payment due within 30 days of the final Decision and Order as signed by
9 the Director in approval of this Stipulated Settlement.

10 **11. Cost Reimbursement.** Respondent shall reimburse the Office of Real Estate
11 Appraisers the sum of Five Thousand Dollars (\$5,000) for its investigation and prosecution costs.
12 Payment of the costs must be made in six quarterly installments with five payments of Eight
13 Hundred and Thirty-Three Dollars (\$833.00), and one payment of Eight Hundred and Thirty-Five
14 Dollars (\$835.00), with the first payment due within 30 days of the final Decision and Order as
15 signed by the Director in approval of this Stipulated Settlement.

16 **12. Payments required under Condition 5. "Monitoring Costs"; Condition 10.**
17 **"Payment of Outstanding Fine," and Condition 11. "Cost Reimbursement."** Payments shall
18 be made to the Real Estate Appraisers Regulation Fund, c/o Office of Real Estate Appraisers,
19 1102 Q Street, Suite 4100, Sacramento, California 95811 by check or money order and shall
20 indicate on its face the notation: OREA Case No.C 090806-05. Failure to make any payment in
21 accordance with the schedules specified in Conditions 5, 10 and 11, above shall constitute a
22 violation of the probationary order and subject Respondent to interest and penalty payments
23 pursuant to Business and Professions Code sections 11316(b)(1) and 11409(c)(1). In addition, the
24 Director may order the full amounts under Conditions 5, 10 and 11 above, including interest and
25 penalty payments, to be immediately due and payable if any payment, or portion thereof, is not
26 received within thirty (30) days of its due date. Any outstanding fine or payment will be added to
27 any fee for renewal of Respondent's license. Respondent understands and acknowledges that,
28 under Business and Professions Code sections 11316(b)(2) and 11409(c)(2), Complainant is not

1 authorized to renew Respondent's license unless payments are made in accordance with the
2 above-referenced schedule.

3 13. **Violation of Probation.** If Respondent violates probation in any respect, the
4 Director of the Office of Real Estate Appraisers, after giving Respondent notice and an
5 opportunity to be heard, may revoke probation and carry out the disciplinary order that was
6 stayed. If an accusation or a petition to revoke probation is filed against Respondent during
7 probation, the Director shall have continuing jurisdiction until the matter is final, and the period
8 of probation shall be extended until the matter is final.

9 14. **Completion of Probation.**

10 Notwithstanding the continued effect of the Public Repeal, upon successful completion of
11 probation, Respondent's license will be fully restored.

12 ACCEPTANCE

13 I have carefully read the above Stipulated Settlement and Disciplinary Order and have fully
14 discussed it with my attorney, Todd F. Stevens, Esq. I understand the stipulation and the effect it
15 will have on my Certified Residential License. I enter into this Stipulated Settlement and
16 Disciplinary Order voluntarily, knowingly, and intelligently, and agree to be bound by the
17 Decision and Order of the Director of the Office of Real Estate Appraisers.

18 DATED: 12/10/2012

Original Signed

19 KEVIN S. GREENE
Respondent

20 I have read and fully discussed with Respondent Kevin S. Greene the terms and conditions
21 and other matters contained in the above Stipulated Settlement and Disciplinary Order. I approve
22 its form and content.

23 DATED: 12/11/12

Original Signed

24 Todd F. Stevens, Esq.
Attorney for Respondent

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ENDORSEMENT

The foregoing Stipulated Settlement and Disciplinary Order is hereby respectfully submitted for consideration by the Director of the Office of Real Estate Appraisers.

Dated: 12/12/2012

Respectfully submitted,

KAMALA D. HARRIS
Attorney General of California
LINDA K. SCHNEIDER
Supervising Deputy Attorney General

Original Signed

ANTOINETTE B. CINCOTTA
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation No. C 090806-05

1 KAMALA D. HARRIS
Attorney General of California
2 LINDA K. SCHNEIDER
Supervising Deputy Attorney General
3 ANTOINETTE B. CINCOTTA
Deputy Attorney General
4 State Bar No. 120482
110 West "A" Street, Suite 1100
5 San Diego, CA 92101
P.O. Box 85266
6 San Diego, CA 92186-5266
Telephone: (619) 645-2095
7 Facsimile: (619) 645-2061
Attorneys for Complainant

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

11 In the Matter of the Accusation Against:

Case No. C 090806-05

12 **KEVIN S. GREENE**
13 **6780 Mission Gorge Road, #27**
14 **San Diego, CA 92120**

A C C U S A T I O N

15 **Certified Residential License No. AR034138**

16 Respondent.

17 Complainant alleges:

18 **PARTIES**

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

22 2. On or about February 13, 2008, the Director of the Office of Real Estate Appraisers
23 issued Certified Residential License Number AR034138 to Kevin S. Greene (Respondent). The
24 Certified Residential License was in full force and effect at all times relevant to the charges
25 brought herein and will expire on May 25, 2012, unless renewed.

26 ///

27 ///

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1 **JURISDICTIONAL AND STATUTORY PROVISIONS**

2 3. This Accusation is brought before the Director of the Office of Real Estate Appraisers
3 (Director), under the authority of the following laws. All section references are to the Business
4 and Professions Code (Code) unless otherwise indicated.

5 4. Code section 11313 states:

6 "The office is under the supervision and control of the secretary. The duty of enforcing and
7 administering this part is vested in the director and he or she is responsible to the secretary
8 therefor. The director shall adopt and enforce rules and regulations as are determined reasonably
9 necessary to carry out the purposes of this part. Those rules and regulations shall be adopted
10 pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the
11 Government Code."

12 5. Code section 11314 states, in pertinent part: "The office is required to include in its
13 regulations requirements for licensure and discipline of real estate appraisers that ensure
14 protection of the public interest."

15 6. Code section 11316 states, in pertinent part:

16 "(a) The director may assess a fine against a licensee, . . . for violation of this part or any
17 regulations adopted to carry out its purposes.

18 "(b)(1) Failure of a licensee, . . . to pay a fine or make a fine payment within 30 days of the
19 date of assessment shall result in disciplinary action by the office. If a licensee, . . . fails to pay a
20 fine within 30 days, the director shall charge him or her interest and a penalty of 10 percent of the
21 fine or payment amount. Interest shall be charged at the pooled money investment rate.

22 "(2) If a fine is not paid, the full amount of the assessed fine shall be added to any fee for
23 renewal of a license. A license shall not be renewed prior to payment of the renewal fee and fine.

24 "(3) The director may order the full amount of any fine to be immediately due and payable
25 if any payment on the fine, or portion thereof, is not received within 30 days of its due date.

26 "(4) Any fine, or interest thereon, not paid within 30 days of a final order shall constitute a
27 valid and enforceable civil judgment.

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“(5) A certified copy of the final order shall be conclusive proof of the validity of the order of payment and the terms of payment.

“(c) Any administrative fine or penalty imposed pursuant to this section shall be in addition to any other criminal or civil penalty provided for by law.

“(d) Administrative fines collected pursuant to this section shall be deposited in the Real Estate Appraisers Regulation Fund.”

7. Code section 11319 states:

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

8. Business and Professions Code section 11325, subdivision (a) states:

"The director shall adopt regulations which determine the parameters of appraisal work which may be performed by licensed appraisers."

REGULATORY PROVISIONS

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

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

10. California Code of Regulations, title 10, section 3702 states in relevant part:

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

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

1 "...."

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

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

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

11 "...."

12 "(6) Violated any provision of USPAP;

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

17 "...."

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

24 "...."

25 USPAP

26 12. USPAP Standards Rule 1-1 states:

27 "In developing a real property appraisal, an appraiser must:

28 ///

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

3 “(b) not commit a substantial error of omission or commission that significantly affects an
4 appraisal;”

5 13. USPAP Standards Rule 1-2 states:

6 “In developing a real property appraisal, an appraiser must:

7 “

8 “(e) identify the characteristics of the property that are relevant to the purpose and intended
9 use of the appraisal, including:

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

11 “

12 “(h) determine the scope of work necessary to produce credible assignment results in
13 accordance with the SCOPE OF WORK RULE.”

14 14. USPAP Standard Rule 1-4 states:

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

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

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

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

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

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

25 “”

26 15. USPAP Standards Rule 2-1 states:

27 “Each written or oral real property appraisal report must:

28 “(a) clearly and accurately set forth the appraisal in a manner that will not be misleading.

1 “(b) contain sufficient information to enable the intended users of the appraisal to
2 understand the report properly;”

3 16. USPAP Standards Rule 2-2 states:

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

7 “”

8 “(b) The content of a Summary Appraisal Report must be consistent with the intended use
9 of the appraisal, and, at a minimum;

10 “”

11 “(iii) summarize information sufficient to identify the real estate involved in the appraisal,
12 including the physical and economic property characteristics relevant to the assignment;

13 “”

14 “(vii) summarize the scope of work used to develop the appraisal;

15 “(viii) summarize the information analyzed, the appraisal methods and techniques
16 employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of
17 the sales comparison approach, cost approach, or income approach must be explained;

18 “”

19 17. The USPAP Ethics Rule states:

20 “To promote and preserve the public trust inherent in professional appraisal practice, an
21 appraiser must observe the highest standards of professional ethics. This ETHICS RULE is
22 divided into four sections: Conduct, Management, Confidentiality, and Record Keeping. The first
23 three sections apply to all appraisal practice, and all four sections apply to appraisal practice
24 performed under Standards 1 through 10.

25 Compliance with USPAP is required when either the service or the appraiser is obligated by
26 law or regulation, or by agreement with the client or intended users, to comply. In addition to
27 these requirements, an individual should comply any time that individual represents that he or she
28 is performing the service as an appraiser.

1 “

2 Conduct:

3 An appraiser must perform assignments ethically and competently, in accordance with
4 USPAP.

5 “

6 “An appraiser must not communicate assignment results in a misleading or fraudulent
7 manner. An appraiser must not use or communicate a misleading or fraudulent report or
8 knowingly permit an employee or other person to communicate a misleading or fraudulent report.

9 “

10 18. The USPAP Competency Rule states:

11 “Prior to accepting an assignment or entering into an agreement to perform any assignment,
12 an appraiser must properly identify the problem to be addressed and have the knowledge and
13 experience to complete the assignment competently; or alternatively, must:

14 “

15 “2. take all steps necessary or appropriate to complete the assignment competently; and

16 “ ”

17 19. The USPAP Scope of Work Rule, states:

18 “For each appraisal, appraisal review, and appraisal consulting assignment, an appraiser
19 must:

20 “1. identify the problem to be solved;

21 “2. determine and perform the scope of work necessary to develop credible assignment
22 results; and

23 “3. disclose the scope of work in the report.

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

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1 "Problem Identification

2 "An appraiser must gather and analyze information about those assignment elements that
3 are necessary to properly identify the appraisal, appraisal review or appraisal consulting problem
4 to be solved.

5 "Scope of Work Acceptability

6 "The scope of work must include the research and analyses that are necessary to develop
7 credible assignment results.

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

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

12 "Disclosure Obligations

13 "The report must contain sufficient information to allow intended users to understand the
14 scope of work performed."

15 **COST RECOVERY**

16 20. Code section 11409, subdivision (a) states:

17 "Except as otherwise provided by law, any order issued in resolution of a disciplinary
18 proceeding may direct a licensee, applicant for licensure, person who acts in a capacity that
19 requires a license under this part, registrant, applicant for a certificate of registration, course
20 provider, applicant for course provider accreditation, or a person who, or entity that, acts in a
21 capacity that requires course provider accreditation found to have committed a violation or
22 violations of statutes or regulations relating to real estate appraiser practice to pay a sum not to
23 exceed the reasonable costs of investigation, enforcement, and prosecution of the case."

24 **CAUSE FOR DISCIPLINE**

25 (Violations Of USPAP- Minimum Standards Of Conduct And Performance)

26 21. On or about December 31, 2008, Respondent completed a real estate appraisal report
27 for a property located at 8867 Los Cochis Road, Lakeside, California ("the subject property").
28 Respondent is subject to disciplinary action under California Code of Regulation, title 10, section

1 3721, subdivisions (a)(6) and (a)(7), by and through his violations of California Code of
2 Regulations, title 10, sections 3701 and 3702, subdivisions (a)(1) and (a)(3), and in the following
3 USPAP violations:

4 a. Respondent failed to identify and analyze relevant site and improvement
5 characteristics of the subject property, including omissions pertaining to the subject's location
6 along a heavily traveled thoroughfare, atypical open (storage) yard uses, inclusion of various non-
7 permitted improvements, and overstating the quality of construction of the subject improvements
8 in violation of USPAP S.R. 1-2(c)(i) and 2-2(b)(iii);

9 b. Respondent failed to select appropriate sales and properly analyze various physical
10 and economic attributes resulting in a misleading report and an unsupported valuation in violation
11 of USPAP S.R. 1-4(a), and 2-2(b)(viii);

12 c. Respondent failed to adequately analyze sufficient sales and cost data available to
13 support the opinion of site value, estimated costs new and accrued depreciation, resulting in a
14 misleading report and an unsupported valuation in violation of USPAP S.R. 1-4(b)(i), (ii), (iii),
15 and 2-2(b)(viii);

16 d. Based on the errors in paragraph 21(a) through (c), above, Respondent failed to
17 correctly employ those recognized methods and techniques that are necessary to produce a
18 credible appraisal and violated the USPAP S.R. 1-1(a);

19 e. Based on the errors in paragraph 21(a) through (c), above, Respondent committed
20 substantial errors of omission that significantly affected the appraisal in violation of USPAP S.R.
21 1-1(b);

22 f. Based on the errors in paragraph 21(a) through (c), above, Respondent failed to
23 identify and perform the scope of work necessary to complete the assignment that would be
24 consistent with appraiser peers' actions in violation of USPAP S.R. 1-2(h), and 2-2(b)(vii), and
25 the Problem Identification and Scope of Work Acceptability sections of the Scope of Work Rule;

26 g. Based on the errors in paragraph 21(a) through (c), above, Respondent failed to
27 clearly and accurately set forth the appraisal in a manner that would not be misleading, and failed
28

1 to report sufficient information to enable the intended users of the appraisal to understand the
2 appraisal properly in violation of USPAP S.R. 2-1(a) and (b); and

3 h. Based on the errors in paragraph 21(a) through (c), above, Respondent advocated the
4 cause of helping to secure a mortgage loan by failing to disclose and properly analyze relevant
5 property and market characteristics, that resulted in communicating the assignment results in a
6 misleading or fraudulent manner in violation of the Conduct section of the Ethics Rule.

7 **PRAYER**

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

11 1. Revoking or suspending Certified Residential License Number AR034138 issued to
12 Kevin S. Greene;

13 2. Ordering Kevin S. Greene to pay the Director of the Office of Real Estate Appraisers
14 the reasonable costs of the investigation and enforcement of this case, pursuant to Business and
15 Professions Code section 11409;

16 3. Ordering Kevin S. Greene to pay the Director of the Office of Real Estate Appraisers
17 a fine pursuant to Business and Professions Code section 11316; and

18 4. Taking such other and further action as deemed necessary and proper.

19 DATED: 5/15/12

Original Signed

ELIZABETH SEATERS
Chief of Enforcement
Office of Real Estate Appraisers
State of California
Complainant

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