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

**ACCUSATION**

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

16 Respondent.

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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 The review shall be performed as if this part were scheduled to be repealed as of January 1, 2021.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.

...

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

2 (1) Recruiting, selecting, and retaining appraisers.

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

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

8 (4) Reviewing and verifying the work of appraisers.

9 ...

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

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

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

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

19 ...

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

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

25 ...

26 (w) 'Registration' means the procedures and requirements with which a person or  
27 entity shall comply in order to qualify to conduct business as an appraisal management  
28 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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9 8. Code section 11314 states:

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

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21 9. Code section 11315.3 states:

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

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

(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.

7 **STATUTORY AND REGULATORY PROVISIONS**

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

9 (d) In no event shall an administrative fine assessed by the office by citation or order  
10 exceed ten thousand dollars (\$10,000) per violation. In assessing a fine, the office shall give  
11 due consideration to the appropriateness of the amount of the fine with respect to factors  
12 such as the gravity of the violation, the good faith of the person who committed the  
13 violation, and the history of previous violations.

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

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

20 13. Code section 11328.1 states:

21 If the director has a reasonable belief that a registrant, or person or entity acting in a  
22 capacity that requires a certificate of registration, has engaged in activities prohibited under  
23 this part, the director may submit a written request to the registrant, person, or entity,  
24 requesting copies of written material related to the director's investigation. Any registrant,  
25 person, or entity receiving a written request from the director for information related to an  
26 investigation of prohibited activities shall submit that information to the director or the  
27 bureau within a reasonable period of time, which shall be specified by the director in the  
28 written request. Any material submitted shall be kept confidential by the director and the  
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 reproof, 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 Repeval, 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 **PRAAYER**

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



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

DATED: \_\_\_\_\_

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RICHARD C. RIOS  
Supervising Property Appraiser Investigator  
Bureau of Real Estate Appraisers  
Department of Consumer Affairs  
State of California  
*Complainant*