

BEFORE THE  
BUREAU CHIEF OF THE BUREAU OF REAL ESTATE APPRAISERS  
BUREAU OF REAL ESTATE APPRAISERS  
STATE OF CALIFORNIA

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

Eric Rahn,  
1723 Hemlock St  
Fairfield, CA 94533

Case No. C 20161017-06 &  
C20161116-01

Respondent.

**DECISION AND ORDER**

The attached Stipulated Settlement and Disciplinary Order is hereby adopted by the Chief of the Bureau of Real Estate Appraisers, Department of Consumer Affairs as the Decision and Order in the above entitled matter.

This Decision shall become effective on 2-26-18.

It is so ORDERED 1-26-18.

**Original Signed**

JAMES MARTIN, BUREAU CHIEF,  
BUREAU OF REAL ESTATE APPRAISERS  
DEPARTMENT OF CONSUMER AFFAIRS

1 Bureau of Real Estate Appraisers  
2 1102 Q Street, Suite 4100  
3 Sacramento, CA 95811

4 Telephone: (916) 552-9021  
5 Facsimile: (916) 552-9008

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7 **BEFORE THE**  
8 **CHIEF OF THE BUREAU OF REAL ESTATE APPRAISERS**  
9 **STATE OF CALIFORNIA**

10 In the Matter of the Administrative Allegation of  
11 Violation Against:

12 **Eric A. Rahn**  
13 **Real Estate Appraiser License No. 039694**

14 Respondent.

15 Case No. C20161017-06 & C20161116-01

16 **STIPULATED SETTLEMENT AND**  
17 **DISCIPLINARY ORDER**

18 In the interest of a prompt and speedy settlement of this matter, consistent with the public  
19 interest and mission of the Bureau of Real Estate Appraisers (“Bureau” or “BREA”), the parties  
20 hereby agree to the following Stipulated Settlement and Disciplinary Order (“Stipulated  
21 Settlement”) which will be submitted to the Chief of the Bureau of Real Estate Appraisers  
22 (“Bureau Chief” or “Chief of BREA”) for approval and adoption as the final disposition of this  
23 proceeding:

24 **PARTIES**

25 1. Aaron Klinger, acting on behalf of the Bureau of Real Estate Appraisers  
26 (“Complainant”), brings this action solely in his official capacity as Chief of Enforcement for  
27 Complainant.

28 2. Eric A. Rahn (“Respondent”) is representing himself and has chosen not to exercise  
his right to be represented by counsel at this time.

29 3. On or about March 3, 2006, the Bureau issued Real Estate Appraiser License Number  
30 039694 to Respondent. Respondent’s License was in full force and effect at all times relevant to  
31 the attached administrative allegation of violation and unless renewed will expire on March 2,  
32 2020.

## JURISDICTION

4. The Bureau initiated an investigation resulting in administrative allegation of violation.

5. When deemed by the Bureau Chief to be in the public interest, the Bureau Chief has the authority under Business and Professions Code section 11315.5 to enter into a settlement related to administrative allegation of violation of the Real Estate Appraisers' Licensing and Certification Law or regulations promulgated pursuant thereto, upon any terms and conditions as the Bureau Chief deems appropriate.

6. The administrative allegation of violation against Respondent is attached as Exhibit "A" and incorporated herein by reference.

## ADVISEMENT AND WAIVERS

7. Respondent has carefully read and understands the charges and allegations in the administrative allegation of violation. Respondent has also carefully read and understands the effects of this Stipulated Settlement.

8. Respondent is fully aware of his or her legal rights in this matter, including the right to a hearing on the administrative allegation of violation; the right to be represented by counsel at his or her own expense; the right to confront and cross-examine the witnesses against him or her; the right to present evidence and to testify on his or her own behalf; the right to the issuance of subpoenas to compel the attendance of witnesses and the production of documents; the right to reconsideration and court review of an adverse decision; and all other rights accorded by the California Administrative Procedure Act and other applicable laws.

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

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## CULPABILITY

10. Respondent admits the truth of each and every administrative allegation of violation attached as Exhibit "A", and agrees that cause exists for discipline against his or her Real Estate Appraiser License.

11. Respondent agrees that his or her Real Estate Appraiser License is subject to discipline and he or she agrees to be bound by the Bureau Chief's imposition of discipline as set forth in the following Disciplinary Order.

## CONTINGENCY

9        12. This Stipulated Settlement shall be subject to approval by the Bureau Chief.  
10      Respondent understands and agrees that counsel for Complainant and Complainant's staff may  
11      communicate directly with the Bureau Chief regarding this Stipulated Settlement, without notice  
12      to or participation by Respondent or his or her counsel. By signing this Stipulated Settlement,  
13      Respondent understands and agrees that he or she may not withdraw his or her agreement or seek  
14      to rescind this Stipulated Settlement prior to the time the Bureau Chief considers and acts upon it.  
15      If the Bureau Chief fails to adopt this Stipulated Settlement, the Stipulated Settlement shall be of  
16      no force or effect, and, except for this paragraph, it shall be inadmissible in any legal action  
17      between the parties, and the Bureau Chief shall not be disqualified from further action by having  
18      considered this matter.

19       13. The parties understand and agree that Portable Document Format (“PDF”) or  
20       facsimile copies of this Stipulated Settlement, including PDF or facsimile signatures thereto, shall  
21       have the same force and effect as the originals.

22        14. This Stipulated Settlement is intended by the parties to be an integrated writing  
23 representing the complete, final, and exclusive embodiment of their agreement. It supersedes any  
24 and all prior or contemporaneous agreements, understandings, discussions, negotiations, and  
25 commitments (written or oral). This Stipulated Settlement may not be altered, amended,  
26 modified, supplemented, or otherwise changed except by a writing executed by an authorized  
27 representative of each of the parties.

1        15. In consideration of the foregoing admissions and stipulations, the parties agree that  
2 the Bureau Chief may, without further notice or formal proceeding, issue and enter the following  
3 Disciplinary Order:

## **DISCIPLINARY ORDER**

5 IT IS HEREBY ORDERED that Respondent's Real Estate Appraisers License No. 039694  
6 is publically reproved. Additionally, Respondent must pay a fine and complete educational  
7 courses as described below:

8       1. **Payment of Fine.** Respondent shall pay a fine in the sum of Two Thousand Five  
9       Hundred Dollars (\$2,500.00). Payment of this fine shall be due thirty (30) days from the effective  
10      date of the Decision and Order as signed by the Bureau Chief. Payment shall be made to the Real  
11      Estate Appraisers Regulation Fund, c/o Bureau of Real Estate Appraisers, 1102 Q Street, Suite  
12      4100, Sacramento, California 95811, by check or money order and shall indicate on its face the  
13      notation: "BREA Case No. C20161017-06 & C20161116-01." If payment is not received by the  
14      due date, a ten (10) percent late penalty shall be added to the unpaid balance and interest will  
15      accrue on the unpaid balance at the pooled money investment rate in effect at that time, until the  
16      amount is paid. Respondent shall not be eligible to renew his or her license until such time as  
17      payment is made.

18       **2. Basic Appraisal Procedures.** Respondent shall take and successfully complete 30  
19 hours of BREA approved basic education, within 12 months from the effective date of the  
20 Decision and Order, covering the following modules: Basic Appraisal Procedures. The course(s)  
21 may be taken on-line or in a classroom setting but must administer a closed-book final  
22 examination. Respondent must submit proof of successful completion of the course(s) and final  
23 examination within 12 months following the effective date of the Decision and Order.  
24 Respondent understands that it is his/her responsibility to ensure that the course meets all of the  
25 requirements listed above and to make all necessary and preparatory arrangements to take the  
26 course. This educational course may not be credited toward Respondent's continuing education  
27 requirements required for renewal of Respondent's real estate appraiser license. Failure to comply  
28 with the education requirements as contained in this Decision and Order shall result in an

1 automatic suspension of Respondent's real estate appraiser license. In order to reinstate  
2 Respondent's license if it is automatically suspended for failure to comply with the education  
3 requirement, Respondent must provide BREA with the following: (i) satisfactory verification of  
4 the completion of the education course or courses imposed; (ii) completion and filing of a  
5 reinstatement application; (iii) payment of all applicable fees, fines, or penalties.

3. **Report Writing vs Form Filling.** Respondent shall take and pass the Appraisal Foundation's on-line corrective education course on "Report Writing vs Form Filling" within 6 months of the effective date the Decision and Order. Respondent must submit proof of successful completion of the course within 6 months following the effective date of the Decision and Order. Respondent understands that it is his/her responsibility to ensure that the course meets all of the requirements listed above and to make all necessary and preparatory arrangements to take the course. This educational course may not be credited toward Respondent's continuing education requirements required for renewal of Respondent's real estate appraiser license. Failure to comply with the education requirements as contained in this Order shall result in an automatic suspension of Respondent's real estate appraiser license. In order to reinstate Respondent's license if it is automatically suspended for failure to comply with the education requirement, Respondent must provide BREA with the following: (i) satisfactory verification of the completion of the education course or courses imposed; (ii) completion and filing of a reinstatement application; and (iii) payment of all applicable fees, fines, or penalties.

## ACCEPTANCE

21 I have carefully read the above Stipulated Settlement. I understand the stipulation and the  
22 effect it will have on my Real Estate Appraiser License. I enter into this Stipulated Settlement  
23 voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the  
24 Bureau Chief.

25  
26 DATED: 1/22/18

**Original Signed**

Eric A. Rahn  
Respondent

## ENDORSEMENT

The foregoing Stipulated Settlement is hereby respectfully submitted for the Bureau Chief's consideration.

DATED:

*Original Signed*

Aaron Klinger  
Chief of Enforcement

## Exhibit A

**Administrative Allegation of Violation - Case No. C20161017-06 & C20161116-01**

On or about July 29, 2016, Respondent completed an appraisal of the property located at 3275 Corte Valencia, Fairfield, California. The report contains certain errors and omissions in violation of the Uniform Standards of Professional Appraisal Practice (USPAP), listed as follows:

- a) Respondent failed to appropriately discuss and analyze the subject's gated golf course community, including the subject's immediate development that consisted of attached two- and three-home clusters. Additionally, Respondent falsely stated the development's common elements included a public golf course and country club (S.R. 1-2(e)(i) and 2-2(a)(iii));
- b) Respondent failed to appropriately discuss and analyze the subject sided to an arterial street (S.R. 1-2(e)(i) and 2-2(a)(iii));
- c) Respondent falsely stated the subject was located on a public street, whereas the subject was located in a gated community with private streets (S.R. 1-2(e)(i) and 2-2(a)(iii));
- d) Respondent failed to appropriately discuss and analyze the subject was a semi-detached end unit that shared a common wall with the inside unit of three attached homes (S.R. 1-2(e)(i) and 2-2(a)(iii));
- e) Respondent falsely stated the subject's zoning as PUD and the zoning description as Planned Unit Development, whereas the subject had RLM-H-PD zoning, which is Residential-Low Medium Density with Hillside and Planned Development Overlay Districts (S.R. 1-3(a) and 2-2(a)(iii));
- f) Respondent created a misleading report by failing to collect, verify, and analyze all information necessary for credible assignment results via the Sales Comparison Approach. Specifically, Respondent failed to appropriately discuss and analyze the subject siding to an arterial street in comparison to the varying locations of the comparable sales used. Respondent failed to utilize any of the available semi-detached comparable sales located within the subject's development while failing to appropriately discuss and analyze the

detached comparable sales used with superior designs, bedroom and garage amenities and site sizes (S.R. 1-4(a) and 2-2(a)(viii));

- g) Based upon the findings noted in above items a, b, c, d, e and f, Respondent failed to correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal (S.R. 1-1(a));
- h) Based upon the findings a, b, c, d, e and f, Respondent committed substantial errors of omission or commission that significantly affected the appraisal (S.R. 1-1(b));
- i) Based on the findings a, b, c, d, e and f, Respondent failed to clearly and accurately set forth the appraisal in a manner that would not be misleading (S.R. 2-1(a));
- j) Based on the findings a, b, c, d, e and f, Respondent failed to provide sufficient information to enable the intended users of the report to understand it properly (S.R. 2-1(b)); and
- k) Based on the findings a, b, c, d, e and f, in addition to appraisal that was not credible, Respondent violated the Conduct section of the Ethics Rule.

The above violations of USPAP subject Respondent's license to discipline pursuant to Title 10 of California Code of Regulations, section 3721(a)(6).

On or about August 18, 2016, Respondent completed an appraisal of the property located at 440 Stinson Avenue, Vacaville, California. The report contains certain errors and omissions in

- a) Respondent provided false photographs for three of the four comparable sales used in his appraisal report (S.R. 1-2(h), 2-2(vii) and Scope of Work Rule);
- b) Respondent created a misleading report by failing to collect, verify, and analyze all information necessary for credible assignment results via the Sales Comparison Approach. Specifically, Respondent failed to utilize any of the available comparable sales located within the subject's development while failing to appropriately discuss and analyze the comparable sales used from a superior development. Respondent also failed to provide market based data and rationale to support the adjustments applied to each of the comparable sales used, including bathroom, fireplace and garage amenities. Additionally,

Respondent failed to discuss and analyze the adjusted sale price disparity between one- and two-story end and inside units (S.R. 1-4(a) and 2-2(a)(viii));

- c) Respondent disclosed, but failed to appropriately analyze and support why his concluded value of \$250,000 was 47% (\$80,000) above its prior sale approximately 17 months earlier for \$170,000 (S.R. 1-5(b) and 2-2(a)(viii));
- d) Based upon the findings a, b and c, Respondent failed to correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal (S.R. 1-1(a));
- e) Based upon the findings a, b and c, Respondent committed substantial errors of omission or commission that significantly affected the appraisal (S.R. 1-1(b));
- f) Based on the findings a, b and c, Respondent failed to clearly and accurately set forth the appraisal in a manner that would not be misleading (S.R. 2-1(a));
- g) Based on the findings a, b and c, Respondent failed to provide sufficient information to enable the intended users of the report to understand it properly (S.R. 2-1(b)); and
- h) Based on the findings a, b and c, in addition to appraisal that was not credible, Respondent violated the Conduct section of the Ethics Rule.

The above violations of USPAP subject Respondent's license to discipline pursuant to Title 10 of California Code of Regulations, section 3721(a)(6).

On or about February 11, 2016, Respondent submitted an application for appraisal approval using a false errors and omissions (E&O) insurance policy to Complainant.

Respondent's actions were in violation of the California Code of Regulations, Title 10 Chapter 6.5 Section 3500, *et seq.*, listed as follows:

(a) Respondent submitted an application to Complainant that misrepresented another appraiser's errors and omission (E&O) insurance policy as his own. Under this false claim of insurance, Respondent was able to obtain and perform an appraisal assignment without a valid/active errors and omissions insurance policy, which he knew was a client requirement

The above action subjects Respondent's license to discipline pursuant to Title 10 of

1 California Code of Regulations, section 3702(a)(3) and 3721(a)(2) and (7)).  
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