

**BEFORE THE
DIRECTOR 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:

Mackeen Bolognese,

Respondent.

DECISION AND ORDER

The attached Stipulated Surrender of License and Order is hereby adopted by the Director of the Bureau of Real Estate Appraisers, as its Decision in this matter.

This Decision shall become effective on 7-9-14.

It is so ORDERED 6-9-14.

Original Signed

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

1 Bureau of Real Estate Appraisers
1102 Q Street, Suite 4100
2 Sacramento, CA 95811
Telephone: (916) 552-9000
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4 **BUREAU OF REAL ESTATE APPRAISERS**
5 **STATE OF CALIFORNIA**

6 In the Matter of the Administrative Findings
7 Against:

8 **MacKeen Bolognese**
7311 Pacific View Dr.
9 Los Angeles, CA 90068

10 **Appraiser License No. 029054**

11 Respondent

Case Nos. C20120713-04; C20120719-01;
and C20131108-01

**STIPULATED SURRENDER OF
LICENSE AND ORDER**

12 IT IS HEREBY STIPULATED AND AGREED by and between the parties in this
13 proceeding that the following matters are true:

14 PARTIES

15 1. Elizabeth Seaters, acting on behalf of Complainant, the Bureau of Real Estate
16 Appraisers (BREA), brings this action solely in her official capacity as the Chief of Enforcement
17 of BREA.

18 2. MacKeen Bolognese (Respondent) is representing himself in this proceeding and has
19 chosen not to exercise his right to be represented by counsel.

20 3. On June 7, 2002 the Chief of the BREA issued Appraiser License No. 029054 to
21 Respondent MacKeen Bolognese. The license was in full force and effect at all times relevant
22 hereto and, in absence of any superseding action, will expire July 13, 2014.

23 JURISDICTION

24 4. The pending Administrative Findings of Case Nos. C20120713-04; C20120719-01;
25 and C20131108-01 and all other statutorily required documents are attached as exhibit A and
26 incorporated herein by reference.

1 5. Business and Professions Code section 11315.3 provides that the suspension or
2 expiration of a license shall not deprive BREAs of their authority to institute or continue disciplinary
3 action against the licensee.

4 6. Business and Professions Code section 11315.5 provides that the Chief may enter into
5 a settlement of administrative allegations upon any terms and conditions as the Chief deems
6 appropriate.

7 ADVISEMENT AND WAIVERS

8 7. Respondent has carefully read, and understands the charges in the attached
9 Administrative Findings. Respondent also has carefully read, and understands the effects of this
10 Stipulated Surrender of License and Order.

11 8. Respondent is fully aware of his legal rights in this matter, including the right to a
12 hearing on the charges and allegations in the Administrative Findings; the right to be represented
13 by counsel, at his own expense; the right to confront and cross examine the witnesses against him;
14 the right to present evidence and to testify on his own behalf; the right to reconsideration and
15 court review of any adverse decision; and all other rights accorded by the California
16 Administrative Procedures Act and other applicable laws.

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

19 CULPABILITY

20 10. Respondent admits the truth of each and every charge in the attached Administrative
21 Findings and agrees that cause exists for discipline and hereby surrenders his Appraiser License
22 No. 029054 for the Chief's formal acceptance.

23 11. Respondent understands that by signing this stipulation he enables the Chief to issue
24 an order accepting the surrender of Respondent's Appraiser License without further process.

25 RESERVATION

26 12. The admissions made by Respondent herein are only for the purposes of this
27 proceeding, or any other proceedings in which the Chief of the Bureau of Real Estate Appraisers,
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1 Bureau of Real Estate Appraisers or other professional licensing agency is involved, and shall not
2 be admissible in any other criminal or civil proceeding.

3 CONTINGENCY

4 13. This stipulation shall be subject to approval by the Chief of the Bureau of Real Estate
5 Appraisers, or designee. Respondent understands and agrees that Complainant and the staff of
6 the Bureau of Real Estate Appraisers may communicate directly with the Chief and staff of the
7 Bureau of Real Estate Appraisers regarding this stipulation and surrender of license, without
8 notice to, or participation by, Respondent. By signing the stipulation, Respondent understands
9 and agrees that he may not withdraw this agreement or seek to rescind the stipulation prior to the
10 time the Chief considers and acts upon it. If the Chief fails to adopt this stipulation as the
11 Decision and Order, the Stipulated Surrender and Disciplinary Order shall be of no force or
12 effect, except for this paragraph, it shall be inadmissible in any legal action between the parties,
13 and the Chief shall not be disqualified from further action by having considered this matter.

14 14. The parties understand and agree that the facsimile copies of this Stipulated
15 Surrender of License and Order, including facsimile signatures thereto, shall have the same force
16 and effect as the originals.

17 15. In consideration of the foregoing admissions and stipulations, the parties agree that
18 the Chief may, without further notice or formal proceeding, issue and enter the following Order:

19 ORDER

20 IT IS HEREBY ORDERED that Appraiser License No. 029054 issued to Respondent
21 **MacKeen Bolognese**, is surrendered and accepted by the Chief of the Bureau of Real Estate
22 Appraisers.

23 16. The surrender of Respondent's license and the acceptance of the surrendered license
24 by the Chief shall constitute the imposition of the discipline against Respondent. The stipulation
25 constitutes a record of the discipline and shall become a part of the Respondent's license history
26 with the Chief.

27 17. Respondent shall lose all rights and privileges as a real estate appraiser in California
28 as of the effective date of the Chief's Decision and Order.

1 18. Respondent shall cause his license certificate to be delivered to the Bureau of Real
2 Estate Appraisers on or before the effective date of the Chief's Decision and Order.

3 19. Respondent understands and agrees that if he ever applies for licensure, or petitions
4 for reinstatement in the State of California, the Chief shall treat it as a new application for
5 licensure. Respondent must comply with all the laws, regulations and procedures for licensure in
6 effect at the time the application or petition is filed, and all of the charges and allegations
7 contained in the attached Administrative Findings, shall be deemed to be true, correct and
8 admitted by Respondent when the Chief determined whether to grant or deny the application
9 petition.

10 20. Respondent will be eligible to apply for an initial license after one year from the
11 effective date of this stipulated settlement.

12 21. Respondent must meet all licensing requirements, and any other applicable
13 requirements effective at that time.

14 22. Upon application for any license, certificate, reinstatement, controlling person
15 approval, or any other credential issued by BREAA, in addition to any other requirements effective
16 at that time, Respondent shall pay the Bureau of Real Estate Appraisers a fine in the amount of
17 **\$10,000.00**, as well as investigation and enforcement costs in the amount of **\$7,463.61**. Such
18 fine and costs shall be due and payable upon application and paid in full prior to issuance.

19 ACCEPTANCE

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

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25 DATED: 5-28-14

Original Signed

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27 Mackeen Bolognese, Respondent
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ENDORSEMENT

The foregoing Stipulated Surrender of License and Order is hereby respectfully submitted for consideration by the Chief of the Bureau of Real Estate Appraisers.

DATED: 6/5/14

Original Signed

ELIZABETH SEATERS
Chief of Enforcement
Bureau of Real Estate Appraisers
State of California

SUMMARY OF FINDINGS

MacKeen Bolognese – Real Estate Appraiser Lic. # 033363

The Bureau of Real Estate Appraisers of the State of California has received evidence which indicates the above named licensee may have committed the following specific acts or omissions, which separately and severally may constitute violations of Title 10, California Code of Regulations, Section 3721 and provide cause for disciplinary action. Violations include:

C20120719-01

Count One

FINDINGS:

On or about May 4, 2012, Respondent completed an appraisal of the property located at 867 Crater Oak, Calabasas, CA 91302. The report contains certain errors or omissions, in violation of the provisions of the Uniform Standards of Professional Appraisal Practice (USPAP), listed as follows:

- a) Respondent failed to accurately report the real property improvements for the subject when he failed to report that the subject property was improved with a pool house
(S.R. 1-2(e)(i) and S.R. 2-2(b)(iii));

- b) Respondent failed to develop and report a credible Sales Comparison Approach when he failed to:
 - o Report that six of the comparable sales were located outside of the subject's neighborhood boundaries, but instead reported that the comparables were from "the subject's immediate area",
 - o Analyze neighborhood differences for six comparable sales that were located in a distinctly different market area than the subject, but instead concluded that no adjustment was necessary for these distinctly different market areas.
 - o Report market supported adjustment amount for the comparable sales with ocean views, but instead used an unsupported adjustment of 2% of the sale and/or list price for each comparable despite the quality of the ocean view for each comparable, and
 - o Analyze and report significant information for four of the reported comparables.(S.R. 1-4(a) and S.R. 2-2(b)(viii));

- c) Respondent failed to develop and report a credible Cost Approach to value when he:
 - o Cited three different valuation methods in the development of site value, but failed to summarize any support for these three methods, and
 - o Failed to report adequate information for the lender/client to replicate the cost figures and calculations(S.R. 1-4(b)(i), S.R. 1-4(b)(ii) and S.R. 2-2(b)(viii));
- d) Respondent failed to reconcile the quality and quantity of data available and analyzed within the Sales Comparison Approach to value when he failed to reconcile a 29% value disparity in the adjusted sales prices of the comparable sales (S.R. 1-6(a) and S.R. 2-2(b)(viii));
- e) Respondent failed to reconcile the quality and quantity of data available and analyzed within the Cost Approach to value when he failed to reconcile how he opined the site value when he cited three separate methods in the development of the subject's site value (S.R. 1-6(a) and S.R. 2-2(b)(viii));
- f) As a result of c and d above, Respondent failed to comply Fannie Mae/Freddie Mac additional criteria for this appraisal assignment, which was completed on a Fannie Mae/Freddie Mac appraisal report form (Scope of Work Rule); and
- g) As a result of findings a, b, c, d, e, and f above, Respondent failed to be aware of, understand and correctly employ recognized methods and techniques that were necessary to produce a credible appraisal. His appraisal did not contain sufficient information to enable the intended user of the appraisal to understand the report property when he failed to report the subject's pool house, failed to report the correct zoning information for the subject, failed to report and or report market supported adjustments, failed to analyze and report relevant information about the comparable sales, failed to develop and report a credible Cost Approach to Value, and failed to reconcile the quality and quantity of data analyzed for both the Sales Comparison and the Cost Approaches to value. Respondent, thusly, failed to clearly and accurately set forth the appraisal in a manner that was not misleading. (S.R. 1-1(a), S.R. 2-1(a), S.R. 2-1(b), and Competency Rule).

C20120719-01
Count Two

FINDINGS:

On or about June 8, 2012, Respondent completed an appraisal of the property located at 867 Crater Oak, Calabasas, CA 91302. The report contains certain errors or omissions, in violation of the provisions of the Uniform Standards of Professional Appraisal Practice (USPAP), listed as follows:

- a) Respondent altered the subject's sketch to intentionally change the reported Gross Living Area of the subject, despite the fact that he had not re-measured the subject. He also failed to accurately report the real property improvements for the subject when he failed to report that the subject property was improved with a pool house (S.R. 1-2(e)(i) and S.R. 2-2(b)(iii));
- b) Respondent failed to develop and report a credible Sales Comparison Approach when he failed to:
- Report that his comparable sales were all located outside of the subject's neighborhood boundaries, but instead reported that the comparables were from "the subject's immediate area",
 - Analyze difference between the subject's Calabasas location and all six of the Comparable Sales Malibu locations, but instead concluded that no location adjustment was required,
 - Report market supported adjustment amounts for the all of the comparable sale's ocean views, but instead used an unsupported adjustment of 2% of the sale and/or list price for each comparable despite the quality of the ocean view for each comparable,
 - Report to the intended user that he was using MLS photographs for some of the comparable sales, but instead zoomed in and cropped the photographs so that all MLS identifying information was removed from the photographs, and
 - Analyze and report significant information for four of the reported comparables
- (S.R. 1-4(a) and S.R. 2-2(b)(viii));
- c) Respondent failed to develop and report a credible Cost Approach to value when he:
- Made an unsupported change to the opined site value while continuing to cite three different valuation methods in the development of site value without summarizing support for each method, and
 - Failed to report adequate information for the lender/client to replicate the cost figures and calculations.
- (S.R. 1-4(b)(i), S.R. 1-4(b)(ii) and S.R. 2-2(b)(viii));
- d) Respondent failed to reconcile the quality and quantity of data available and analyzed within the Sales Comparison Approach to value when he failed to adequately reconcile a 100% value disparity in the adjusted sales prices of the comparable sales (S.R. 1-6(a) and S.R. 2-2(b)(viii));
- e) Respondent failed to reconcile the quality and quantity of data available and analyzed within the Cost Approach to value when he failed to reconcile how he opined the site value when he cited three separate methods in the development of the subject's site value
(S.R. 1-6(a) and S.R. 2-2(b)(viii));

- f) As a result of c and d above, Respondent failed to comply Fannie Mae/Freddie Mac additional criteria for this appraisal assignment, which was completed on a Fannie Mae/Freddie Mac appraisal report form (Scope of Work Rule); and
- g) As a result of findings a, b, c, d, e and f above, Respondent failed to be aware of, understand and correctly employ recognized methods and techniques that were necessary to produce a credible appraisal. His appraisal did not contain sufficient information to enable the intended user of the appraisal to understand the report property when he failed to report the subject's pool house, failed to report the correct zoning information for the subject, failed to report market supported adjustments, failed to analyze and report relevant information about the comparable sales, failed to develop and report a credible Cost Approach to Value, and failed to reconcile the quality and quantity of data analyzed for both the Sales Comparison and the Cost Approaches to value. Respondent, thusly, failed to clearly and accurately set forth the appraisal in a manner that was not misleading. (S.R. 1-1(a), S.R. 1-2(b), S.R. 2-1(a), S.R. 2-1(b), and Competency Rule).
- h) As a result of a, c, d, and f above, Respondent communicated a misleading appraisal report when fallaciously represented the subject's Gross Living Area. He also made a significant unsupported change to the opined site value within the Cost Approach to value. Respondent failed to reconcile the Cost Approach and more specifically he failed to adequately reconcile the 100% value disparity for the adjusted sales prices of the comparable within the Sales Comparison Approach. Respondent therefore performed the appraisal assignment in a grossly negligent manner. (S.R. 1-1(a), S.R. 1-2(b), S.R. 2-1(a), S.R. 2-1(b), and Conduct section of The Ethics Rule)

C20120719-01
Count Three

FINDINGS:

On or about June 18, 2012, Respondent completed an appraisal of the property located at 867 Crater Oak, Calabasas, CA 91302. The report contains certain errors or omissions, in violation of the provisions of the Uniform Standards of Professional Appraisal Practice (USPAP), listed as follows:

- a) Respondent altered the subject's sketch to intentionally change the reported Gross Living Area of the subject, despite the fact that he had not re-measured the subject. He also failed to accurately report the real property improvements for the subject when he failed to report that the subject property was improved with a pool house. He also falsely reported that the subject property was located in the Malibu school district, when it was not. (S.R. 1-2(e)(i) and S.R. 2-2(b)(iii));

- b) Respondent failed to develop and report a credible Sales Comparison Approach when he failed to:
- Report that his comparable sales were all located outside of the subject's neighborhood boundaries, but instead reported that the comparables were from "the subject's immediate area",
 - Analyze difference between the subject's Calabasas location and all six of the Comparable Sales Malibu locations, but instead concluded that no location adjustment was required,
 - Report market supported adjustment amounts for the all of the comparable sale's ocean views, but instead used an unsupported adjustment of 2% of the sale and/or list price for each comparable despite the quality of the ocean view for each comparable,
 - Report to the intended user that he was using MLS photographs for some of the comparable sales, but instead zoomed in and cropped the photographs so that all MLS identifying information was removed from the photographs, and
 - Analyze and report significant information for four of the reported comparables
- (S.R. 1-4(a) and S.R. 2-2(b)(viii));

- c) Respondent failed to develop and report a credible Cost Approach to value when he:
- Made a significant unsupported change to the opined site value while continuing to cite three different valuation methods in the development of site value without summarizing support for each method,
 - Made significant unsupported changes to the replacement cost for the subject's dwelling, the replacement cost of the pool and landscaping and the "as-is" value of the site improvements in an effort to match the figures he thought the "client" wanted, and
 - Failed to report adequate information for the lender/client to replicate the cost figures and calculations.
- (S.R. 1-4(b)(i), S.R. 1-4(b)(ii) and S.R. 2-2(b)(viii));

- d) Respondent failed to adequately reconcile the quality and quantity of data available and analyzed within the Sales Comparison Approach to value by failing to report a meaningful reconciliation when he reported in one section of the appraisal that Comparables Seven and Eight were given little weight in the final reconciliation, but then reported in another section of the report that Comparables Seven and Eight were given the most weight in the final reconciliation. (S.R. 1-6(a) and S.R. 2-2(b)(viii));

- e) Respondent failed to reconcile the quality and quantity of data available and analyzed within the Cost Approach to value when he failed to reconcile how he opined the site value when he cited three separate methods in the development of

the subject's site value
(S.R. 1-6(a) and S.R. 2-2(b)(viii));

- f) As a result of c and d above, Respondent failed to comply Fannie Mae/Freddie Mac additional criteria for this appraisal assignment, which was completed on a Fannie Mae/Freddie Mac appraisal report form (Scope of Work Rule);
- g) As a result of findings a, b, c, d, e and f above, Respondent failed to be aware of, understand and correctly employ recognized methods and techniques that were necessary to produce a credible appraisal. His appraisal did not contain sufficient information to enable the intended user of the appraisal to understand the report property when he failed to report the subject's pool house, failed to report the correct zoning information for the subject, failed to report market supported adjustments, failed to analyze and report relevant information about the comparable sales, failed to develop and report and credible Cost Approach to Value, and failed to reconcile the quality and quantity of data analyzed for both the Sales Comparison and the Cost Approaches to value. Respondent, thusly, failed to clearly and accurately set forth the appraisal in a manner that was not misleading. (S.R. 1-1(a), S.R. 1-2(b), S.R. 2-1(a), S.R. 2-1(b), and Competency Rule); and
- h) As a result of a, c, d, and f above, Respondent knowingly communicated a misleading appraisal report when he fallaciously reported subject's Gross Living Area. Knowingly made unsupported changes to the Cost Approach to value which resulted in an unsupported opinion of value to the indicated value via the Cost Approach to value. Knowingly made a significant change to the indicated value via the Sales Comparison Approach to value. Respondent also knowingly made a significant change to the opined market value of the subject property when he changed the opinion from \$1,415,000 to \$900,000. Respondent reported that he knowingly made these changes in an effort to report figures "he thought" others wanted. Respondent therefore performed the appraisal assignment in a grossly negligent manner. (S.R. 1-1(a), S.R. 1-2(b), S.R. 2-1(a), S.R. 2-1(b), and Conduct section of The Ethics Rule).

C20120713-04

Count Four

FINDINGS:

On or about June 8, 2013, Respondent completed an appraisal of the property located at 867 Crater Oak, Calabasas, CA 91302. The report contains certain errors or omissions, in violation of the provisions of the Uniform Standards of Professional Appraisal Practice (USPAP), listed as follows:

- a) Respondent altered the subject's sketch to intentionally change the reported Gross Living Area of the subject, despite the fact that he had not re-measured the

subject. He also failed to accurately report the real property improvements for the subject when he failed to report that the subject property was improved with a pool house (S.R. 1-2(e)(i) and S.R. 2-2(b)(iii));

- b) Respondent failed to develop and report a credible Sales Comparison Approach when he failed to:
- Report that his comparable sales were all located outside of the subject's neighborhood boundaries, but instead reported that the comparables were from "the subject's immediate area",
 - Analyze difference between the subject's Calabasas location and all six of the Comparable Sales Malibu locations, but instead concluded that no location adjustment was required,
 - Report market supported adjustment amounts for the all of the comparable sale's ocean views, but instead used an unsupported adjustment of 2% of the sale and/or list price for each comparable despite the quality of the ocean view for each comparable,
 - Report to the intended user that he was using MLS photographs for some of the comparable sales, but instead zoomed in and cropped the photographs so that all MLS identifying information was removed from the photographs, and
 - Analyze and report significant information for four of the reported comparables

(S.R. 1-4(a) and S.R. 2-2(b)(viii));

- c) Respondent failed to develop and report a credible Cost Approach to value when he:
- Made an unsupported change to the opined site value while continuing to cite three different valuation methods in the development of site value without summarizing support for each method, and
 - Failed to report adequate information for the lender/client to replicate the cost figures and calculations.

(S.R. 1-4(b)(i), S.R. 1-4(b)(ii) and S.R. 2-2(b)(viii));

- d) Respondent failed to reconcile the quality and quantity of data available and analyzed within the Sales Comparison Approach to value when he failed to adequately reconcile a 50% value discrepancy in the adjusted sales prices of the comparable sales (S.R. 1-6(a) and S.R. 2-2(b)(viii));
- e) Respondent failed to reconcile the quality and quantity of data available and analyzed within the Cost Approach to value when he failed to reconcile how he opined the site value when he cited three separate methods in the development of the subject's site value

(S.R. 1-6(a) and S.R. 2-2(b)(viii));

- f) As a result of c and d above, Respondent failed to comply Fannie Mae/Freddie Mac additional criteria for this appraisal assignment, which was completed on a Fannie Mae/Freddie Mac appraisal report form (Scope of Work Rule); and
- g) As a result of findings a, b, c, d, e and f above, Respondent failed to be aware of, understand and correctly employ recognized methods and techniques that were necessary to produce a credible appraisal. His appraisal did not contain sufficient information to enable the intended user of the appraisal to understand the report property when he failed to report the subject's pool house, failed to report the correct zoning information for the subject, failed to report market supported adjustments,, failed to analyze and report relevant information about the comparable sales, failed to develop and report a credible Cost Approach to Value, and failed to reconcile the quality and quantity of data analyzed for both the Sales Comparison and the Cost Approaches to value. Respondent, thusly, failed to clearly and accurately set forth the appraisal in a manner that was not misleading. (S.R. 1-1(a), S.R. 2-1(a), S.R. 2-1(b), and Competency Rule).

C20120713-04

Count Five

FINDINGS:

On or about June 18, 2012, Respondent completed an appraisal of the property located at 867 Crater Oak, Calabasas, CA 91302. The report contains certain errors or omissions, in violation of the provisions of the Uniform Standards of Professional Appraisal Practice (USPAP), listed as follows:

- a) Respondent altered the subject's sketch to intentionally change the reported Gross Living Area of the subject, despite the fact that he had not re-measured the subject. He failed to accurately report the real property improvements for the subject when he failed to report that the subject property was improved with a pool house. He also falsely reported that the subject property was located in the Malibu school district, when it was not.
(S.R. 1-2(e)(i) and S.R. 2-2(b)(iii));
- b) Respondent failed to develop and report a credible Sales Comparison Approach when he failed to:
 - o Report that his comparable sales were all located outside of the subject's neighborhood boundaries, but instead reported that the comparables were from "the subject's immediate area",
 - o Analyze difference between the subject's Calabasas location and all six of the Comparable Sales Malibu locations, but instead concluded that no location adjustment was required,
 - o Report market supported adjustment amounts for the all of the comparable sale's ocean views, but instead used an unsupported adjustment of 2% of

the sale and/or list price for each comparable despite the quality of the ocean view for each comparable,

- Report to the intended user that he was using MLS photographs for some of the comparable sales, but instead zoomed in and cropped the photographs so that all MLS identifying information was removed from the photographs, and
- Analyze and report significant information for four of the reported comparables

(S.R. 1-4(a) and S.R. 2-2(b)(viii));

c) Respondent failed to develop and report a credible Cost Approach to value when he:

- Made a significant unsupported change to the opined site value while continuing to cite three different valuation methods in the development of site value without summarizing support for each method,
- Made significant unsupported changes to the replacement cost for the subject's dwelling, the replacement cost of the pool and landscaping and the "as-is" value of the site improvements in an effort to match the figures he thought the "client" wanted, and
- Failed to report adequate information for the lender/client to replicate the cost figures and calculations.

(S.R. 1-4(b)(i), S.R. 1-4(b)(ii) and S.R. 2-2(b)(viii));

d) Respondent failed to adequately reconcile the quality and quantity of data available and analyzed within the Sales Comparison Approach to value by failing to report a meaningful reconciliation when he reported in one section of the appraisal that Comparables Seven and Eight were given little weight in the final reconciliation, but then reported in another section of the report that Comparables Seven and Eight were given the most weight in the final reconciliation. (S.R. 1-6(a) and S.R. 2-2(b)(viii));

e) Respondent failed to reconcile the quality and quantity of data available and analyzed within the Cost Approach to value when he failed to reconcile how he opined the site value when he cited three separate methods in the development of the subject's site value

(S.R. 1-6(a) and S.R. 2-2(b)(viii));

f) As a result of c and d above, Respondent failed to comply Fannie Mae/Freddie Mac additional criteria for this appraisal assignment, which was completed on a Fannie Mae/Freddie Mac appraisal report form (Scope of Work Rule);

g) As a result of findings a, b, c, d, e and f above, Respondent failed to be aware of, understand and correctly employ recognized methods and techniques that were necessary to produce a credible appraisal. His appraisal did not contain sufficient information to enable the intended user of the appraisal to understand the report property when he failed to report the subject's pool house, failed to report the correct zoning information for the subject, failed to report market supported

adjustments, failed to analyze and report relevant information about the comparable sales, failed to develop and report a credible Cost Approach to Value, and failed to reconcile the quality and quantity of data analyzed for both the Sales Comparison and the Cost Approaches to value. Respondent, thusly, failed to clearly and accurately set forth the appraisal in a manner that was not misleading. (S.R. 1-1(a), S.R. 2-1(a), S.R. 2-1(b), and Competency Rule); and

- h) As a result of a, c, d, and f above, Respondent knowingly communicated a misleading appraisal report when fallaciously reported the subject's Gross Living Area. Knowingly made unsupported changes to the Cost Approach to value which resulted in an unsupported opinion of value to the indicated value via the Cost Approach to value. Knowingly made a significant change to the indicated value via the Sales Comparison Approach to value. Respondent also knowingly made a significant change to the opined market value of the subject property when he changed the opinion from \$1,415,000 to \$900,000. Respondent reported that he knowingly made these changes in an effort to report figures "he thought" others wanted. Respondent therefore performed the appraisal assignment in a grossly negligent manner. (S.R. 1-1(a), S.R. 1-2(b), S.R. 2-1(a), S.R. 2-1(b), and Conduct section of the Ethics Rule).

C20131108-01

Count Six

FINDINGS:

On or about December 28, 2011, Respondent completed an appraisal of the property located at 26848 Pacific Coast Highway, Malibu, CA 90265. The report contains certain errors or omissions, in violation of the provisions of the Uniform Standards of Professional Appraisal Practice (USPAP), listed as follows:

- a) Respondent failed to accurately identify and report the characteristics of the subject property when he failed to report:
- The correct site size of the subject property, but instead underreported the subject's lot size by 587%,
 - The correct quality of construction rating for the subject property,
 - A tennis court,
 - A guest house,
 - A wine cellar, and
 - A full gym, and a theater room
- (S.R. 1-2(e)(i) and S.R. 2-2(b)(iii));
- b) Respondent reported there was no listing activity of the subject in the prior twelve months citing MLS as his data source. The subject had been listed for sale in MLS in the prior twelve months with asking prices not less than six times more than Respondent's opinion of market value (S.R. 1-1(b))

- c) Respondent failed to accurately report the subject's specific zoning classification and zoning description when he reported the specific zoning classification as "LCR1YY" and the zoning description as Single Family Residential. The subject's specific zoning classification was RR-5 and the zoning description was "residential rural".
(S.R. 1-3(a) and S.R. 2-2(b)(iii));
- d) Respondent failed to develop and report a credible Sales Comparison Approach when he:
- o Failed to report accurate quality ratings for all of the comparable sales,
 - o Failed to report that Comparable Sale Three had a gym, theater, and tennis court,
 - o Failed to report that Comparable Sale Six had a tennis court, and
 - o Based his site adjustment on a subject site size, which was under-reported by 587%.
- (S.R. 1-4(a) and S.R. 2-2(b)(viii));
- e) Respondent failed to develop and report a credible Cost Approach to value when he:
- o cited three different valuation methods in the development of site value, but failed summarize any support for these three methods, and
 - o failed to report adequate information for the lender/client to replicate the cost figures and calculations
- (S.R. 1-4(b)(i), S.R. 1-4(b)(ii) and S.R. 2-2(b)(viii));
- f) Respondent failed to reconcile the quality and quantity of data available and analyzed within the Sales Comparison Approach to value when he failed to reconcile a 79% value disparity in the adjusted sales prices of the comparable sales (S.R. 1-6(a) and S.R. 2-2(b)(viii));
- g) Respondent failed to reconcile the quality and quantity of data available and analyzed within the Cost Approach to value when he failed to reconcile how he opined the site value when he cited three separate methods in the development of the subject's site value
(S.R. 1-6(a) and S.R. 2-2(b)(viii));
- h) Respondent signed a certification that he completed a visual inspection of the exterior of the subject property from at least the street when, by his own admission, he was unable to physically locate the subject property. (S.R. 2-3 and Conduct Section of Ethics Rule)
- i) As a result of a, b, c, d, e, f, g, and h above, Respondent failed to comply with the minimum scope of work requirements for this appraisal assignment. (S.R. 1-2(h), S.R. 2-2(b)(vii), and Scope of Work Rule);

- j) As a result of findings a, b, c, d, e, f, g, h, and i above, Respondent communicated an appraisal report that lacked credibility and was misleading. (S.R. 1-1(a), S.R. 1-2(b), S.R. 2-1(a), S.R. 2-1(b), and Conduct section of Ethics Rule).

C20131108-01
Count Seven

FINDINGS:

On or about March 4, 2013, Respondent completed an appraisal of the property located at 26848 Pacific Coast Highway, Malibu, CA 90265. The report contains certain errors or omissions, in violation of the provisions of the Uniform Standards of Professional Appraisal Practice (USPAP), listed as follows:

- a) Respondent failed to accurately identify and report the characteristics of the subject property when he failed to report:
- The correct quality of construction rating for the subject property,
 - A tennis court,
 - A guest house,
 - A wine cellar, and
 - A full gym, and a theater room
- (S.R. 1-2(e)(i) and S.R. 2-2(b)(iii));
- b) Respondent failed to accurately report the subject's specific zoning classification and zoning description when he reported the specific zoning classification as "SFR1" and the zoning description as Single Family Residential. The subject's specific zoning classification was RR-5 and the zoning description was "residential rural".
- (S.R. 1-3(a) and S.R. 2-2(b)(iii));
- c) Respondent failed to develop and report a credible Sales Comparison Approach when he failed to:
- Report accurate quality ratings for all of the comparable sales,
 - Report that Comparable Sale One had a detached two bedroom gest house,
 - Report that Comparable Sale Two had a guest house, tennis court, playground, equestrian corral, and media room,
 - Report that Comparable Sale Three had an attached guest house, and
 - Report that Comparable Sale Four had dedeed beach rights.
- (S.R. 1-4(a) and S.R. 2-2(b)(viii));
- d) Respondent failed to develop and report a credible Cost Approach to value when he:
- cited three different valuation methods in the development of site value, but failed summarize any support for these three methods, and

- o reported replacement cost new based on an average quality rating when the subject quality was consistent with a Marshall & Swift excellent quality rating.
(S.R. 1-4(b)(i), S.R. 1-4(b)(ii) and S.R. 2-2(b)(viii));
- e) Respondent failed to analyze two active listings on the subject property.
(S.R.1-5(a) and S.R. 2-2(b)(viii))
- f) Respondent failed to reconcile the quality and quantity of data available and analyzed within the Sales Comparison Approach to value when he failed to reconcile a 362% value disparity in the adjusted sales prices of the comparable sales (S.R. 1-6(a) and S.R. 2-2(b)(viii));
- g) Respondent failed to reconcile the quality and quantity of data available and analyzed within the Cost Approach to value when he failed to reconcile how he opined the site value when he cited three separate methods in the development of the subject's site value
(S.R. 1-6(a) and S.R. 2-2(b)(viii));
- h) Respondent fallaciously reported that he had not performed a prior service on the subject within the three years immediately preceding acceptance of the assignment.
(Conduct section of Ethics Rule);
- i) As a result of a, b, c, d, e, f and g above Respondent failed to comply with the minimum scope of work requirements for this appraisal assignment. (S.R.1-2(h), S.R. 2-2(b)(vii), and Scope of Work Rule);
- j) As a result of findings a, b, c, d, e, f, g, and h above, Respondent communicated an appraisal report that lacked credibility and was misleading. (S.R. 1-1(a), S.R. 1-2(b), S.R. 2-1(a), S.R. 2-1(b), and Conduct section of Ethics Rule).