BEFORE THE
BUREAU OF REAL ESTATE APPRAISERS
DEPARTMENT OF CONSUMER AFFAIRS
STATE OF CALIFORNIA

In the Matter of the Accusation Against: **AMR APPRAISALS, INC., DBA GOT APPRAISALS** 4000 Executive Pkwy, #230 San Ramon, CA 94583 **Appraisal Management Company** **Registration No. 1253** Respondent.	Case No. L20190821-01 OAH No. 2019120619

DECISION AND ORDER

The attached Stipulated Settlement and Disciplinary Order for Public Reproval is hereby adopted by 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 5-21-20.

IT IS SO ORDERED.

ORIGINAL SIGNED

By

James S. Martin, Chief
Bureau of Real Estate Appraisers
Department of Consumer Affairs

XAVIER BECERRA
Attorney General of California
DIANN SOKOLOFF
Supervising Deputy Attorney General
SUSANA A. GONZALES
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Attorneys for Complainant

BEFORE THE
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In the Matter of the Accusation Against: **AMR APPRAISALS, INC., DBA GOT APPRAISALS** 4000 Executive Pkwy, #230 San Ramon, CA 94583 **Appraisal Management Company Registration No. 1253** Respondent.	Case No. L20190821-01 OAH No. 2019120619 **STIPULATED SETTLEMENT AND DISCIPLINARY ORDER FOR PUBLIC REPROVAL** **[Bus. & Prof. Code § 495]**

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

PARTIES

1. Aaron Klinger, acting on behalf of the Bureau of Real Estate Appraisers (Complainant), Department of Consumer Affairs, brought this action solely in his capacity as the Chief of Enforcement for Complainant, and is represented in this matter by Xavier Becerra, Attorney General of the State of California, by Susana A. Gonzales, Deputy Attorney General.

2. Respondent AMR Appraisals, Inc., dba Got Appraisals (Respondent) is represented in this matter by Michael S. Biggs, whose address is 319 Lennon Lane, Walnut Creek, CA 94598-2418.

JURISDICTION

3. On or about May 12, 2018, the Bureau (formerly Office of Real Estate Appraisers) issued Appraisal Registration No. 1253 to AMR Appraisals, Inc., dba Got Appraisals (Respondent). The Appraisal Registration was in full force and effect at all times relevant to the charges brought in Accusation No. L20190821-01, and will expire on May 11, 2022, after application deficiencies are cured.

4. Accusation No. L20190821-01 was filed before the Bureau of Real Estate Appraisers, Department of Consumer Affairs, and is currently pending against Respondent. The Accusation and all other statutorily required documents were properly served on Respondent on October 10, 2019. Respondent timely filed its Notice of Defense contesting the Accusation. A copy of Accusation No. L20190821-01 is attached as exhibit A and incorporated by reference.

ADVISEMENT AND WAIVERS

5. Respondent has carefully read, fully discussed with counsel, and understands the charges and allegations in Accusation No. L20190821-01. Respondent has also carefully read, fully discussed with counsel, and understands the effects of this Stipulated Settlement and Disciplinary Order for Public Reproval.

6. Respondent is fully aware of its legal rights in this matter, including the right to a hearing on the charges and allegations in the Accusation; the right to be represented by counsel at its own expense; the right to confront and cross-examine the witnesses against them; the right to present evidence and to testify on its 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.

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

CULPABILITY

8. Respondent admits the truth of each and every charge and allegation in Accusation No. L20190821-01.

9. Respondent agrees that its Appraisal Management Company Registration is subject to discipline and they agree to be bound by the Disciplinary Order below.

CONTINGENCY

10. This stipulation shall be subject to approval by the Bureau of Real Estate Appraisers. Respondent understands and agrees that counsel for Complainant and the staff of the Bureau of Real Estate Appraisers may communicate directly with the Bureau Chief regarding this stipulation and settlement, without notice to or participation by Respondent or her counsel. By signing the stipulation, Respondent understands and agrees that they may not withdraw its agreement or seek to rescind the stipulation prior to the time the Bureau Chief considers and acts upon it. If the Bureau Chief fails to adopt this stipulation as its Decision and Order, the Stipulated Settlement and Disciplinary Order for Public Reproval shall be of no force or effect, except for this paragraph, it shall be inadmissible in any legal action between the parties, and the Bureau shall not be disqualified from further action by having considered this matter.

11. The parties understand and agree that Portable Document Format (PDF) and facsimile copies of this Stipulated Settlement and Disciplinary Order for Public Reproval, including Portable Document Format (PDF) and facsimile signatures thereto, shall have the same force and effect as the originals.

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

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

DISCIPLINARY ORDER

IT IS HEREBY ORDERED that Appraisal Management Company Registration No. 1253 issued to Respondent AMR Appraisals, Inc., dba Got Appraisals is publicly reproved by the Bureau of Real Estate Appraisers under Business and Professions Code section 495 in resolution of Accusation No. L20190821-01, attached as exhibit A.

Payment of Fine. Respondent shall pay a fine in the sum of $10,000.00 (ten thousand dollars). The payment shall be made within 30 days of the effective date of the Decision and Order. Payment shall be made to the Real Estate Appraisers Regulation Fund, c/o Bureau of Real Estate appraisers, 3075 Prospect Park Drive, Suite 190, Rancho Cordova, CA 95670, by check or money order and shall indicate on its face the notation: "BREA Case No. L20190821-01." Respondent shall also submit a copy of the invoice with payment, which will be provided by BREA. If full payment is not received by BREA by the date due as noted in the invoice, a 10 percent late penalty shall be added to the unpaid balance and interest will accrue on the unpaid balance at the pooled money investment rate in effect at that time, until the full amount is paid. Respondent shall not be eligible to renew his or her license until such time as full payment of the outstanding fine has been made.

Cost Recovery. Respondent shall reimburse BREA its investigation and prosecution costs in the sum of $9,225.21. The payment shall be made within 30 days of the effective date of the Decision and Order. Payment shall be made to the Real Estate Appraisers Regulation Fund, c/o Bureau of Real Estate appraisers, 3075 Prospect Park Drive, Suite 190, Rancho Cordova, CA 95670, by check or money order and shall indicate on its face the notation: "BREA Case No. L20190821-01." Respondent shall also submit a copy of the invoice with payment, which will be provided by BREA. If full payment is not received by BREA by the date due as noted in the invoice, a 10 percent late penalty shall be added to the unpaid balance and interest will accrue on the unpaid balance at the pooled money investment rate in effect at that time, until the full amount

is paid. Respondent shall not be eligible to renew his or her license until such time as full payment of the outstanding costs has been made.

Full Compliance. As a resolution of the charges in Accusation No. L20190821-01, this stipulated settlement is contingent upon Respondent's full compliance with all conditions of this Order. If Respondent fails to satisfy any of these conditions, such failure to comply constitutes cause for discipline, including outright revocation of Respondent's Appraisal Management Company Registration No. 1253.

ACCEPTANCE

I have carefully read the Stipulated Settlement and Disciplinary Order for Public Reproval, and have fully discussed it with my attorney, Michael S. Biggs. I understand the stipulation and the effect it will have on my Appraisal Management Company Registration. I enter into this Stipulated Settlement and Disciplinary Order for Public Reproval voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Bureau of Real Estate Appraisers.

DATED: 2020-05-21

ORIGINAL SIGNED

AMR APPRAISALS, INC., DBA GOT APPRAISALS
Respondent

I have read and fully discussed with Respondent AMR Appraisals, Inc, dba Got Appraisals the terms and conditions and other matters contained in the above Stipulated Settlement and Disciplinary Order for Public Reproval. I approve its form and content.

DATED: 5-21-20

ORIGINAL SIGNED

MICHAEL S. BIGGS
Attorney for Respondent

ENDORSEMENT

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

DATED: 5/21/20

Respectfully submitted,

XAVIER BECERRA
Attorney General of California
DIANN SOKOLOFF
Supervising Deputy Attorney General

ORIGINAL SIGNED

SUSANA A. GONZALES
Deputy Attorney General
Attorneys for Complainant

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Exhibit A

Accusation No. L20190821-01

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Attorney General of California
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In the Matter of the Accusation Against: **AMR APPRAISALS, INC., DBA GOT APPRAISALS** 4000 Executive Pkwy, #230 San Ramon, CA 94583 **Appraisal Management Company Registration No. 1253** Respondent.	Case No. L20190821-01 **ACCUSATION**

PARTIES

1. Aaron Klinger, acting on behalf of the Bureau of Real Estate Appraisers (Complainant), Department of Consumer Affairs, brings this Accusation solely in his official capacity as Chief of Enforcement for Complainant.

2. On or about May 12, 2018, the Bureau of Real Estate Appraisers (formerly Office of Real Estate Appraisers) issued Appraisal Management Company (AMC) Registration Number 1253 to AMR Appraisals, Inc., dba Got Appraisals (Respondent). The AMC Registration was in full force and effect at all times relevant to the charges brought in this Accusation, and will expire on May 11, 2020, unless renewed. Joe M. Reid is Respondent's Designated Officer.

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. Code section 11301 states:

> (a)(1) There is hereby created within the Department of Consumer Affairs a Bureau of Real Estate Appraisers to administer and enforce this part.
>
> (2) Notwithstanding any other law, the powers and duties of the bureau, as set forth in this part, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this part were scheduled to be repealed as of January 1, 2021.
>
> (b) Whenever the term "Office of Real Estate Appraisers" appears in any other law, it means the "Bureau of Real Estate Appraisers.".

6. Code section 11302 states, in pertinent part:

> For the purpose of applying this part, the following terms, unless otherwise expressly indicated, shall mean and have the following definitions:
>
> . . . .
>
> (d) (1) 'Appraisal management company' means any person or entity that satisfies all of the following conditions:
>
> (A) Provides appraisal management services to creditors or to secondary mortgage market participants, including affiliates.
>
> (B) Provides those services in connection with valuing a consumer's principal dwelling as security for a consumer credit transaction or incorporating such transactions into securitizations.
>
> (C) Within a given 12 calendar month period oversees an appraiser panel of more than 15 state-certified or state-licensed appraisers in a state or 25 or more state-certified or state-licensed appraisers in two or more states, as described in Section 11345.5.
>
> . . . .
>
> (e) 'Appraisal management services' means one or more of the following:

(1) Recruiting, selecting, and retaining appraisers.

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

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

(4) Reviewing and verifying the work of appraisers.

. . . .

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

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

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

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

. . . .

(t) 'License' means any license, certificate, permit, registration, or other means issued by the bureau authorizing the person to whom it is issued to act pursuant to this part within this state.

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

. . . .

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

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

8. Code section 11314 states:

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

9. Code section 11315.3 states:

The suspension, expiration, or forfeiture by operation of law of a license or certificate of registration issued by the office, or its suspension, forfeiture, or cancellation by order of the office or by order of a court of law, or its surrender without the written consent of the office, shall not, during any period in which it may be renewed, restored, reissued, or reinstated, deprive the office of its authority to institute or continue a disciplinary proceeding against the licensee or registrant upon 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;

(5) The extent to which the cited person has cooperated with the Bureau;

(6) The extent to which the cited person has mitigated or attempted to mitigate any loss or potential loss caused by the violation; and

(7) Such other matters as the Chief determines are in the interest of justice.

(c) Citations issued hereunder shall be subject to review as provided in subsection (b) of Section 3721.

STATUTORY AND REGULATORY PROVISIONS

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

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

. . .

(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.

. . .

12. Code section 11315, states in pertinent part:

(a) The director may issue to a licensee, applicant for licensure, person who acts in a capacity that requires a license under this part, course provider, applicant for course provider accreditation, or a person who, or entity that, acts in a capacity that requires course provider accreditation, a citation that may contain an order to pay an administrative fine assessed by the office if the person or entity is in violation of this part or any regulations adopted to carry out its purposes.

. . . .

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

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

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

14. Code section 11328.1 states:

If the director has a reasonable belief that a registrant, or person or entity acting in a capacity that requires a certificate of registration, has engaged in activities prohibited under this part, he or she may submit a written request to the registrant, person, or entity, requesting copies of written material related to his or her investigation. Any registrant, person, or entity receiving a written request from the director for information related to an investigation of prohibited activities shall submit that information to the director or the office within a reasonable period of time, which shall be specified by the director in his or her written request. Any material submitted shall be kept confidential by the director and the office.

15. Business and Professions Code section 11345.3 states, in pertinent part:

All appraisal management companies shall do all of the following:

. . .

(e) Engage appraisal panel members with an engagement letter that shall include terms of payment.

. . .

COST RECOVERY

16. 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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FACTUAL ALLEGATIONS

17. In June of 2019, the Bureau received a complaint against Respondent from a licensed real estate appraiser for non-payment of appraisal fees dating back to 2015. The Bureau conducted an audit to determine whether Respondent was complying with the Bureau's laws. On June 28, 2019, Respondent's Designated Officer, Joe Reid, received the Bureau's audit via certified mail. The Bureau's audit specified that Respondent's response was due by July 26, 2019. The Bureau received Respondent's late and incomplete response on July 29, 2019. In its response, Mr. Reid admitted that Respondent does not include terms of payment in its engagement letters.

18. On July 29, 2019, the Bureau issued a follow up audit to Respondent, requesting answers to the unanswered questions from the previous audit. Respondent's response to the Bureau's follow up audit was due by August 14, 2019. Mr. Reid received the audit on August 7, 2019. The Bureau received Respondent's response to the audit on August 22, 2019. In addition to being late, Respondent failed to fully respond to all of the questions posed in the follow-up audit. In its response, Mr. Reid also again admitted that Respondent does not include terms of payment in its engagement letters.

FIRST CAUSE FOR DISCIPLINE

(Failure to Specify Terms of Payment in Engagement Letters)

19. Respondent has subjected its AMC Registration to disciplinary action under California Code of Regulations, title 10, section 3721, subdivision (a)(7), in that it violated Code section 11345.3, subdivision (e), by failing to include terms of payment in its engagement letters. The circumstances are set forth in paragraphs 17 and 18, above.

SECOND CAUSE FOR DISCIPLINE

(Failure to Timely Respond to Director's Request)

20. Respondent has subjected its AMC Registration to disciplinary action under California Code of Regulations, title 10, section 3721, subdivision (a)(7), in that it violated Code section 11328.1 by failing to submit timely and complete responses to the Bureau's audit requests. The circumstances are set forth in paragraphs 17 and 18, above.

PRAYER

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

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

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

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

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

ORIGINAL SIGNED

DATED: 10/10/2019

AARON KLINGER
Chief of Enforcement
Bureau of Real Estate Appraisers
Department of Consumer Affairs
State of California
Complainant

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