

The CALIFORNIA Appraiser

Vol. 13, No. 2

OFFICE OF REAL ESTATE APPRAISERS

Winter 2002

Director's Message

Anthony F. Majewski

Welcome to the Winter 2002 edition of *The California Appraiser*. Having ended the first year of the new millennium, we find ourselves in what we are being told over and over again is a new kind of world. Indeed it seems to be so. But while the future of this new world may seem somewhat clouded by recent national events, we are also told that we should continue our day-to-day pursuits. In keeping with that admonition, we at the Office of Real Estate Appraisers make this commitment: to continue to carry out our mission to protect the public by ensuring the competency and integrity of licensed real estate appraisers in the most efficient, cost-effective manner possible.

I hope this edition is helpful to you. Inside we have a number of articles and features that should be of great interest. Under the "OREA Updates" section, we provide some statistics on the number of active licensees and licensing population demographics. This section also explains changes to the Real Property Appraiser Qualification Criteria adopted by the Appraiser Qualifications Board (AQB) that are scheduled to become effective on January 1, 2003.

Also in this edition is an article on a subject you have probably already heard a lot about - the Gramm-Leach-Bliley Act (GLB). It is extremely important that you understand your responsibilities under GLB, especially since it defines financial institutions to include real estate appraisers. Given the significance of GLB, I think it's worth reiterating its requirements. Check out page 7 for that information.

On page 6, you will find information on some of the common problems in the appraisal review process, and on page 9, you can read about some of the pitfalls and complexities of appraising 2-4 unit properties.

Before I close, I would like to share with you briefly information on some of the things we have accomplished this year. Since January 2001, we have received and opened over 270 complaints of violations of USPAP and appraiser licensing laws. We continue to rely on education as the primary means for obtaining compliance with standards.

We also completed the second license renewal cycle, during which the overall renewal

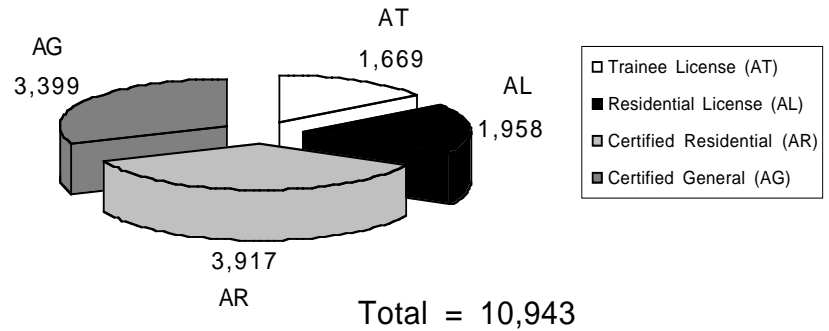
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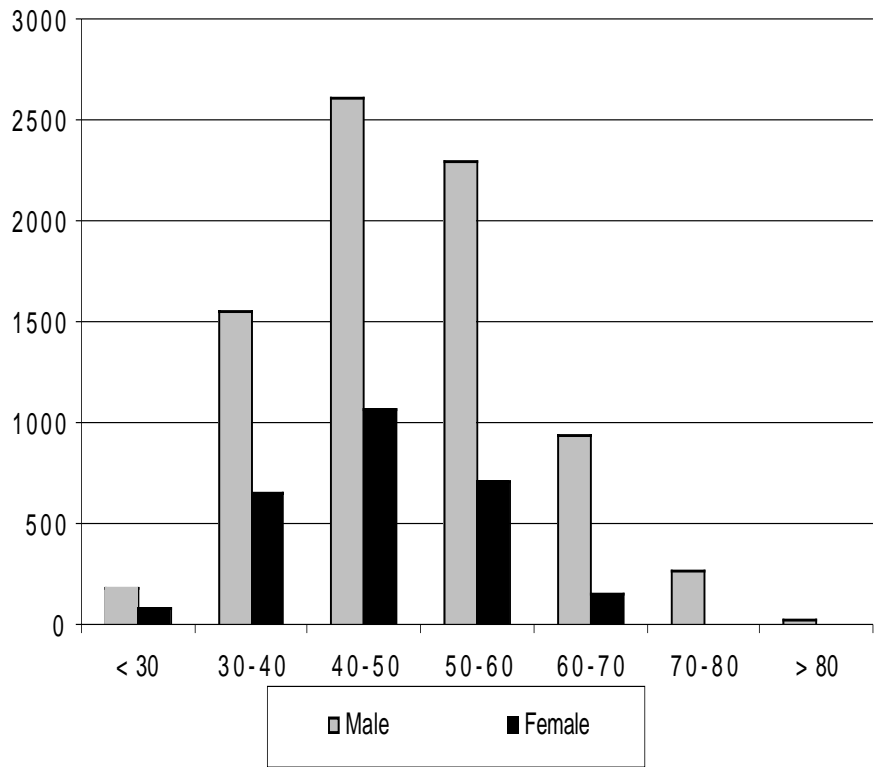
California Licensing Statistics as of January 31, 2002

Active Licensees by License Level:



Active Licensees by Age and Gender:

Gender	Average Age	Percentage
Male	49.1	74%
Female	46.0	26%
Overall	48.3	100%



State of California

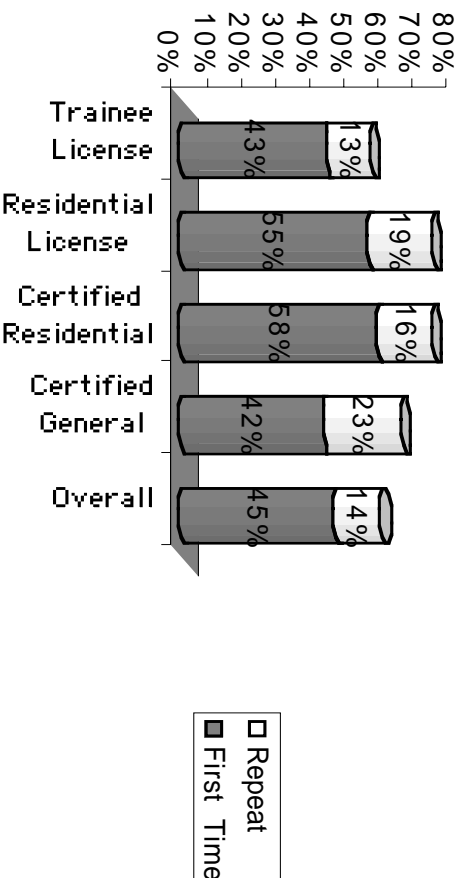
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ANTHONY F. MAJEWSKI
ACTING DIRECTOR

Licensing Examination Pass Rates January 1999 - June 2001



AQB Changes

In October 2001, the Appraiser Qualifications Board (AQB) of The Appraisal Foundation formally adopted changes to the Real Property Appraiser Qualification Criteria to become **effective January 1, 2003**. These changes pertain to Uniform Standards of Professional Appraisal Practice (USPAP) education in the following areas:

1. For basic (or qualifying) education (that education used to obtain an initial or upgrade license), all applicants must successfully complete the 15-hour “National USPAP Course” or its equivalent (as determined by the AQB).
2. For continuing education (that education used to renew a license), all licensed appraisers must successfully complete the 7-hour “National USPAP Update Course” or its equivalent (as determined by the AQB) every two years.
3. For both basic and continuing education, USPAP credit can only be awarded when the class is instructed by an AQB Certified Instructor, and is instructed by at least one residential or general state certified appraiser.

As required by law, OREA will be in full compliance with these AQB requirements. For additional information on these changes, including the “AQB USPAP Instructor Certification Program,” you may call the AQB directly at (202) 347-7722, or visit their website at www.appraisalfoundation.org.



Secretary Maria Contreras-Sweet
Business, Transportation and Housing Agency

*F*rom the Secretary . . . *F*rom the Secretary . . . *F*rom the Secretary . . .

As we reflect on 2001, we see a year of challenges and accomplishments. I extend my personal gratitude to Acting Director Tony Majewski for his public service and for the leadership he provided. My compliments also go to all the staff of the Office of Real Estate Appraisers for the dedication they have shown to the people of California. Working together, we have achieved many accomplishments.

Highlights of 2001 include completion of the second appraiser license and certification renewal cycle. The renewal cycle, which began in June 2000, saw a significant portion of licensed appraisers reach the expiration date of their licenses. In all, over 7,000 licenses expired during the second renewal cycle. Since July 1, 2000, the Office of Real Estate Appraisers has received over 5,500 applications for license renewal. Over 3,000 of those renewals were received and processed in 2001 alone. In spite of the large number of renewal applications received, OREA staff processed them in 30 days or less, maintaining a commitment to fast and efficient licensing services. Congratulations to the OREA team!

As we settle into 2002, may we all embrace the spirit of unity and pride in public service that has become commonplace since the catastrophe of September 11. I know that this kindred spirit will help restore our economic upturn so all Californians enjoy prosperity.

Together, we are building a better and safer California for all of us.

Director's Message *(Continued from page 1)*

rate was about 76 percent. As a result, the total number of licensed and certified appraisers in the state is down almost 10 percent from this time last year. Although the licensee population has been gradually increasing in recent months, it appears that it may continue to decline in the long term. With this decline has come a decrease in revenues.

So that OREA can continue to meet its responsibilities under federal and state law in the face of declining revenues, I have had to make some changes in our operations. Since early in the year, I have been implementing operational changes to reduce expenditures. The most important change has involved a reduction in staff at OREA. After examining the function of every position, I determined that OREA could more efficiently meet its responsibilities by obtaining some administrative services under contract from another department of state government. As a result, staff in six administrative positions have transferred to other departments and OREA will save over \$400,000 next fiscal year. We continue to look for additional ways of becoming more efficient.

One last item: please review our website (www.orea.ca.gov) regularly to find out the latest news and information. If you have checked our website recently, you have noticed that you can now access our education search database for information on courses and providers.

Californians Met the Energy Challenge This Summer; Fall and Winter Will Test Our Commitment

Congratulations and thanks to every Californian who contributed to the state's success in meeting the energy challenge this summer! Your commitment to conservation played a major role in preventing rolling blackouts.

In 2001, OREA and other state offices significantly cut electricity use from January through the end of the summer compared to the same period in 2000. For example, in monitoring 37 of the state's largest office buildings covering nearly 12 million square feet, the Department of General Services has recorded an average 22.4 percent drop in electricity use. Despite hikes in utility rates, the state was still able to save more than \$800,000 in cities such as Sacramento, Los Angeles, San Francisco, Oakland, San Diego, Van Nuys, and Riverside.

While the state has made extraordinary progress in bringing new power generation on line, the threat of shortages remains real. Conservation, both now and for the long term, will continue to be an important part of the strategy to keep the lights on.

The colder months present challenges just as tough as the summer months. There are increased demands for power across the state for lighting, heating and other priorities. So we cannot let our guard down just because the seasons have changed.

Below are some practical cool weather tips from the Flex Your Power website that will help all of us continue to save power, save money and keep electricity flowing to all California communities.

Set your thermostat to 68 degrees when you're home and 55 degrees at night, or off when you're away.

Use Your Appliances Wisely

- Turn off appliances, lights and equipment when not in use.
 - To help prevent electricity outages, **do not run large appliances** between 5 a.m. - 9 a.m. and 4 p.m. - 7 p.m.
- Do your laundry efficiently by using the warm or cold water setting for washing your clothes and *always* use cold water to rinse clothes.
- Conserve energy by running your dishwasher only when it is fully loaded, and turn off the dry cycle to allow dishes to air dry instead.



Inexpensive Energy Solutions

- Choose **Energy Star**® products. Purchase compact fluorescent light bulbs. They use a quarter of the energy and last five to ten times longer than conventional light bulbs.
- Reduce your hot water temperature. Set your water heater to the "normal" setting or 120 degrees unless the owner's manual for your dishwasher requires a higher setting.
- Replace furnace filters once a month. Dirty filters restrict airflow and increase energy use. Keep your furnace clean, lubricated and properly adjusted.
- Install low-flow showerheads. You'll be surprised how much this simple device can cut your hot water costs.
- Wrap your hot water tank with jacket insulation. If your water heater is gas, be sure to leave the air intake vent uncovered.

Eliminate Wasted Energy

- Turn off lights in unoccupied rooms.
- Unplug electronic devices and chargers when they're not in use.
- Close the damper on your fireplace when you're not using it.
- Unplug that spare refrigerator in the garage if you don't really need it.

Check out www.flexyourpower.ca.gov for more information and ways to save money!

Common Problems and Errors in the Appraisal Review Process

Timely appraisal reviews are in high demand by lenders. The funding sources of loans are typically the clients for these assignments. In these assignments appraisers are often requested to perform their reviews in diverse geographical locations.

Most appraisers competently perform their appraisal review assignments in a timely manner. At the Office of Real Estate Appraisers (OREA), we see many reviews. Many of these reviews are the basis for complaints filed against licensed appraisers. In some cases the review assignments are the subject of complaints. We do see recurring problems with some reviews. Based on our experience with review assignments, it has become obvious that the appraisal review process is misunderstood by some licensees. The purpose of this article is to alert our licensees of some of the most common errors we find in appraisal review assignments and assist you in performing review assignments in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

Many reviews are not performed in conformance with USPAP Standards Rule (S.R.) 3, which applies to appraisal reviews. It is important that appraisers familiarize themselves with these standards. S.R. 3-1 involves the development of the appraisal review,

while S.R. 3-2 outlines the reporting standards of the appraisal review. At a minimum, the appraisal review is required to be reported with all information required in S.R. 3-2. Departure from these standards is not permitted. S.R. 3-1 (c) is often overlooked in appraisal reviews. This standards rule requires appraisers to identify the scope of work to be performed in the review process. In this context it is important to explain the extent of the review process and ensure that it meets the requirements of the intended users of the report. This development of the scope of work will assist appraisers in determining any necessary extraordinary assumptions used in dealing with the report under review. The extent of review process varies. Some reviews require that the appraiser develop their own opinion of value in addition to critiquing the report under review. In these assignments, it is important to remember that the review appraiser must always develop his or her conclusion of value in compliance with S.R. 1. A reviewer's value development and conclusion must be clearly supported in the appraisal review. Review appraisers quite often change values in the review of URAR residential reports. In these cases it is most effective to use a sales grid analysis in order to present the value change.

As a review assignment is reported, it is important to ensure that the reporting requirements of S.R. 3-2 are adhered to. Most of the appraisal review software formats used by appraisers today were developed many years prior to the current USPAP standards. Appraisers can continue to use these formats as long as they are supplemented with sufficient addenda to render them in full compliance with USPAP.

When the appraisal review report is presented to the client, it must be accompanied by the report under review. The appraisal review is not a stand-alone document. It references, as well as relies on, information from the report under review.

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Reminder

The following items can be found on OREA's website:

- *Education Search Database*
- *Federal and State Laws and Regulations*
- *Forms*
- *Frequently Asked Questions*

www.orea.ca.gov

Gramm-Leach-Bliley Act Impacts Appraisers

Effective July 1, 2001, provisions of the Gramm-Leach-Bliley Act (GLB) became mandatory. The GLB legislation was passed to ensure the protection of consumer privacy. This privacy rule specifically deals with the release by financial institutions of consumer information considered non-public and personal. In the GLB, the definition of financial institutions included real estate appraisers. As a result, the GLB applies to appraisers as well as other providers of financial services. It is important for appraisers to comply with the GLB.

One provision of the GLB requires that all financial institutions provide consumers with a privacy notice. The purpose of the privacy notice is to alert consumers to the possible dissemination of non-public and personal information by the financial institution. The consumer has the right to “opt out” of this arrangement and to disallow the dissemination of non-public and personal information.

The following situations will involve appraisers concerning the GLB:

When appraisers are dealing with lenders as clients it is important for appraisers to confirm that lenders have taken the necessary actions to inform their clients (borrowers) that non-public, personal information will be disseminated for use in an appraisal report. It is also important for appraisers to verify with lenders that they have been notified of any confidential information that should not be disclosed in appraisal reports. In this case the burden of disclosure is with the lenders. However, to ensure complete conformance with the GLB, appraisers should confirm that lender clients have taken the appropriate privacy notice measures with their clients and retain this information in his or her workfiles.

Appraisers also need to follow the GLB requirements when dealing directly with consumer clients. Appraisers should notify their clients through privacy

notices containing clear and conspicuous language that the information they provide (non-public, personal) will or may be disclosed in appraisal reports along with other information gathered through research. This information will or may be used without editing and/or redacting. Understanding the intended users is crucial in this situation. Consumer clients must also be informed that they have the right to “opt out” of the disclosure of information referenced in the privacy notices. If consumer clients elect to “opt out,” they should be notified that non-public, personal information will or may still be used in the appraisal report, but will be edited, redacted and/or used in the aggregate (where it no longer becomes personally identifiable). Non-public and personal information submitted with the appraisal request will then be retained in the appraiser’s workfile. Important: Disclosure to clients of their rights must be made prior to any information being disclosed in an appraisal report.

With respect to appraisals, the GLB applies mainly to non-single family residential properties that involve consumers (non-corporate clients). With small units there is income and expense information that should be considered non-public and personal.

In most cases, non-public, personal information includes income and expense statements, leases, and specifics of sales concessions disclosed in sales contracts. Information that is confidential and not accessible by the public through typical means (i.e. public records) is considered non-public and personal.

To comply with the GLB, the Appraisal Standards Board has made revisions to the Uniform Standards of Professional Appraisal Practice with respect to the definition of confidential information, and the Confidentiality Section of the Ethics Rule. Appraisers are strongly encouraged to familiarize themselves with these changes immediately.

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Advisory Opinion 20 (AO-20) is an excellent resource for review appraisers. It became part of USPAP for the 2001 edition. AO-20 explains scope of work issues in appraisal review assignments as well as the processes to be employed when changing values.

At OREA we have seen occurrences of appraisers performing reviews that are not in compliance with S.R. 3 and labeling the review as an “administrative review.” This is done at the request of the client in order to expedite the result in a cost effective manner. According to AO-6, an administrative review is work performed by the clients and users of appraisal services as a due diligence function in the context of a business decision. A technical review, as defined in AO-6, is work performed by an appraiser in compliance with S.R. 3 and involves “develop[ing] an opinion as to whether the analyses, opinions, and conclusions in the work under review are appropriate and reasonable, and develop[ing] the reasons for any disagreement.” Licensed appraisers are required to comply with USPAP and must adhere to the standards of a technical review under S.R. 3. Some appraisers are under the erroneous assumption that as long as they do not make a value judgement, their review report can be labeled as an administrative review. Any time a qualitative assessment as to the analysis and opinions of the work under review is undertaken, a technical review has been performed. Since licensed appraisers are required to perform their appraisal reviews in compliance with S.R. 3, they are excluded from performing administrative reviews.

We have seen some appraisal reviews where the reviewer has concluded an opinion of value different from the appraisal under review based on data not available to the appraiser at the time of the appraisal assignment. In these cases, comparable sales have been utilized that recorded after the effective date of value. However, market data not available to the appraiser performing the work under review cannot be used as a critique of the appraisal. Review appraisers have

explained that their clients sometimes require them to provide updated sales as a means of updating the value. This is not within the scope of an appraisal review and should not be part of a review assignment.

It is important that appraisers possess geographic competency in the review process. Many review appraisers have often been requested to perform assignments in real estate markets in which they have limited expertise. If the review appraiser is required to analyze the value conclusion and the appropriateness of the market data to support that conclusion, it is important for the review appraiser to have the appropriate data sources and market knowledge. The scope of the appraisal review process plays an important role here. A review assignment can be accepted in which the reviewer’s role is only to determine if the appraisal under review was performed in accordance with appropriate appraisal methodology. We have had cases where the review appraisers do not possess the appropriate data sources for the areas they attempt to service. There have been a few instances where appraisers have only relied on public record data, for example, and did not have access to MLS for their review assignments. The results were gross overvaluations and eventual discipline by OREA.

For Further Clarification...

There has been some confusion regarding the article “Basic Education vs. Continuing Education” that appeared in our last issue of *The California Appraiser*, Vol. 13, No. 1. To clarify:

Continuing education courses may only be used for license renewal. On the other hand, basic education courses may be used for **either** continuing education or basic education. However, the same course cannot be used for both.

The Appraisal of 2-4 Unit Properties

Stop - do not complete another 2-4 unit appraisal assignment prior to reading this article!!! You are responsible for complying with the entire contents of this article, although you may not be in complete agreement with it.

Inspection of Property

Inspect all of the units. If for any reason this cannot be accomplished, you must state in the “Scope of Work” section which units were inspected and which were not. For those units not inspected, you must state what data source you based your description on. You are ultimately responsible for this information and cannot absolve yourself from responsibility by stating that you used an unreliable source of information, especially if a better data source was available. There are far too many instances where the inspection was not adequately performed and the appraiser attempted to absolve him or herself from responsibility by stating that the data was based on information from someone else.

Information that is obviously conflicting requires further diligence. One scenario could be a property owner telling you “The separate building in back is a laundry room, but I’ve lost the key.” However, public records indicate that there are five or more units on the subject site, and the owner is telling you that there are only four. If there is conflicting information regarding key aspects of the assignment such as this, do not complete the assignment until you can perform a complete property inspection.

Count the number of electric and gas meters. If there are only four units, why are there six or seven meters? Report this information and determine what they serve.

Measure the units. The report must reflect the size of each unit. Do not accept other sources of data for this information. For example, do not write “Per

owner, the uninspected portion of the property consists of” It is your job to report what is actually there, and if you cannot completely inspect the subject property, you must have a sound basis for performing this limited scope of work. This is no different than inspecting only two bedrooms in a five-bedroom house, and basing the rest on what the owner tells you.

In cases where a complete inspection of the units is not possible, it may be necessary to employ an Extraordinary Assumption and Limiting Condition to account for the condition of the improvements not inspected. However, if this is the case, the assumption must be based on reasonably evident data.

Zoning

Data and/or verification from the Planning Department is the only truly appropriate source of information regarding the zoning of the subject property and any limitations imposed on the subject property. Online data and microfiche reproductions of public data from private companies cannot be relied upon as suitable substitutes. If you cannot get such information, stop the assignment.

You must determine the amount of land required per unit for the reported zoning, the parking requirements, and any other pertinent restrictions. This information must be contained in your workfile and if preparing a Summary Report, should also appear in your appraisal report. You must state in your report, whether or not the subject improvements are legally conforming, based on facts received from the governing agency. Basing this determination on other sources could be considered negligent.

Also, remember that the highest and best use must be a legal use, and illegal uses cannot be valued.

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You also need to determine the legal conforming status of the comparable sales. Could the properties be rebuilt if destroyed? Were there bogus bootleg units present?

Rent control may also have a major impact on value and marketability. Such controls need to be analyzed and reported. They also must be considered carefully in the valuation process.

Verification of Sales

Verifying a sale does not mean reporting what the data source provides. It entails contacting a party involved in the negotiation of the sale and asking what the expectations of the buyer were at the time of sale. What were the existing rents, and what did he or she expect future rents to be?

What concessions were made? Why doesn't the seller's name appear on title (is there any potential for fraud?) Are there any rent guarantees? Is the income guaranteed for any length of time? Sometimes a building will be sold with the seller guaranteeing a certain income – you need to find this out. What were the terms of the sale?

Sale History

This includes examining any of the subject property's listing expirations, withdrawals, current listings and sales. USPAP states that for 1-4 unit properties, sales must be analyzed and reported for a minimum of one year. If you are unable to get a copy of a current purchase agreement or any of the above data, you must state in your report what attempts you made to obtain it, and show reasonable means of performing the report without it. In other words, you could be held responsible for your failure to obtain this information.

As mentioned above, Standards Rule 1-5(b)(i)

requires the appraiser to analyze and report any sale transactions within the one-year minimum. However, you are required to report back even further if there was a pertinent transaction. For example, if there is a difference of more than 20 percent between your value estimate and the last sale, you should be able to prove that the market changed that much if you choose to omit a sale over one year old. If the subject was a five-unit property, conversion to a four-unit property does not remove the three-year requirement. Although you will not be cited under Standards Rule 1-5 for failing to go back far enough, you will be held accountable for such data under Standards Rule 1-1(b) and the Competency Rule. There is hardly a situation where the market history of the subject is not important beyond the one-year minimum.

Rent Survey

There is no alternative for knocking on doors, especially if similar type units surround the subject property. In addition, contacting property owners and managers for rent comparables should be the normal course of business. Such practices should be the standard of care in the industry. Ideally, when verifying the sale comparables, the appraiser should also attempt to obtain current rental data, which serves two purposes. First, the sale comparable can also be used as a rent comparable (if appropriate). Second, an analysis of the current rents as compared to the rents at the time of sale may help identify any trends in the rental market.

Unit density, parking, dishwashers, laundry facilities, patios, privacy, lakes, open area, age, air conditioning, second bathrooms, fireplaces etc., are typically given little consideration in the surveys we see, and are rarely mentioned. Size and utility require special attention. An additional 50 square feet in an apartment unit can make a lot of difference, or virtually none.

Leases need to be reviewed. If you cannot obtain copies of the rental agreements for the subject units, you must state this in your report. You should also state what steps you took in an effort to obtain such leases. Any rental information that appears suspicious should be verified with the tenants.

Expenses

If you are going to complete an addendum requiring expense projections, or if you perform the Income Approach to value, the expenses must be based on reasonable data. Call the utility companies and ask what the actual expenses are. Review statements signed by the owner or property manager. Unsigned reports are often unreliable. Operating statements from similar projects are useful, but are generally not attainable.

Analysis of Sales

For each sale comparable, calculate the GRM based on the market rents at the time of sale. When visiting the sale comparable, the appraiser should try and obtain current rents, as well as those as of the date of the sale. If the buyer projected \$600 per month, why did he or she rent them out at \$525? Does this indicate that the sale price might have been high, based on his or her expectations? This can be critical information when analyzing GRM's.

Functional Utility

In the duplex market, the size of the larger unit may have considerable bearing on its marketability. In some markets, large units (over 1,100 square feet) attract owner occupants and are not really comparable to duplexes with two smaller units, and therefore should not be compared to them. This is not necessarily true in larger complexes with three or more units.

A major mistake found in many appraisals is the use of single family residences with a guest unit being used as a comparable for a duplex, which does not have similar units or market appeal. These reports may often have the appearance of attempting to reach a predetermined value.

Conclusion

As a licensed appraiser, you are responsible for the contents, or lack thereof, in your appraisal reports. The decision to not fully inspect the subject property or limit the scope of work in any other way must be considered very carefully, as the consequences can be severe. Instead of trying to limit responsibility for reports by limiting the scope of work, the appraiser should give consideration to not completing the assignment until all of the necessary steps can be taken. Someone will ultimately be held responsible for the decisions regarding the scope of work and the information that is and is not in the report. That someone will typically be the person signing the report.

Reciprocal Licenses

As of January 31, 2002, California has reciprocity (meaning OREA licensees may obtain reciprocal licenses in another state and vice versa) with the following states:

Arizona	Missouri	Tennessee
Colorado	Montana	Texas
Georgia	Nebraska	Utah
Illinois	New Hampshire	Washington*
Iowa	North Carolina	West Virginia
Kentucky	Ohio	Wyoming*
Louisiana	Oregon	
Massachusetts	South Dakota*	

Contact information for California's reciprocal states may be found on our website (www.orea.ca.gov) or on the Appraisal Subcommittee's website (www.asc.gov). Please note, reciprocal agreements do not apply to the Trainee level.

* Indicates reciprocal agreement is valid at the certified levels only

Enforcement Actions

Enforcement actions are based upon the totality of the circumstances and the merits of each matter on a case-by-case basis, including the nature and severity of the offenses involved, prior disciplinary actions, if any, and circumstances that support a finding that the offender has been rehabilitated. Violation descriptions may be partial and summarized due to space limitations. For these reasons, cases may appear similar on their face yet warrant different sanctions. For a description of the criteria followed by OREA in enforcement matters, please refer to Title 10, Article 12 (commencing with section 3721) of the California Code of Regulations. The following actions do not include letters of warning.

Public Disciplinary Actions

Barnett, Arthur AL008544 Fountain Valley	7/17/01. Settlement Agreement, \$2,500 fine, 60 day suspension stayed 30 days, 15 hrs. USPAP, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to report recent listing history of the subject property that was pertinent to the assignment; commission of a series of errors in the Sales Comparison Approach including inadequate support for adjustments and the selection of inappropriate sales comparables.
Boyer, Daniel AT028224 Laverne	6/28/01. Settlement Agreement, restricted license prohibiting interior inspections of properties without being accompanied by a Certified Residential or Certified General appraiser in good standing with OREA. Convicted of felony violation of Penal Code sections 211 and 487.1 and misdemeanor violation of Penal Code section 484(A).
Del Rosario, Edgardo AL027343 Palos Verdes Estates	4/1/01. Settlement Agreement, resigned license, \$1,000 Enforcement Costs. Alleged violations of USPAP S.R. 1 & 2 and Ethics Provision: misrepresented physical descriptions of comparable sales and intentionally photographed a property that was not a comparable sale; falsely certified a trainee's appraisal experience log.
Duncan, Garry AG007055 Woodbridge	4/23/01. License suspended due to failure to comply with terms of prior disciplinary action.
Elarmo, Raymond AL016556 Monterey	10/17/01. Accusation/Default Decision issuing 60-day stayed suspension, \$2,000 fine, 15 hrs. USPAP, 30 hrs. basic education, public reproof. Violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, Competency Rule: incorrectly reported key physical characteristics of the subject property's site and improvements; failed to accurately report appropriate depreciation and reproduction cost estimates in the Cost Approach; selected inappropriate sale comparables resulting in a significant overvaluation and predetermined value conclusion.
Elston, Stephen AG015653 Irvine	6/25/01. Settlement Agreement, resigned license while under investigation, \$500 enforcement costs. Convicted of felony violation of Penal Code section 487(a).
Hargett, Leilani AR005851 San Diego	5/30/01. Settlement Agreement, resigned the right to renew license. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Provision: failure to analyze current agreement of sales for multiple properties; misrepresentation of the physical

condition of multiple subject properties; failure to appropriately describe, analyze, and support the selection of comparable sales (some of which were “flip” transactions) used in the Sales Comparison Approach for multiple properties; commission of misleading appraisal reports resulting in significant overvaluations of multiple properties.

Hodge, Bernard
AG015568
San Bernardino

9/10/01. Settlement Agreement, \$2,000 fine, 15 hrs. USPAP, 20 hrs. basic education, one year appraisal log for monitoring, public reproof, license restriction requiring that all appraisals of non 1-4 unit properties be cosigned by a Certified General licensee in good standing with OREA. Alleged violations of USPAP S.R. 1 and 2, and Competency Rule: failure to accurately report key legal and physical characteristics of the subject property; commission of a series of errors in the Sales Comparison Approach including misrepresentation of the rental income of the comparable sales, incorrectly reporting actual sale prices of two comparable sales, and the failure to adjust for superior features of comparable sales; failure to analyze a previous sale of the subject property within three years of the date of the appraisal.

Hogue, Robert
AL018427
Fontana

6/11/01. Settlement Agreement, \$2,000 fine, 15 hrs. USPAP, 30 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2: failure to report key physical characteristics of the subject properties in two appraisal reports; failure to analyze the previous sale of the subject property within twelve months of the appraisal, as well as a current agreement of sale; selection of comparable sales dissimilar to the subject properties in two appraisal reports resulting in significant overvaluations.

Johnson, William
AL021974
Moreno Valley

9/5/01. Settlement Agreement, \$4,000 fine, 60 day suspension effective 9/10/01, 15 hrs. USPAP, 60 hrs. basic education, six month appraisal log for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Record Keeping Section and Conduct Section of the Ethics Rule: failure to accurately report key physical characteristics of two subject properties; failure to analyze the prior sales of two subject properties within 12 months of the date of the appraisal; failure to disclose and analyze a current listing of a subject property; commission of a series of errors in the Sales Comparison Approach for two subject properties including misrepresentation of data and the selection of inappropriate sales comparables resulting in gross overvaluations.

Landess, Margaret
AL025784
Rancho Cucamonga

5/22/01. Settlement Agreement, resigned license while under investigation. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, Competency Rule: incorrectly reported key legal and physical characteristics of the subject properties; commission of a series of errors in the Sales Comparison Approach for three assignments including the omission of relevant sale comparables in the immediate neighborhood, and the selection of sale comparables dissimilar to the subject properties, some of which appeared to be “flip” transactions.

Laugeson, Errol
AL012171
Upland

6/19/01. Settlement Agreement, \$2,000 fine, 60 day suspension stayed 30 days, 15 hrs. USPAP, 30 hrs. basic education, one year appraisal log for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule,

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Competency Rule: incorrectly reported key physical characteristics of the subject properties; failure to analyze the prior sales of multiple subject properties within 12 months of the date of the appraisal; commission of a series of errors in the Sales Comparison Approach for multiple properties including misrepresentation of data and the selection of inappropriate sales comparables.

Medo, Igor
AT027899
Woodland Hills

7/26/01. Settlement Agreement, resigned license while under investigation, \$1,000 enforcement costs. Alleged violations of Business and Professions Code Sections 11321(a) and (b) and California Code of Regulations Sections 3721(a)(2) and (4): signing an appraisal report while not licensed and using the name of another appraiser.

Melendres, Stephen
AR015616
Soquel

6/6/01. Accusation/Final Decision issuing \$3,000 fine, 15 hr. USPAP, 45 hrs. basic education, public reproof, one year appraisal log for monitoring. Violations of USPAP S.R. 1 and 2, Competency Rule, Conduct Section of the Ethics Rule: intentionally copied work from another appraiser's report and represented it to be his own; incorrectly utilized comparable sales dissimilar to the subject property in the Sales Comparison Approach.

Mendoza, Ricardo
AL014725
Anaheim

8/13/01. Settlement Agreement, \$2,500 fine, 15 hrs. USPAP, 45 hrs. basic education, one year appraisal log for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, Competency Rule: incorrectly reported key physical characteristics of the subject property's site and improvements; commission of a series of errors in the Sales Comparison Approach including misrepresentation of descriptive data of the comparable sales and the selection of inappropriate sales comparables resulting in a significant overvaluation.

Nguyen, Dan
AL027647
West Covina

6/27/01. Settlement Agreement, resigned license while under investigation. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, California Code of Regulations Sections 3721(4) & (5) and 3722(9): participation in the submission of incorrect and misleading data in an appraisal log for an OREA license upgrade; commission of a series of errors in the Sales Comparison Approach including misrepresentation of key physical attributes of a comparable sale and placement of an incorrect photograph of a property in order to misrepresent the comparable sale.

O'Donnell, James
AG004177
La Canada Flintridge

6/21/01. Settlement Agreement, one year restricted license prohibiting interior inspections of properties unless accompanied by another licensed or certified appraiser in good standing with OREA. Convicted of misdemeanor violation of Penal Code section 415.

Rangel, Ysrael
AG008150
Alta Loma

5/29/01. Settlement Agreement, \$5,000 fine, 60 day suspension effective June 1, 2001, one year restricted license prohibiting significant professional assistance from others, 15 hrs. USPAP, 60 hrs. basic education, one year appraisal log for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Provision: failure to disclose an adverse locational influence adjacent to subject property; failure to disclose significant professional assistance of an unlicensed appraiser who inspected subject property; failure to report recent remodeling and addition to the subject property.

<p>Richmond, Richard AR007411 Corona</p>	<p>7/5/01. Settlement Agreement, resigned license while under investigation, \$1,000 fine. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to disclose and analyze current agreements of sale as well as previous sales of the subject properties within 12 months of the date of the appraisal; misrepresentation of key legal and physical characteristics of multiple subject properties that misled the readers of the appraisal reports; commission of a series of errors in the Sales Comparison Approach for multiple assignments including the misrepresentation of data sources and the inclusion of sales comparables dissimilar to the subject properties resulting in gross overvaluations.</p>
<p>Shelton, Richard AR012488 Orangevale</p>	<p>6/15/01: Settlement Agreement, resigned license while under investigation. Alleged violations of USPAP S.R. 1 & 2: failure to conform to the reporting requirements of a restricted appraisal report.</p>
<p>Stroud, Maurice AR017551 Inglewood</p>	<p>6/26/01. Settlement Agreement, resigned license while under investigation, \$1,500 fine and enforcement costs. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to disclose and analyze current agreements of sale for three subject properties; commission of a series of errors in the Income Approach for two properties resulting in significant overvaluations; commission of a series of errors in the Sales Comparison Approach for three properties resulting in significant overvaluations.</p>
<p>Smith, Flyod AG016020 Compton</p>	<p>5/16/01. Settlement Agreement, \$5,000 fine, \$4,000 enforcement costs, downgrade of appraisal license from Certified General to Residential License, 15 hrs. USPAP, 45 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, Competency Rule: failure to consider and analyze current agreements of sale for multiple properties; commission of a series of errors in the Sales Comparison and Income Approaches to value resulting in misleading appraisal reports with significant overvaluations.</p>
<p>Smith, Brian AR010229 Downey</p>	<p>7/1/01. Settlement Agreement, resigned license while under investigation. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Provision: failure to disclose and analyze previous sales of the subject properties within 12 months of the date of the appraisal in multiple assignments that facilitated “flip” transactions; misrepresented key locational and physical characteristics of the subject properties: commission of a series of errors in the Sales Comparison Approach for multiple assignments including the omission of relevant sale comparables in the immediate neighborhood and the inclusion of sales comparables dissimilar to the subject properties, some of which appeared to be “flip” transactions.</p>
<p>Smith, Robbie AR015127 Anaheim Hills</p>	<p>7/11/01. Accusation/Default Decision: \$5,000 fine and enforcement costs, public reproof. Violations of USPAP S.R. 1 & 2, Conduct Section of the Ethics Rule: failure to analyze current agreements of sale for two subject properties, as well as failure to disclose and analyze a previous sale of a subject property within 12 months of the date of the appraisal; commission of a series of errors in the Sales Comparison and Income Approach for two properties resulting in significant overvaluations.</p>

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Stone, Bruce AL017844 El Cajon	7/11/01. Accusation/Default Decision: \$2,000 fine, 15 hrs USPAP, 45 hrs. basic education, public reproof. Violations of USPAP S.R. 1 & 2, Competency Rule: failure to accurately report key characteristics of the subject property's neighborhood and improvements; commission of a series of errors in the Sales Comparison Approach resulting in a misleading report.
Tamberg, Randall AR001808 Danville	7/16/01. Accusation/Default Decision: \$2,500 fine, 15 hrs USPAP, 45 hrs. basic education, public reproof. Violations of USPAP S.R. 1 & 2, Competency Rule: failure to accurately report key location, physical, legal, and economic characteristics of the subject property; commission of a series of errors in the Sales Comparison Approach resulting in an overvaluation.
Taylor, Paul AR007088 Los Angeles	10/18/01. Accusation/Default Decision issuing \$2,000 fine, public reproof. Violation of Business and Professions Code section 11321(a): referencing a state certification number without being licensed.
Toland, Leslie AL013708 El Dorado	5/2/01. Settlement Agreement, \$4,000 fine, 60 day suspension effective May 1, 2001, with 30 days stayed, 15 hrs. USPAP, 45 hrs. basic education, one year appraisal log for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Provision: failure to report the previous sale histories of three subject properties; failure to appropriately select, analyze, and describe the comparable sales used in the Sales Comparison Approach for three subject properties; commission of three misleading appraisal reports resulting in significant overvaluations.
Vilotti, Stephen AR012555 Chino	6/13/01. Accusation/Default Decision issuing \$2,000 fine, 15 hr. USPAP, 30 hrs. basic education, public reproof, one year appraisal log for monitoring. Violations of USPAP S.R. 1 and 2: failure to properly disclose and analyze a hypothetical condition of the subject property; incorrectly utilized comparable sales dissimilar to the subject property in the Sales Comparison Approach resulting in a substantial overvaluation.
Zulueta, Rugelio AG010581 Millbrae	9/18/01. Accusation/Default Decision: \$2,500 fine, 60 day suspension effective 10/1/01, one year appraisal log for monitoring, public reproof. Violations of USPAP S.R. 1 & 2, Conduct Section of the Ethics Rule: failure to accurately represent the subject property as a mixed use property with a commercial use; commission of a series of errors in the Income Approach including the misrepresentation of the actual rents of the rent comparables and the lack of support for the GRM Conclusion.

Revocations

Joanides, Nicholas AR009578 Woodland Hills	4/19/01. Director adopted Administrative Law Judge's proposed decision revoking appraiser's license. Violations of USPAP S.R. 1 and 2 and the Conduct section of the Ethics Rule: misrepresentation of the subject properties' physical and locational characteristics, misrepresentation of the comparable sales used in five appraisal reports, gross overvaluation of five subject properties in "flip" transactions.
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<p>Muollo, Frederick AR009220 Sacramento</p>	<p>10/10/01. Accusation/Default Decision revoking the right to renew license, \$2,000 fine. Violation of Business and Professions Code section 11321(a): referencing a state certification number without being licensed.</p>
<p>Rohde, David AG004357 Santa Ana</p>	<p>8/23/01. Accusation/Default Decision revoking the right to renew license, \$5,000 fine. Violations of USPAP Conduct Section of the Ethics Rule, and California Code of Regulations sections 3721(a)(2)(6), and 3702(a)(2): fraudulently signing the name of another licensed appraiser to an appraisal; failure to pay subcontractors of appraisal services.</p>
<p>Tran, Son AR016264 San Jose</p>	<p>7/23/01. Accusation/Default Decision revoking right to renew license. Violations of Business & Professions Code Sections 11320 and 11321(b); California Code of Regulations Title 10, Sections 3721(a)(2)(4)(6) and (7); and USPAP, Conduct Section of the Ethics Rule: solicitation and completion of appraisal assignments with a suspended license; signing the name of another licensed real estate appraiser for multiple appraisals.</p>

License Application Denied

<p>Van Buskirk, David AL010509 Apple Valley</p>	<p>9/27/01. Director adopted Administrative Law Judge’s proposed decision denying appraiser’s license. Convicted of violation of Penal Code section 12025(A), 12031(a), and 23152(a).</p>
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Private Reprovals

<p>Residential licensee</p>	<p>8/6/01. Citation/Final Order. \$1,000 fine, 15 hrs. USPAP, 45 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: failure to disclose the extent of external obsolescence influencing the subject property; commission of a series of errors in the Sales Comparison Approach including the omission of relevant superior sales comparables to the sales used in the analysis and the lack of support for across-the-board adjustments.</p>
<p>Residential licensee</p>	<p>6/5/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately report physical characteristics of the subject property’s site and improvements; incorrectly reported actual situs information and physical amenities of comparable sales utilized in the Sales Comparison Approach.</p>
<p>Trainee licensee</p>	<p>6/19/01. Settlement Agreement, \$250 fine, private reproof, requirement that licensee adhere to terms of court ordered probation. Any violations will result in automatic revocation of license. Convicted of misdemeanor violation of Penal Code section 415(1).</p>
<p>Residential licensee</p>	<p>7/19/01. Citation/Final Order. \$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education,</p>

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private reproof. Violations of USPAP S.R. 1 and 2: failure to identify and disclose adverse external influences proximate to the subject property; failure to adjust for the subject property's adverse locational and site influences in the Sales Comparison Approach.

- Residential licensee 6/20/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, private reproof. Violations of USPAP S.R. 1 and 2: failure to state intended use and intended users of an appraisal report; commission of a series of errors in the Sales Comparison Approach including the omission of relevant sales comparables, incorrectly reporting all key physical characteristics of the comparable sales, and failure to provide adequate support for conclusions in the analysis.
- Residential licensee 9/5/2001. Settlement Agreement, private reproof. Requirement that licensee adhere to terms of court ordered probation. Any violations will result in automatic revocation of license. Convicted of misdemeanor violations of California Vehicle Code section 20002(a).
- Certified General licensee 5/21/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately report all key physical characteristics of the subject property; commission of a series of errors in the Sales Comparison Approach including misrepresentation of data sources and inappropriate selection of comparable sales.
- Residential licensee 9/12/01. Citation/Final Order. \$750 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to adequately analyze a current agreement of sale for the subject property; commission of a series of errors throughout the appraisal report including reporting the incorrect zoning, lack of support for the effective age estimation, and failure to support adjustments in the Sales Comparison Approach.
- Residential licensee 5/2/01. Citation/Final Order. \$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: misrepresentation of the subject property's condition and effective age; commission of errors in the Sales Comparison Approach including the failure to accurately report key physical characteristics of the comparable sales and the lack of support for adjustments.
- Residential licensee 3/2/01. Citation/Final Order. \$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education, public reproof stayed. Violations of USPAP S.R. 1 and 2, Conduct and Management Section of the Ethics Rule, and Competency Rule: Commission of a series of significant errors in the Sales Comparison Approach; failure to accurately describe the subject property's key physical characteristics.
- Certified General licensee 8/14/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to employ correct methodology in the use of the extraction method in estimating the land value of the

	subject property; exclusion of pertinent comparable sales data in the Sales Comparison Approach.
Certified Residential licensee	10/2/01. Settlement Agreement, \$750 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Alleged violations of USPAP S.R. 1 and 2, Competency Rule: failure to adequately research comparable sales used in the Sales Comparison Approach; accepted an appraisal assignment based on a predetermined value.
Certified Residential licensee	6/5/01. Citation/Final Order. \$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to report and analyze a previous sale of the subject property within twelve months of the appraisal; incorrectly selected comparable sales from a superior market area in the Sales Comparison Approach; commission of a significant overvaluation of the subject property.
Certified Residential licensee	8/28/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to analyze a current agreement of sale for the subject property; failure to explain reasoning for not adjusting comparable sales dissimilar in key physical characteristics to the subject property in the Sales Comparison Approach.
Certified General licensee	6/6/01. Accusation/Final Decision issuing \$2,000 fine, 15 hr. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, Competency Rule: failure to disclose and analyze a current purchase contract and a previous sale of the subject property twelve months prior to the appraisal date; failure to accurately report detrimental market activity in the subject property's market area; incorrectly utilized comparable sales dissimilar in location and physical characteristics to the subject property in the Sales Comparison Approach resulting in a valuation with no support.
Certified Residential licensee	5/7/01. Citation/Final Order. \$500 fine, private reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: misrepresentation of the living area size of the subject property; commission of a series of errors in the Sales Comparison Approach.
Certified Residential licensee	5/3/01. Citation/Final Order. \$1,000 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately report all key physical characteristics of the subject property; failure to provide sufficient support for the selection of comparable sales, adjustments, and conclusions in the Sales Comparison Approach.
Residential licensee	7/12/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: failure to accurately report all key physical characteristics of the subject property; failure to support adjustments applied in the Sales Comparison Approach.

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Certified Residential licensee	8/13/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to correctly perform the Income Approach for a two-unit property by incorrectly reporting the rents for the subject property and not supporting the GRM conclusion; failure to disclose and analyze a hypothetical condition used in the appraisal of the subject property.
Residential licensee	6/13/01. Citation/Final Order. \$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: failure to analyze an option to purchase for the subject property; failure to report that a final value estimate was subject to the completion of repairs to the subject property; failure to provide adequate support for the final estimates of expense projections and capitalization rates for two subject properties in the Income Approaches.
Certified Residential licensee	8/13/01. Citation/Final Order. \$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: misrepresentation of the physical characteristics of the subject property which lead the reader of the appraisal report to believe it was a residential use as opposed to an assisted care facility.
Certified General licensee	7/19/01. Citation/Final Order. \$1,000 fine, 15 hrs. USPAP, 45 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: failure to accurately report the actual high vacancy rates for two multi-residential properties; commission of a series of errors in the Income Approaches for two multi-residential properties including the incorrect analysis of the capitalization rate and incorrectly analyzing the operating expenses.
Certified Residential licensee	3/2/01. Citation/Final Order. \$750 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: commission of a series of errors in the Sales Comparison Approach for multiple properties; failure to accurately describe the key physical characteristics of the subject properties.
Certified Residential licensee	6/20/01. Citation/Final Order. \$1,500 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: failure to analyze relevant previous recent transfers of two subject properties, one that occurred at a price substantially below the final value estimate; selection of comparable sales dissimilar to the subject property in the Sales Comparison Approach.
Residential licensee	7/31/01. Accusation/Default Decision: \$1,000 fine, 15 hrs USPAP, 60 hrs. basic education, private reproof. Violations of USPAP S.R. 1 & 2, Competency Rule: failure to report and analyze the recent relevant listing histories of multiple subject properties; commission of a series of errors in the Sales Comparison Approaches for multiple properties resulting in gross overvaluations. Appraiser held appraiser trainee license at time of violations. All reports were cosigned by licensed appraisers.
Certified Residential licensee	8/28/01. Settlement Agreement. \$250 fine, private reproof. Alleged violations

	of USPAP S.R. 1 and 2: failure to disclose and analyze the adverse impact of a commercial property located adjacent to the subject property, a residential use; failure to accurately report the sales price of a comparable sale.
Certified Residential licensee	8/29/01. Citation/Final Order. \$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to analyze a material recent sale of the subject property; exclusion of pertinent comparable sales data in the Sales Comparison Approach.
Trainee licensee	5/21/2001. Settlement Agreement, \$250 fine, private reproof. Requirement that licensee adhere to terms of court ordered probation. Any violations will result in automatic revocation of license. Convicted of misdemeanor violations of Penal Code section 148.9(a).
Certified General licensee	4/26/01. Citation/Final Order. \$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to analyze a recent prior listing of the subject property at a price significantly lower than the concluded value estimate; failure to provide sufficient support for the adjustments and conclusions in the Sales Comparison Approach.
Residential licensee	6/20/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately describe key legal and physical characteristics of the subject properties; failure to provide adequate support for adjustments estimated in the Sales Comparison Approach.
Certified Residential licensee	9/14/00. Citation/Final Order, \$500 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to accurately analyze the impact of rent controls in the subject property's market area; failure to provide adequate support for the GRM conclusion in the Income Approach.
Residential licensee	5/31/01. Citation/Final Order. \$2,000 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, and Competency Rule: misrepresentation of key physical characteristics of the subject property; failure to disclose that value estimate was based on a hypothetical condition; failure to accurately report and analyze comparable rental data in the Income Approach.
Certified General licensee	4/24/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to provide the correct zoning information of the subject property; failure to provide adequate support for the highest and best use conclusion; commission of a series of errors in the Sales Comparison Approach.
Certified Residential licensee	7/2/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 20 hrs. basic education, <i>(Continued on page 22)</i>

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	private reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: failure to accurately report the correct living area square footage of the subject property; incorrectly applied adjustments in the Sales Comparison Approach.
Residential licensee	5/23/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to disclose and analyze a current listing of the subject property on the effective date of the appraisal; incorrectly utilized a distress sale in the Sales Comparison Approach; misrepresented key physical characteristics of a comparable sale.
Certified General licensee	7/20/01. Citation/Final Order. 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately report key legal characteristics of the subject property; failure to properly verify and report the comparable sales used in the Sales Comparison Approach.
Certified Residential licensee	5/31/01. Citation/Final Order. \$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2 failure to accurately report income and physical characteristics of the sales comparables used in the Sales Comparison Approach; failure to report the correct zoning of the subject property and potential adverse commercial influences surrounding the subject property; incorrectly utilized a distress sale in the Sales Comparison Approach; misrepresented key physical characteristics of a comparable sale.
Certified Residential licensee	8/28/01. Accusation/Default Decision. \$1,500 fine, 15 hrs. USPAP, private reproof. Violations of USPAP S.R. 1 and 2, and Competency Rule: failure to analyze a pending sale of the subject property; failure to employ a recognized methodology for appraising the subject property.
Certified Residential licensee	9/24/01. Citation/Final Order. \$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to disclose the recent sale of the subject property within one year of the date of the appraisal; commission of a series of errors in the Income Approach including the lack of support for the GRM conclusion and estimated gross income of the subject property.
Certified Residential licensee	7/12/01. Citation/Final Order. \$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to accurately describe key legal and physical characteristics of the subject property; failure to report a recent listing of the subject property significantly below the estimated value of the appraisal; failure to adequately verify all relevant details of the comparable sales used in the Sales Comparison Approach.
Trainee licensee	6/13/01. Settlement Agreement, \$250 fine, private reproof. Violation of California Code of Regulations, section 3721(a)(5): knowingly made a false statement of material fact required to be disclosed in an application for a license.
Certified Residential licensee	5/14/01. Settlement Agreement, \$500 fine, 15 hrs. USPAP, private reproof. Alleged

violations of USPAP S.R. 1 and 2: failure to report key market transactions near the subject property that were key to the analysis; incorrectly selecting superior comparable sales in the Sales Comparison Approach without performing adequate adjustments to account for the subject property's adverse locational and condition factors.

Certified General licensee	6/5/01. Citation/Final Order. \$1,000 fine, 15 hrs. USPAP, 15 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: failure to accurately report key physical and legal characteristics of the subject property; commission of a series of errors in the Sales Comparison Approach including the omission of relevant comparable sales and the incorrect reporting of key amenities of the comparable sales.
Certified Residential licensee	5/3/01. Citation/Final Order. \$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately report key physical characteristics of the site and improvements of the subject properties; failure to provide adequate support for the adjustments and conclusions in the Sales Comparison Approach.
Residential licensee	7/19/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: commission of a series of errors in the Sales Comparison Approach including the omission of recent model match sales located in close proximity to the subject property and the failure to report key amenities of the comparable sales used in the analysis.

Delinquent Court-Ordered Child Support Actions

Chenelia, Paul AR022532	6/20/01: License Reinstated, 6/5/01: License Suspended: Violation of Family Code, Section 17520
Lombardo, Michael AT027572	9/4/01: License Suspended: Violation of Family Code, Section 17520
Peters, Troy AG025225	10/24/01: License Reinstated, 10/4/01: License Suspended: Violation of Family Code, Section 17520
Fernandez, Aldo AL027893	7/10/01: License Reinstated, 7/3/01: License Suspended: Violation of Family Code, Section 17520
Webber, Keith AR009313	6/20/01: License Reinstated, 6/5/01: License Suspended: Violation of Family Code, Section 17520
Shropshire, Kim AR009294	7/16/01: License Reinstated, 7/3/01: License Suspended: Violation of Family Code, Section 17520
Dye, Richard AL018144	7/9/01: License Reinstated, 7/3/01: License Suspended: Violation of Family Code, Section 17520
Law, J. Douglas AR013328	10/25/01: License Reinstated, 4/6/01: License Suspended: Violation of Family Code, Section 17520

OREA

State of California

GRAY DAVIS

Governor

Business, Transportation and Housing Agency

MARIA CONTRERAS-SWEET

Secretary

Office of Real Estate Appraisers

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