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

12 In the Matter of the Accusation Against:

Case No. L20221115-02

13 **AMR APPRAISALS, INC., DBA GOT APPRAISALS**

ACCUSATION

14 4000 Executive Pkwy, #230
San Ramon, CA 94583

15 **Appraisal Management Company Registration No. 1253**

16 Respondent.

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18
19 **PARTIES**

20 1. Richard C. Rios, acting on behalf of the Bureau of Real Estate Appraisers
21 (Complainant), Department of Consumer Affairs, brings this Accusation solely in his official
22 capacity as Supervising Property Appraiser Investigator.

23 2. On or about April 8, 2010, the Bureau of Real Estate Appraisers (formerly Office of
24 Real Estate Appraisers) issued Appraisal Management Company (AMC) Registration Number
25 1253 to AMR Appraisals, Inc., dba Got Appraisals (Respondent). The AMC Registration was in
26 full force and effect at all times relevant to the charges brought in this Accusation, and expired on
27 May 11, 2022. Joe M. Reid III is Respondent's Designated Officer.

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JURISDICTION

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

4. Section 22 of the Code states:

‘Board’ as used in any provisions of this code, refers to the board in which the administration of the provision is vested, and unless otherwise expressly provided, shall include ‘bureau,’ ‘commission,’ ‘committee,’ ‘department,’ ‘division,’ ‘examining committee,’ ‘program,’ and ‘agency.’

5. Section 11301 of the Code states:

(a)(1) There is hereby created within the Department of Consumer Affairs a Bureau of Real Estate Appraisers to administer and enforce this part.

(2) Notwithstanding any other law, the powers and duties of the bureau, as set forth in this part, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this part were scheduled to be repealed as of January 1, 2021.

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

6. Code section 11302 states, in pertinent part:

For the purpose of applying this part, the following terms, unless otherwise expressly indicated, shall mean and have the following definitions:

...

(d) (1) ‘Appraisal management company’ means any person or entity that satisfies all of the following conditions:

(A) Provides appraisal management services to creditors or to secondary mortgage market participants, including affiliates.

(B) Provides those services in connection with valuing a consumer’s principal dwelling as security for a consumer credit transaction or incorporating such transactions into securitizations.

(C) Within a given 12 calendar month period oversees an appraiser panel of more than 15 state-certified or state-licensed appraisers in a state or 25 or more state-certified or state-licensed appraisers in two or more states, as described in Section 11345.5.

...

(e) 'Appraisal management services' means one or more of the following:

(1) Recruiting, selecting, and retaining appraisers.

(2) Contracting with state-certified or state-licensed appraisers to perform appraisal assignments.

(3) Managing the process of having an appraisal performed, including providing administrative services such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and secondary market participants, collecting fees from creditors and secondary market participants for services provided, and paying appraisers for services performed.

(4) Reviewing and verifying the work of appraisers.

...

(j) 'Controlling person' means one or more of the following:

(1) An officer or director of an appraisal management company, or an individual who holds a 10 percent or greater ownership interest in an appraisal management company.

(2) An individual employed, appointed, or authorized by an appraisal management company that has the authority to enter into a contractual relationship with clients for the performance of appraisal services and that has the authority to enter into agreements with independent appraisers for the completion of appraisals.

(3) An individual who possesses the power to direct or cause the direction of the management or policies of an appraisal management company.

...

(u) 'License' means any license, certificate, permit, registration, or other means issued by the bureau authorizing the person to whom it is issued to act pursuant to this part within this state.

(v) 'Licensure' means the procedures and requirements a person shall comply with in order to qualify for issuance of a license and includes the issuance of the license.

...

(w) 'Registration' means the procedures and requirements with which a person or entity shall comply in order to qualify to conduct business as an appraisal management company.

7. Code section 11313 states:

The bureau is under the supervision and control of the Director of Consumer Affairs. The duty of enforcing and administering this part is vested in the chief, and he or she is responsible to the Director of Consumer Affairs therefor. The chief shall adopt and enforce rules and regulations as are determined reasonably necessary to

1 carry out the purposes of this part. Those rules and regulations shall be adopted
2 pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of
3 Title 2 of the Government Code. Regulations adopted by the former Director of the
4 Office of Real Estate Appraisers shall continue to apply to the bureau and its
5 licensees.

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7 8. Code section 11314 states:

9 The office is required to include in its regulations requirements for licensure and
10 discipline of real estate appraisers that ensure protection of the public interest and comply
11 in all respects with Title XI of the Financial Institutions Reform, Recovery and
12 Enforcement Act of 1989, Public Law 101-73 and any subsequent amendments thereto.
13 Requirements for each level of licensure shall, at a minimum, meet the criteria established
14 by the Appraiser Qualification Board of the Appraisal Foundation. The office may
15 additionally include in its regulations requirements for the registration of appraisal
16 management companies consistent with this part.

17 9. Code section 11315.3 states:

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

27 10. California Code of Regulations, title 10, section 3724 states:

28 (a) Where the Chief has verified a notice of acts or omissions by a licensed appraiser,
Registrant or person or entity acting in a capacity requiring a license or Certificate of
Registration which constitute a violation of statute, regulation or USPAP, he/she may issue
a citation in writing which describes with particularity the nature of the violation and
including specific reference to the law, regulation or professional practice standard
determined to have been violated. The citation may include a notice of abatement fixing a
reasonable period of time for abatement of the violation, assessment of private or public
reproval, suspension, revocation, restriction of license, fine or any combination of these
actions.

(b) Fines shall not exceed \$10,000 per incident. In assessing a fine, the Chief shall
give due consideration to:

- (1) The gravity of the violation;
- (2) The good or bad faith of the person cited;
- (3) The history of previous violations;
- (4) Evidence that the violation was willful;

- 1 (5) The extent to which the cited person has cooperated with the Bureau;
- 2 (6) The extent to which the cited person has mitigated or attempted to mitigate any
- 3 loss or potential loss caused by the violation; and
- 4 (7) Such other matters as the Chief determines are in the interest of justice.
- 5 (c) Citations issued hereunder shall be subject to review as provided in subsection (b)
- 6 of Section 3721.

STATUTORY AND REGULATORY PROVISIONS

7 11. Code section 11315.1 states, in pertinent part:

8 (d) In no event shall an administrative fine assessed by the office by citation or order

9 exceed ten thousand dollars (\$10,000) per violation. In assessing a fine, the office shall give

10 due consideration to the appropriateness of the amount of the fine with respect to factors

11 such as the gravity of the violation, the good faith of the person who committed the

12 violation, and the history of previous violations.

13 12. Code section 11316, subdivision (a), states:

14 (a) The director may assess a fine against a licensee, applicant for licensure, person

15 who acts in a capacity that requires a license under this part, course provider, applicant for

16 course provider accreditation, or a person who, or entity that, acts in a capacity that requires

17 course provider accreditation for violation of this part or any regulations adopted to carry

18 out its purposes.

19 13. Code section 11328.1 states:

20 If the director has a reasonable belief that a registrant, or person or entity acting in a

21 capacity that requires a certificate of registration, has engaged in activities prohibited under

22 this part, the director may submit a written request to the registrant, person, or entity,

23 requesting copies of written material related to the director's investigation. Any registrant,

24 person, or entity receiving a written request from the director for information related to an

25 investigation of prohibited activities shall submit that information to the director or the

26 bureau within a reasonable period of time, which shall be specified by the director in the

27 written request. Any material submitted shall be kept confidential by the director and the

28 bureau.

14 14. California Code of Regulations, title 10, section 3529 states:

25 The Bureau may review and audit the records of applicants, licensees, educational

26 providers, registered Appraisal Management Companies and persons or entities acting in a

27 capacity that requires a Certificate of Registration, to determine compliance with the

28 requirements of this chapter and state and federal law. Applicants, licensees, educational

providers, and registered Appraisal Management Companies shall cooperate with the

Bureau in the conduct of such audits and provide access during normal business hours to

records and such information as the Bureau deems reasonably necessary for the completion

of the audit.

15. California Code of Regulations, title 10, section 3576, subdivision (f) states:

An Appraisal Management Company shall notify the Bureau in writing within 10 days of its registration being refused, denied, canceled, suspended, or revoked in any state.

16. California Code of Regulations, title 10, section 3702, subdivision (a)(3) states:

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

17. California Code of Regulations, title 10, section 3721 states, in pertinent part:

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

...

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

...

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

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COST RECOVERY

18. Code section 11409, subdivision (a) states:

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

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1 **FACTUAL ALLEGATIONS**

2 19. Between June 2022 and September 2022, the Bureau received six complaints against
3 Respondent from licensed real estate appraisers for Respondent's non-payment of appraisal fees.
4 The Bureau conducted an audit to determine whether Respondent was complying with the
5 Bureau's laws. On or about August 10, 2022, the Bureau sent Respondent the audit request. The
6 Bureau's audit request specified that Respondent's response was due by August 26, 2022.
7 Respondent has not provided the Bureau's requested documents and information to date.

8 20. On or about November 2, 2022, the Minnesota Department of Commerce revoked
9 Respondent's Appraisal Management Company License Number 20631283. This was due to
10 Respondent's failure to pay for appraisal services and failure to fully comply with the Department
11 of Commerce's investigation requests. Respondent did not inform the Bureau of this license
12 revocation.

13 **FIRST CAUSE FOR DISCIPLINE**

14 **(Failure to Respond to Director's Request)**

15 21. Respondent has subjected its AMC Registration to disciplinary action under
16 California Code of Regulations, title 10, section 3721, subdivision (a)(7), in that it violated Code
17 section 11328.1 and/or California Code of Regulations, title 10, section 3529, by failing to submit
18 timely and complete responses to the Bureau's audit requests, as described in paragraph 19,
19 above.

20 **SECOND CAUSE FOR DISCIPLINE**

21 **(Failure to Notify the Bureau of Minnesota License Revocation)**

22 22. Respondent has subjected its AMC Registration to disciplinary action under
23 California Code of Regulations, title 10, section 3721, subdivision (a)(7), in that it violated
24 California Code of Regulations, title 10, section 3576, subdivision (f), by failing to timely notify
25 the Bureau that the Minnesota Department of Commerce revoked its Appraisal Management
26 Company License Number 20631283, as described in paragraph 20, above.

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1 **THIRD CAUSE FOR DISCIPLINE**

2 **(Failure to Exhibit the Requisite Qualifications of an Appraisal Management Company)**

3 23. Respondent has subjected its AMC Registration to disciplinary action under
4 California Code of Regulations, title 10, section 3721, subdivision (a)(2), in that it violated
5 California Code of Regulations, title 10, section 3702, subdivision (a)(3), by failing to
6 demonstrate possession of the requisite qualifications of honesty, candor, integrity, and
7 trustworthiness, as described in paragraphs 19 and 20, above.

8 **DISCIPLINE CONSIDERATIONS**

9 24. To determine the degree of discipline, if any, to be imposed on Respondent AMR
10 Appraisals, Inc., dba Got Appraisals, Complainant alleges that on or about October 10, 2019,
11 Complainant filed a prior disciplinary action against Respondent titled *In the Matter of the*
12 *Accusation Against AMR Appraisals, Inc., dba Got Appraisals*, before the Bureau of Real Estate
13 Appraisers, in Case Number L20190821-01. This matter was resolved by Stipulated Settlement
14 and Disciplinary Order for Public Reproval, effective May 27, 2020, and was based on
15 Respondent's failure to include terms of payment on its engagement documents and failure to
16 submit timely and complete responses to the Bureau's audit requests.

17 **PRAYER**

18 WHEREFORE, Complainant requests that a hearing be held on the matters alleged in this
19 Accusation, and that following the hearing, the Chief of the Bureau of Real Estate Appraisers
20 issue a decision:


21 1. Revoking or suspending Appraisal Management Company Registration number 1253,
22 issued to AMR Appraisals, Inc., dba Got Appraisals;

23 2. Ordering AMR Appraisals, Inc., dba Got Appraisals to pay the Bureau of Real Estate
24 Appraisers the reasonable costs of the investigation and enforcement of this case, pursuant to
25 Business and Professions Code section 11409;

26 3. Ordering AMR Appraisals, Inc., dba Got Appraisals to pay the Bureau of Real Estate
27 Appraisers a fine in the amount of \$10,000.00 pursuant to Business and Professions Code section
28 11316; and

1 4. Taking such other and further action as deemed necessary and proper.
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4 DATED: April 24th , 2023
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6 RICHARD C. RIOS
7 Supervising Property Appraiser Investigator
8 Bureau of Real Estate Appraisers
9 Department of Consumer Affairs
10 State of California
11 Complainant
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