

The CALIFORNIA Appraiser

Vol. 14, No. 1

OFFICE OF REAL ESTATE APPRAISERS

Spring 2003

Director's Message

Anthony F. Majewski

Welcome to the Spring 2003 edition of *The California Appraiser*. As you read through this edition, you will notice a number of useful and interesting features. One item I would like you to note in particular is the article on page 3 about the National USPAP Course. In it you will find a brief description of the course requirements. You will also see a guide to finding an approved National USPAP Course on our website.

Starting on page 5, you will find some useful questions and answers pertaining to trainees and trainee supervisors. With the recent increase in the number of trainee licensed appraisers, more of you with experience may be taking on trainees. Some of the information in the answers to questions posed to us may be new to you, especially if you have not supervised a trainee before. Taking a look at these questions and answers should help you avoid some of pitfalls that have been a problem for others.

I would direct you to some of the statistical information contained in this edition. On page 2, we present a chart showing the number of applications received during each quarter of calendar year 2002. As you can see, the number of initial license applications constitutes a significant proportion of the total number, with trainee level applications making up the vast majority of the applications we have received. The result is that the number of trainees in the licensing population has increased significantly over the last couple of years. Whereas trainee licensees typically make up about 11 or 12 percent of the total they now number over 2,400, more than 20 percent of the total.

In spite of the heavy workload, we continue to do our best to process all license applications, especially renewals, as quickly as possible. However, we need your help. As we have stressed in the past, it is important that you get your renewal application in to us 90 days prior to your license expiration. That way you can be certain that your license will not expire and prohibit you from signing appraisal reports for federally related transactions. Thank you for your attention to this matter.

Finally, I wish to report to you a change that may be on the way for OREA. As you know, California is facing an enormous budgetary problem with a looming deficit of \$35 billion over the rest of fiscal year 2002-03 and through fiscal year 2003-04.

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How Are We Doing?

Despite our heavy volume of licensing applications and complaints to review, we strive to provide the best level of customer service possible. To help achieve this end, we sincerely appreciate and value input from our customers. Therefore, please take a moment to let us know how we're doing by visiting the "Customer Survey" page on our website (www.orea.ca.gov).

Thanks!

State of California

OFFICE OF REAL ESTATE APPRAISERS
1755 CREEKSIDE OAKS DRIVE, SUITE 190
SACRAMENTO, CA 95833
PHONE: (916) 263-0722
FAX: (916) 263-0887
WWW.OREA.CA.GOV

ANTHONY F. MAJEWSKI
ACTING DIRECTOR

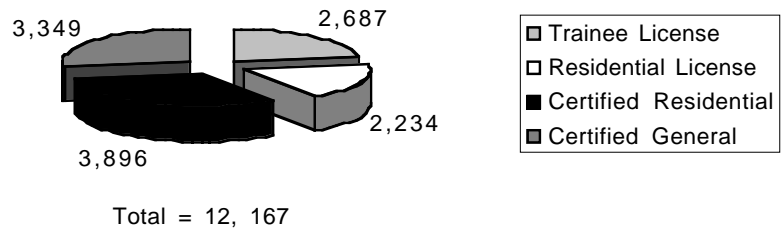
OREA Updates

Going Digital!!!

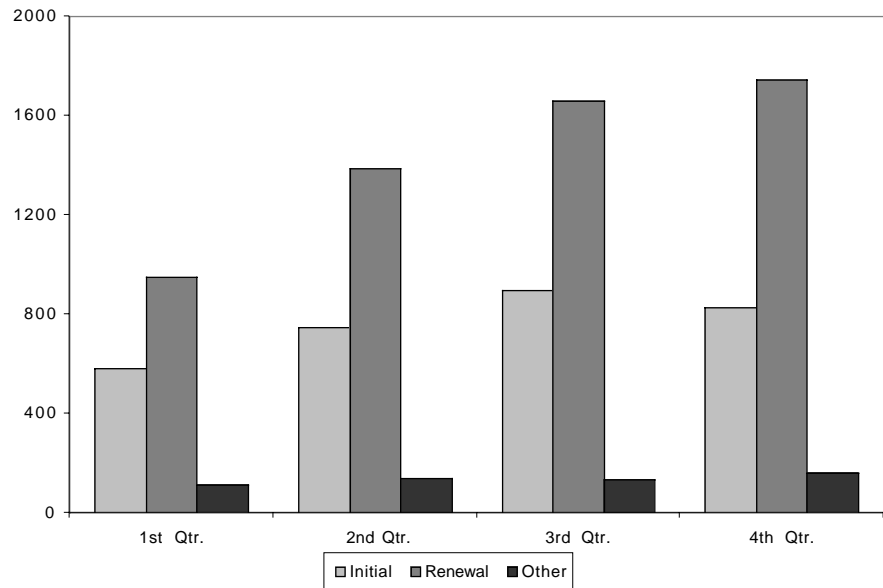
This will be the final edition of *The California Appraiser* newsletter that will be printed and mass mailed. Future editions will be published on our website only. However, anyone without internet access will be able to contact our office to request that a "hard copy" be mailed.

Active Licenses

As of April 3, 2003



2002 Applications Received by Quarter



National USPAP Courses - What Do They Mean to Me?

As you should know by now, effective January 1, 2003, the Appraiser Qualifications Board (AQB) of The Appraisal Foundation implemented changes to education involving the Uniform Standards of Professional Appraisal Practice (USPAP). However, some appraisers are asking themselves “How does this impact me?” Therefore, we hope this will help clarify any confusion.

Course Requirements

The only USPAP courses eligible for continuing education are The Appraisal Foundation’s 7-hour National USPAP Update Course, or its equivalent as determined solely by the AQB.

The only USPAP courses eligible for basic (or qualifying) education are The Appraisal Foundation’s 15-hour National USPAP Course, or its equivalent as determined solely by the AQB.

All courses must be taught by an AQB Certified USPAP Instructor, who is also a Certified Residential or Certified General appraiser in good standing.

Continuing Education Requirements

Effective with all licenses that expire on or after January 1, 2004, licensees must show proof of completion of the 7-hour National USPAP Update Course (or its equivalent as determined by the AQB) every two years. This means that with licenses expiring on or after January 1, 2004, licensees will have to show proof of completion of the National USPAP Update Course with each renewal application submitted, including those that currently require only a fee to renew.

Basic (or Qualifying) Education Requirements

All basic (or qualifying) education USPAP courses taken on or after January 1, 2003, must be the 15-hour National USPAP Course (or its equivalent as determined by the AQB). Please note, approved 15-hour basic education USPAP courses completed prior to January 1, 2003, will continue to satisfy the USPAP requirement; applicants will not be required to also complete the 15-hour National USPAP Course.

How Do I Find a National USPAP Course?

You may locate a National USPAP Course by visiting the “Education” page on our website (www.orea.ca.gov), clicking on “Search for OREA approved courses and providers,” and scrolling down the page to “Course Search.” To find approved 7-hour National USPAP Update Courses, check the box labeled “Nat’l. USPAP (7 hr.)” and click the search button at the bottom of the screen. Likewise, to find approved 15-hour National USPAP Courses, check the box labeled “Nat’l. USPAP (15 hr.)” and click the search button at the bottom of the screen. Each search will generate a list of providers currently approved to offer each course. You may then contact the providers directly regarding cost and scheduling information.

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

As part of his plan to reduce the size of state government, the Governor has proposed the consolidation or elimination of some government entities. He has proposed that OREA be consolidated with the state's Department of Corporations effective July 1, 2003. I believe that such a move would make for a more effective and efficient regulatory program for real estate appraisers. While there are no specific details about this proposal to report now, please remember to check our website at www.orea.ca.gov for details as they become available.

KEY FEATURES OF THE 2003 UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE

(from The Appraisal Foundation's website - www.appraisalfoundation.org)

DEFINITIONS: The Comment to the definition of *Appraisal Review* was modified by deleting the word appraisal. This edit was necessary to be consistent with changes to STANDARD 3.

ETHICS RULE: The ETHICS RULE was edited to clarify that an individual ...*should* comply any time that individual represents that he or she is performing the service as an appraiser.

Standards Rules 1-5: This Standards Rule was modified to require appraisers to analyze all prior sales of the subject property within the past three (3) years for all types of real property, if such information is available in the normal course of business.

Standards Rule 1-6: This new Standards Rule was added to clearly demonstrate that reconciliation is a separate component of the appraisal process rather than a function within the analysis of sales history.

STANDARD 3: This STANDARD was edited in several locations to accomplish the following:

- Make STANDARD 3 inclusive of all appraisal disciplines, Real Property and Personal Property (including Mass Appraisal) and Business Appraisal.
- Require an appraisal review that includes the reviewer's own opinion of value to be reported in at least a Summary Appraisal Report format.
- Remove the requirement that the scope of work in an appraisal review match the scope of work in the appraisal under review.

Standards Rule 7-5: This Standards Rule was modified to clarify that all prior sales of the subject property that occurred within a reasonable and applicable time period must be analyzed.

Standards Rule 7-6: This new Standards Rule was added to clearly demonstrate that reconciliation is a separate component of the appraisal process rather than a function within the analysis of sales history.

STATEMENT No. 7 (SMT-7) and Advisory Opinion 3 (AO-3): SMT-7 was edited to remove certain language pertaining to commonly used terminology, which was moved into AO-3; and AO-3 was revised to provide new requirements and advice relative to "updates" of prior appraisal reports.

Advisory Opinion 9 (AO-9): This AO was revised to provide appraisers with a better understanding of USPAP's application in the appraisal of properties impacted by environmental contamination.



“Rules of the Road” for Trainees (and Supervising Appraisers too!)

We are aware of some confusion regarding the roles of Trainee appraisers, as well as their supervising appraisers. We hope the following questions and answers will help clear up any misconceptions that may exist.

Question: Can a Trainee inspect a property without being accompanied by a supervising appraiser?

Answer: Yes. Once the supervising appraiser deems that the Trainee is competent to perform inspections without supervision, the supervising appraiser is not required to accompany the Trainee. However, the appraisal report must clearly identify (without being contradictory) who did and did not inspect the property (see below).

Question: For residential appraisal reports completed on standard preprinted forms (such as the “URAR” or “2055”), can a Trainee perform the inspection of a property on his or her own if the supervising appraiser is the only one signing the report, as long as the Trainee’s assistance is properly disclosed by the supervising appraiser as required by USPAP?

Answer: No! While this answer may surprise some people, the above question states that the Trainee will not be signing the appraisal report. If the supervising appraiser is the only one signing the appraisal report, then by signing a Certification stating that he or she physically inspected the interior of the subject property, the supervising appraiser would be creating a misleading appraisal report, which is a violation of USPAP. In addition, it is an “industry standard” for most residential form reports that the individual signing “on the left” personally inspected the property. Therefore, the proper way to avoid problems in situations like this is to have the Trainee sign the report, and to have the supervising appraiser co-sign the report indicating that he or she “did not physically inspect” the property.

Question: I am a supervising appraiser and my client says they will not accept appraisal reports signed by a Trainee. Since it would be misleading for me to sign a Certification saying I inspected the property when I did not, what can I do?

Answer: First, you can try to educate your client. You can explain to them that since you have co-signed the appraisal report, you are taking full and complete responsibility for it. You can also inform them of your involvement in the appraisal process, so that they know you are doing more than “just signing off” on a Trainee’s work. If your client still won’t accept appraisals signed by a Trainee unless you co-sign the report saying that you “did physically inspect,” then you will have to accompany the Trainee on any appraisals performed for that client.

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Question: If a Trainee performs appraisals that are not used for Federally Related Transactions, can they be submitted for experience credit without being co-signed by a supervising appraiser?

Answer: No. Although anyone can legally perform appraisals in California if they are not to be used for Federally Related Transactions, the law requires that all appraisals to be used by Trainees for experience credit must be co-signed by a supervising appraiser.

Question: I am a supervising appraiser and have had a Trainee working with me for six months now. Recently he showed me his Log of Appraisal Experience, which included assignments he performed when he first started with me. I can't really remember what his level of involvement was on these assignments, so how can I verify his experience on the log?

Answer: A Trainee is required to work under the direct control and supervision of the supervising appraiser. Therefore, there should be no circumstances where the supervising appraiser is unaware of the work that the Trainee has performed. The supervising appraiser is required by law to maintain records of the Trainee's appraisals in accordance with USPAP.

Question: I am a Trainee and have now accumulated over 2,000 hours of experience. I want to apply to upgrade my Trainee License to a Residential License, but I really don't understand the differences between "Category 10" and "Category 1" experience. Which should I claim?

Answer: The difference in the categories of experience is based upon the level of work performed by the Trainee, as well as whether or not the Trainee signed the appraisal report. Therefore, the categories of experience are determined at the time of the assignment, based upon the scope of work the Trainee

performs.

If a Trainee performs at least 75% of the professional appraisal work, is properly referenced in the report along with the duties he or she performed, and the appraisal conforms to USPAP, the work is eligible under Category 10 (Assistance in Preparation of Appraisals) up to a maximum of 400 hours credit.

The Trainee may claim experience under Category 1 (Fee and Staff Appraisal) if he or she performs essentially all of the appraisal, is properly referenced in the report along with the duties he or she performed, and the appraisal conforms to USPAP. In addition, the Trainee may claim experience under Category 1 for any appraisal report he or she signs, provided the report is co-signed by the supervising appraiser.

Question: I've been working in an appraisal office for about a year now. I received my Trainee License about six months ago, and I've been doing appraisals since then. However, during my first six months my duties included setting appointments for the appraisers, pulling comparable sales that they may or may not have used, entering information from their handwritten notes into our appraisal program on the computer, and even occasionally helping measure a house or take photos. Can I claim any of this experience from my first six months towards the 2,000 hours required for a Residential License?

Answer: No. As indicated above, to be eligible for experience credit under Category 10, the applicant must have performed a minimum of 75% of the professional appraisal work. Duties that are of a more clerical nature are ineligible for experience credit.

Question: I received my Trainee License over a year ago, but I just now started working in the appraisal business. Now I'm afraid I won't be able to accumulate the 2,000 hours of experience required

to upgrade my license before it expires. What can I do?

Answer: A Trainee License may be renewed just like any other real estate appraiser license. If a Trainee is unable to obtain the experience necessary to upgrade prior to the expiration of the license, the license may be renewed by paying the appropriate fee and satisfying the renewal requirements. There are currently no limits on the number of times a Trainee License may be renewed.

Question: About two months ago I received my Trainee License and got a job with a busy appraisal office. There has been so much work that I should be able to obtain the 2,000 hours of experience in another 30 days. Is there any minimum time I'm required to have a Trainee License before I can upgrade it?

Answer: Although there is currently no specified minimum length of time required before a Trainee may apply to upgrade, a Trainee's Log of Appraisal Experience has to be reasonable and make sense. Someone claiming 2,000 hours of experience in just 90 days means that he or she would have been working over 22 hours per day, seven days a week, which is not reasonable. We are well aware that many appraisers may work more than 40 hours per week, but using a 40-hour workweek as a guide, a Trainee would need to work 50 weeks (approximately one year) to accumulate 2,000 hours.

Question: I'm a licensed Trainee that has been working with the same supervising appraiser for over a year now. However, my supervising appraiser has only been able to give me enough work to accumulate about 750 hours of experience. I am anxious to upgrade to the Residential License and wanted to know, can I work for more than one supervising appraiser?

Answer: Yes. A Trainee may work with more than one supervising appraiser. However, the Trainee must keep a separate Log of Appraisal Experience for each supervising appraiser that he or she works with, since the supervising appraiser must certify the Trainee's experience.

Question: I have a Trainee License and just obtained my first appraisal job. I know I need to keep a log for my appraisal assignments, but how many hours can I claim for each one?

Answer: In calculating the number of hours you claim for experience credit, you begin counting when you actually commence working on the assignment. This typically includes the time you start researching information on the subject property, comparable sales, neighborhood data, etc. You continue to count time for inspecting the subject property and comparables, performing analyses, and completing a report. Therefore, you basically count from "start to finish" for each appraisal assignment, reporting the time actually spent on your Log of Appraisal Experience.

We understand that it may take a lot longer to complete your appraisal reports when you first start; therefore, we consider the average number of hours per assignment claimed for the overall log, and if some of your "early" assignments take a lot longer, that shouldn't pose a problem.

Please keep in mind, however, that OREA has certain guidelines we look at when it comes to hours claimed for experience credit. For example, if your log averages more than 15 hours per assignment for most residential form reports (URAR, Condo, SRIP, etc.), you may need to provide additional documentation for the hours claimed. For "2055" form reports (full or drive-by), the maximum allowable is 7.5 hours.

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Question: I have completed several “2070” and “2075” assignments. How many hours can I claim for these?

Answer: The “2070” and “2075” forms are not appraisals since no estimate of value is provided. Therefore, these assignments are ineligible for experience credit.

Question: I recently received my Trainee License and have not had any luck in finding a supervising appraiser to work with. Do you have any suggestions?

Answer: You may wish to consider contacting some of the professional appraisal organizations in your area (their names and phone numbers may be found in your local phone book or on the internet) to see if they can discuss with you options for entering the business, or to see if any of their members are looking for Trainees. If not, ask to get on their newsletter mailing lists because opportunities for Trainees may arise in the future.

You may also consider contacting your local county assessor’s office to see if there are any opportunities there.

Another possibility is to locate appraisers in your area by utilizing the “Find an Appraiser” function on our website (www.orea.ca.gov). You may perform a search of licensees by license level, by city, by zip code, etc., and contact them to see if they are looking for any Trainees.

Question: I have a Trainee License and I am considering going to work for a supervising appraiser with a Certified General License. I was told that I could not sign any appraisals of non-residential property because I am a Trainee. Is this correct?

Answer: No. The scope of practice for a Trainee

License is based upon the scope of practice of the supervising appraiser. Therefore, a Trainee may sign an appraisal report of a non-residential property, provided it is properly co-signed by a Certified General appraiser.

Question: I am a Trainee and have worked with the same supervising appraiser for over a year now. OREA just completed investigating a complaint that was filed on an appraisal we recently completed. OREA found some minor problems with the appraisal, so my supervising appraiser and I only received a warning. However, I was wondering, if there had been any significant problems with the appraisal, would we both have been disciplined, or would it just have been my supervising appraiser, since I am only a Trainee following his direction?

Answer: One of the requirements you satisfied to obtain your Trainee License was completion of a 15-hour course on the Uniform Standards of Professional Appraisal Practice (USPAP). Therefore, as a licensed Trainee, you are expected to have a basic understanding of USPAP and its applicability. However, you are also required to work under the direct control and supervision of a qualified supervising appraiser.

As a result, if you were to perform an appraisal containing significant USPAP violations, your discipline may very well be mitigated, depending upon the specifics of the situation. However, your supervising appraiser would most likely be subject to more serious discipline, since not only is he or she also responsible for the appraisal by co-signing it, but is also responsible for exercising direct control and supervision over you as a Trainee.

A supervising appraiser cannot escape responsibility by claiming that he or she did not know what the Trainee was doing, and just assumed that everything was done properly.

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

- | | |
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| Bailey, Linnea R.
AG001535
Los Angeles | 1/8/02. Settlement Agreement, \$1,000 enforcement costs, public reproof, denial of license renewal. Alleged violations of Business and Professions Code sections 11321(a) and (b) and Title 10, California Code of Regulations sections 3721(a)(2) and (4): altered appraisal license to display an extended expiration date after license had expired; falsely represented herself as a licensed appraiser after license had expired; fraudulently submitted an appraisal report with a forged signature of a licensed appraiser. |
| Bales, Gregory R.
AR020557
Orange | 4/9/02. Settlement Agreement, resigned license effective May 5, 2002. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, Record Keeping Section of the Ethics Rule: failure to accurately describe and analyze the subject properties' actual condition and needed repairs; failure to properly report and analyze pending sales and previous sales of the subject properties within one year of the effective date of the appraisal; commission of a series of errors in the Sales Comparison Approach for multiple properties including the incorrect extraction of GRMs and the incomplete verification and analysis of the comparable sales, resulting in significant overvaluations. |
| Beamon, Phoree C.
AR015102
Los Angeles | 3/18/02. Settlement Agreement, \$1,200 enforcement costs, downgrade application from Certified Residential to Residential license, public reproof. Appraiser admitted to signing the name of another appraiser on an appraisal report. |
| Brechtel-Shows, Carey L.
AR016452
San Bernardino | 4/9/02. Settlement Agreement, \$3,000 fine, 30 day suspension effective April 15, 2002, 15 hrs. USPAP, 45 hrs. basic education, six month appraisal log for monitoring. Alleged violations of USPAP S.R. 1 and 2, and the Conduct Section of the Ethics Rule: failure to report a current agreement of sale for the subject property; failure to accurately disclose structural problems in the subject property's improvements; selection of inappropriate comparable sales in the Sales Comparison Approach . |

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Chaves, Michael R.
AT024600
Orange

5/9/02. Director adopted Administrative Law Judge's proposed decision denying appraiser's application for a trainee license. Instead, a two-year probationary license is issued. All appraisal reports must be co-signed by a licensed or certified appraiser in good standing with OREA. Convicted of violation of 18 USC 471 and 513(a).

Fung, Jerry J.
AR023677
Los Angeles

9/18/02. Settlement Agreement, resigned license. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule; Business and Professions Code sections 11318(a)(2), 11323 and Title 10, California Code of Regulations sections 3702(a)(2), 3721(a)(5), 3722(a)(9): provided false statements on a license application; falsely certified personal inspection of multiple subject properties; commission of a series of errors in appraisal reports where adequate supervision of a trainee was not provided resulting in misleading appraisals.

Hayward, David S.
AR018185
Orange

5/6/02. Settlement Agreement, \$2,000 fine, 30 day suspension effective May 1, 2002, 30 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to accurately describe the subject property's physical characteristics; commission of a series of errors in the Sales Comparison Approach including the omission of relevant comparable sales, and the lack of support for adjustments to the comparable sales, resulting in an overvaluation.

Hefington, Rodney L.
AG008803
Riverside

1/16/02. Settlement Agreement, \$2,400 fine, 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: failure to accurately describe key locational and physical characteristics of the subject property; commission of a series of errors in the Sales Comparison Approach including the failure to disclose key comparable sale amenities and failure to support all adjustments; reporting a predetermined value.

Hendrick, Mark S.
AR017094
San Diego

3/27/02. Settlement Agreement, \$3,500 fine and \$1,500 enforcement costs, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: improperly certified inspection of the subject property, failure to disclose significant professional assistance of another appraiser, failed to accurately describe key locational and physical characteristics of the subject property.

Hood, Ira L.
AR008399
Los Angeles

5/15/02. Settlement Agreement, \$1,000 fine, resigned license. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, Competency Rule: failure to accurately describe and analyze the subject

properties' locational and physical improvements; failure to properly report and analyze pending sales and previous sales of the subject properties within one year of the effective date of the appraisal; commission of a series of errors in the Sales Comparison Approach for multiple properties including the incorrect extraction of GRMs and the incomplete verification and analysis of the comparable sales, resulting in significant overvaluations in "flip" sales transactions.

Hunter, Judith A.
AR003895
Riverside

11/19/01. Settlement Agreement, \$5,000 fine and enforcement costs, 30 day stayed suspension, 15 hrs. USPAP, 30 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to accurately support key characteristics of the neighborhood market area, site, and improvements for three subject properties; failure to appropriately select, analyze, and describe comparable sales used in the Sales Comparison Approach for three subject properties; commission of three misleading appraisal reports resulting in overvaluations.

Joukl-Hart, Judit H.
AL010181
Calaveras

8/27/02. Statement of Issues/Default Decision denying application for license renewal. Violations of USPAP Conduct Section of the Ethics Rule; Title 10, California Code of Regulations, Sections 3721(a)(2)(4)(7), 3725; Business and Professions Code Sections 11320, 11321(a)(b), 11324(a)(b): Represented herself and completed appraisal assignments as a licensed appraiser after license had expired.

Khatami, Fereidoon
AR004149
Santa Clara

11/28/01. Accusation/Default Decision issuing \$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education, public reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: failure to properly describe the subject property as a residential care facility; failure to develop a reasonable hypothetical condition for appraising subject property as a single family residence.

Larson, Duane N.
AL011788
San Joaquin

5/2/02. Settlement Agreement, \$2,000 fine, public reproof. Alleged violations of Business and Professions Code section 11321(a), California Code of Regulations sections 3721(a)(2) and (4): performing an appraisal with an expired license and representing himself as a licensed appraiser; altering an appraisal license to reflect an incorrect expiration date.

Law, J. Douglas
AR013328
Ventura

7/30/02. Settlement Agreement, \$4,000 fine, 60 day suspension effective September 1, 2002 (stayed 30 days), 15 hrs. USPAP, 30 hrs. basic education, 12 month appraisal log for monitoring. Alleged violations of USPAP S.R. 1 and 2; Business and Professions Code sections 11320, 11321(a)(b); and California Code of Regulations sections 3721(a)(2), (a)(4), (a)(7):

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knowingly performed an appraisal for a federally related transaction while license was suspended; failure to accurately report all legal, economic, and physical characteristics of the subject property; failure to disclose and analyze items of functional obsolescence.

Liu, Edwin C.
AG001800
Stanislaus

12/17/01. Settlement Agreement, \$1,800 fine, 20 hrs. basic education, one year appraisal log for monitoring, public reproof. Alleged violations of USPAP S.R. 1 and 2, Competency Rule: failure to report and analyze a prior transfer of the subject property within three years of the effective date of the appraisal; incorrectly employed inappropriate comparable sales in the Sales Comparison Approach resulting in a significant undervaluation.

Mcintyre, Dennis J.
AR002671
Los Angeles

5/21/02. Settlement Agreement, \$1,500 fine, 15 hrs. USPAP, 20 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 3, Competency Rule: commission of a series of errors in an appraisal review assignment resulting in a significant overvaluation.

Mendoza, Max E.
AL011277
Santa Clara

5/2/02. Settlement Agreement, \$3,600 fine, license restricted for the remainder of its term, requiring that appraiser physically inspect the subject property for any appraisal report he signs, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, California Code of Regulations sections 3721(a)(2) & (6): Commission of a series of errors in the Sales Comparison Approach including selection of comparable sales significantly superior to the subject property resulting in overvaluations; falsely certifying that he personally inspected the subject property and the comparable sales.

Mudgett, Kenneth S.
AL008628 (Expired)
San Bernardino

12/10/01. Settlement Agreement, \$3,000 fine, 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: failure to accurately support key characteristics of the neighborhood market area, site, and improvements for the subject property; falsely submitted pictures of another property and identified them as the subject property; commission of a series of errors in the Sales Comparison Approach resulting in a significant overvaluation of the subject property.

Muller, Alicia L.
AR018407
Contra Costa

5/31/02. Settlement Agreement, resigned license while under investigation. Alleged violations of USPAP S.R. 3, Conduct Section of the Ethics Rule, Competency Rule: failure to recognize the incorrect description of the subject property's market area and improvements in the appraisal report under review; failure to recognize that the comparable sales utilized in the

Sales Comparison Approach were unverified, were not analyzed, and lead to a substantial overvaluation in the report under review.

Oakley, Thomas E.
AG025518
Los Angeles

12/20/01. Settlement Agreement revoking appraiser license, revocation stayed two years subject to terms of agreement, stay to become permanent upon successful completion of all terms, \$1,000 fine. Convictions of California Penal Code sections 415(1) and 245(a)(1).

Odle, Page Y.
AL015734
Ventura

7/8/02. Settlement Agreement, \$2,400 fine, 30 day suspension effective July 15, 2002. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: commission of a series of errors in the Sales Comparison Approach including reporting incorrect comparable sales data, incorrectly displaying location of comparables sales, and failure to use correct photographs of comparable sales; failure to comply with requirements from a previous settlement agreement.

Peters, Troy L.
AG025225
Los Angeles

7/29/02. Director adopted Administrative Law Judge's proposed decision; \$3,000 fine, 15 day suspension effective August 28, 2002, 15 hrs. USPAP, two year appraisal log. Violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to accurately describe key legal and economic factors pertinent to the subject properties; failure to disclose and analyze a pending sales agreement for the subject property at a significantly lower amount than the appraised value; commission of a series of errors in the Sales Comparison Approach including the incorrect reporting of the comparable sales' amenities, and the failure to adjust for superior comparable amenities.

Pieroni, Kyle L.
AR009081
Los Angeles

3/3/02. Settlement Agreement, \$4,000 fine and enforcement costs, 60 day suspension beginning March 3, 2002, 15 hrs. USPAP, one year appraisal log for monitoring. Alleged violations of USPAP S.R. 1 and 2, and the Conduct Section of the Ethics Rule: failed to adequately supervise a trainee; falsely certified inspection of subject properties in five drive-by appraisal reports resulting in misrepresentation of the subject properties' physical and locational characteristics; misrepresentation of the comparable sales resulting in a gross overvaluation.

Prebe, Mark A.
AR008892
Orange

5/14/02. Settlement Agreement, \$3,000 fine, 90 day suspension effective June 15, 2002, stayed 60 days, 30 hrs. basic education. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to accurately disclose the condition of the subject properties; selection of inappropriate comparable sales in the Sales Comparison Approach.

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Reader, Robert J.
AL009358
Kern

2/28/02. Accusation/Default Decision issuing \$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education, public reproof. Violations of USPAP S.R. 1 & 2, Conduct Section of the Ethics Rule: failure to report and analyze the previous sale of the subject property within the prior 12 months; failure to accurately describe key economic, legal, and physical characteristics of the subject property; commission of a series of errors in the Sales Comparison Approach including the selection of sales dissimilar in overall comparability and the lack of the support for adjustments in the sales grid.

Reece, Donald R.
AR004879
San Bernardino

3/4/02. Settlement Agreement, \$3,000 fine, 30 day suspension, stayed 15 days beginning April 1, 2002, 15 hrs. USPAP, 30 hrs. basic education. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, and Title 10, California Code of Regulations, Section 3542: failure to accurately report the subject property's locational and physical improvements; commission of a series of errors in the Sales Comparison Approach including the selection of inappropriate comparable sales and the lack of documented support for adjustments in the analysis; falsely certified a log of appraisal experience for licensing for an appraisal trainee.

Riviera, Steven S.
AR011519
Los Angeles

1/25/02. Settlement Agreement, \$2,000 fine and enforcement costs, 15 hrs. USPAP, 45 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2: failure to accurately disclose the actual physical condition and key improvement characteristics of multiple subject properties; failure to analyze current agreement of sales or prior transfers of the subject properties within 12 months of the date of the appraisal; incorrectly utilizing comparable sales dissimilar in location and amenities to the subject properties in the Sales Comparison Approach.

Rowland, Derek C.
AG009113
Los Angeles

6/24/02. Settlement Agreement, \$3,000 fine, 15 hrs. USPAP, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, Business and Professions Code Section 11324: falsely certified personal inspection of the subject properties and comparable sales; failure to acknowledge significant professional assistance of another individual involved in the appraisal assignment.

Rubin, David L.
AL017536 (Expired)
San Diego

12/20/00. Action handled by San Diego County DA. Convicted of violation of Business and Professions Code Sections 11320; appraising without a license. Sentenced to 240 days jail, 3 years probation, \$200 fine, and \$7,741 restitution. License expired 10/1/1997.

Sipper, Edward G.
AL021571

7/1/02. Settlement Agreement, resigned license. Alleged violations of USPAP S.R. 3, Competency Rule: failure to accurately depict market

<p>Los Angeles</p>	<p>conditions in an appraisal review assignment; failure to analyze the pending sale of the subject property; failure to recognize and conclude there was no support for conclusions of site value, market rent, and the estimate of value in the Sales Comparison Approach in the report under review resulting in a substantial overvaluation in a “flip” transaction.</p>
<p>Sticca, John, A. AR006241 Sacramento</p>	<p>3/27/02. Director adopted Administrative Law Judge’s proposed decision issuing a \$3,800 fine, denying renewal of license until completion of 15 hrs. USPAP, and completion of all other renewal requirements including the fine payment. Violations of Business and Professions Code sections 11321(a) and (b) and Title 10, California Code of Regulations sections 3721(a)(2) and (7): completion of appraisal assignments referencing state license number after expiration of appraisal license; intentionally altered appraisal license to reflect an incorrect expiration date.</p>
<p>Thibodeaux, Timothy J. AG009087 Los Angeles</p>	<p>7/9/02. Settlement Agreement, \$1,500 fine, 15 hrs. USPAP, 20 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 3, Competency Rule: failure to accurately depict market conditions in an appraisal review assignment; failure to analyze the pending sale of the subject property; failure to recognize and conclude there was no support for conclusions of site value, market rent, and the estimate of value in the Sales Comparison Approach in the report under review resulting in a substantial overvaluation in a “flip” transaction.</p>
<p>Thomas, Bradd J. AG004724 (Expired) Orange</p>	<p>3/27/02. Director adopted Administrative Law Judge’s proposed decision denying appraiser’s license. Convicted of violation of California Penal Code sections 240 and 498(b)(3).</p>
<p>Thompson, Curtis AL009804 Monterey</p>	<p>12/19/01. Settlement Agreement, \$3,500 fine, 15 hrs. USPAP, 45 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: inaccurately described a five-unit subject property as having only four units; failure to disclose and report repairs needed for the subject property as well as its proximate location to adverse site influences; commission of a significant overvaluation for the subject property.</p>
<p>Tran, Andrew A. AR007659 Orange</p>	<p>8/27/02. Statement of Issues/Default Decision denying application for a license. Violations of Title 10, California Code of Regulations, Sections 3542(a)(1)(E), 3702(a)(2), 3721(a)(2)(4)(5); Business and Professions Code Sections 11320, 11321(a), 11324(a)(b): provided Log of Appraisal Experience containing false information; forged signature of another appraiser.</p>

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Volynskiy, Aleksandr
AL021125
Los Angeles

4/17/02. Accusation/Default Decision: \$2,000 fine, 15 hrs. USPAP, 40 hrs. basic education, public reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: failure to accurately report key physical characteristics of the subject property; commission of a series of errors in the Cost Approach and Sales Comparison Approach resulting in an overvaluation; failure to maintain an appropriate workfile for the required time frame.

Webb, Larry J.
AR009490
Sacramento

5/31/02. Settlement Agreement, \$2,000 fine and enforcement costs, public reproof. Alleged violations of Title 10, California Code of Regulations section 3721(a)(5): failure to disclose disciplinary action from Nevada on renewal application.

Zaragoza, Hector M.
AR012282 (Expired)
Los Angeles

2/5/02: Settlement Agreement, resigned license before administrative hearing, \$2,500 fine and enforcement costs. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: misrepresented the subject property as four units instead of five; misrepresented comparable sales as being two-unit properties instead of single family residences.

Revocations

Hickoff, Kahala R.
AL009190
San Bernardino

4/25/02. Accusation/Default Decision revoking appraiser's license: \$5,000 fine. Violations of USPAP S.R. 1 & 2, Conduct Section of the Ethics Rule, Competency Rule: signed the name of other appraisers on two appraisal reports, failure to analyze previous sales of the subject properties occurring within a 12 month period for multiple properties; failure to accurately report key market, legal and physical characteristics of the subject properties; commission of a series of errors in the Sales Comparison Approaches including the selection of inappropriate sales comparables and the incorrect reporting of the comparables for multiple subject properties.

Private Reprints

Certified General licensee

6/3/02. Settlement Agreement, \$500 fine, 15 hrs. USPAP, 30 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2: failure to accurately analyze easements influencing the subject property; failure to accurately describe a comparable sale in the Sales Comparison Approach which resulted in a flawed overall analysis.

Certified General licensee

5/24/02. Settlement Agreement, \$500 fine, 15 hrs. USPAP, 30 hrs. basic education, public reproof. Alleged violations of USPAP S.R. 1 and 2: failure to accurately analyze easements influencing the subject property; failure to accurately describe a comparable sale in the Sales Comparison

Approach which resulted in a flawed overall analysis.

Residential licensee	7/8/02. 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 inaccurate reporting of the relevant property characteristics of the comparable sales and the lack of support for the adjustments used in the analysis.
Residential licensee	9/5/01. 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), failure to notify vehicle owner of accident.
Residential licensee	10/24/02. Citation/Final Order. \$500 fine, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to account for functional obsolescence in the subject property; commission of a series of errors in the Sales Comparison Approach including the failure to support adjustments in the sales grid analysis and not accurately reporting the relevant property characteristics of the comparable sales.
Certified General licensee	12/3/02. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 7 and 8: failure to analyze the current agreement of sale for the subject property; failure to utilize proper methodology in valuing subject property's "blue sky" value.
Trainee license applicant	12/12/01. Settlement Agreement, private reproof. Requirement that licensee agree to obey all laws related to real estate appraisers. Any violations will result in automatic revocation of license. Convicted of misdemeanor violations of California Penal Code sections 459 and 470.
Certified General licensee	5/30/02. Settlement Agreement, \$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to accurately disclose and analyze the physical characteristics of the subject property's improvements resulting in an overvaluation; failure to disclose or analyze recent listing history of the subject property.
Certified Residential licensee	10/31/02. Citation/Final Order. \$500 fine, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately describe the physical characteristics of the subject property; failure to consider

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	relevant comparable sales in the Sales Comparison Approach.
Certified General licensee	10/10/02. Citation/Final Order. \$500 fine, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to disclose and analyze the current agreement of sale for the subject property; failure to accurately report the relevant property characteristics of the subject property.
Certified General licensee	7/17/02. Citation/Final Order. \$750 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately disclose and analyze the existing land use regulations of the subject property and their impact on value; failure to correctly analyze the Highest and Best Use of the subject property.
Residential licensee	11/18/02. Citation/Final Order. \$1,000 fine, 15 hrs. USPAP, private reproof. Violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: falsely certified that inspection of interior of subject property was completed.
Certified General licensee	1/11/02. Accusation/Default Decision: \$1,000 fine, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 & 2: failure to employ correct methodology in the valuation of developable land; failure to correctly report and analyze sales used in the Sales Comparison Approach.
Certified General licensee	6/3/02. Citation/Final Order. \$1,000 fine, 15 hrs. USPAP, 45 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, Business and Professions Code section 11320 and 11321(a): completion of an appraisal assignment for a federally related transaction after appraisal license had expired; failure to accurately describe the subject property's improvements; failure to provide support for adjustments in the Sales Comparison Approach analysis.
Trainee licensee	2/1/02. Settlement Agreement, denial of upgrade for Residential License, \$250 fine, 15 hrs. USPAP, private reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to accurately describe key locational and physical characteristics of the subject properties; commission of a series of errors in the Sales Comparison Approach including the use of dissimilar comparable sales, lack of support for the adjustments to the comparable sales, and incorrect photograph and locational maps for the comparable sales.
Certified General licensee	10/31/02. Citation/Final Order. \$500 fine, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately describe

the relevant physical characteristics of the subject property; failure to accurately disclose amenities of the comparable sales and provide support for adjustments in the Sales Comparison Approach.

Trainee license applicant	3/25/02. Settlement Agreement, private reproof. Requirement that licensee agree to obey all terms of court ordered probation and all laws related to real estate appraisers. Any violations will result in automatic suspension of license. Convicted of misdemeanor violation of California Penal Code section 487(a).
Residential licensee	5/1/02. Settlement Agreement, \$1,000 fine, withdrawal of application for license renewal, private reproof. Alleged violations of Business and Professions Code sections 11320, 11321(a) and (b) and Title 10, California Code of Regulations sections 3721(a)(2), (4) and (7): signed an appraisal report referencing a valid state license when in fact license had expired; submission of an altered appraisal license showing incorrect expiration date.
Certified General licensee	10/24/02. Citation/Final Order. \$500 fine, 15 hrs. USPAP, private reproof. Violations of USPAP S.R. 1 and 2: failure to identify the extent of the inspection performed on the subject property; failure to disclose the significant professional assistance of another appraiser in the preparation of the appraisal report.
Residential licensee	3/8/02. Settlement Agreement, requirement that licensee adheres to the terms of a State of Colorado Stipulation and Waiver.
Certified Residential licensee	5/23/02. 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 obtain rental comparables from an unbiased source; commission of a series of errors in the Sales Comparison Approach including the reporting of incorrect data of the comparable sales and the failure to support adjustments in the analysis.
Certified General licensee	6/18/02. Settlement Agreement, \$1,000 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Alleged violations of USPAP S.R. 1 and 2, Competency Rule: failure to accurately describe the physical and legal characteristics of the subject property; incorrectly utilized comparable sales dissimilar to the subject property without appropriate adjustments in the Sales Comparison Approach.

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- Certified Residential licensee 7/22/02. Settlement Agreement, \$750 fine, private reproof. Requirement that licensee agree to obey all terms of court ordered probation and all laws related to real estate appraisers. Any violations will result in automatic revocation of license. Convicted of misdemeanor violation of California Penal Code section 273.6(A).
- Certified Residential licensee 5/15/02. Director adopted Administrative Law Judge's proposed decision; \$1,000 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 components of the subject property's site and improvements; failure to disclose significant items of functional obsolescence.
- Certified Residential licensee 12/19/00. Citation/Final Order, \$3,000 fine, 15 hrs. USPAP, 45 hrs. basic education, one year appraisal log for monitoring, private reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: failure to accurately report key physical, legal, and economic characteristics of the subject property; commission of a series of errors in the Sales Comparison Approach including the failure to accurately report the sales data, selection of inappropriate sales comparables, and the failure to provide support for adjustments.
- Certified General licensee 7/3/02. Settlement Agreement, \$1,000 fine, 40 hrs. basic education, private reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to accurately describe the physical characteristics of the subject properties; failure to accurately describe the comparable sales utilized in the Sales Comparison Approaches.
- Certified Residential licensee 5/23/02. Citation/Final Order. \$750 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to correctly identify the condition of the improvements of the subject property; failure to disclose proximate adverse influences to the subject site; failure to provide adequate support for the adjustments in the Sales Comparison Approach.
- Residential licensee 6/25/02. 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 support the conclusion of economic rent for the subject property; failure to accurately describe relevant characteristics of the comparable sales and provide support for "across the board" adjustments in the Sales Comparison Approach.

Certified General licensee	10/7/02. Settlement Agreement, \$1,200 fine, 30 hrs. basic education, private reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to accurately describe relevant property characteristics of the subject property; commission of a series of errors in the Sales Comparison Approaches of multiple properties including the misrepresentation of the comparable sales and the inclusion of non-comparable properties when relevant superior comparables were available.
Certified General licensee	7/8/02. 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 provide support for the conclusion of economic rents for the subject property; commission of a series of errors in the Sales Comparison Approach including the inaccurate description of the sales comparables and the lack of support for “across the board” adjustments.
Trainee licensee	6/3/02. Citation/Final Order. \$250 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: failure to accurately report market conditions in the subject property’s neighborhood; commission of a series of errors in the Sales Comparison Approach including the reporting of incorrect data sources and the selection of superior comparable sales without appropriate adjustments.
Residential licensee	6/18/02. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: failure to accurately report market conditions in the subject property’s neighborhood; commission of a series of errors in the Sales Comparison Approach including the reporting of incorrect data sources and the selection of superior comparable sales without appropriate adjustments.
Residential licensee	1/23/02. Settlement Agreement, 30 day stayed suspension, \$1,500 fine, 12 month appraisal log for monitoring, private reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Provision, Competency Provision: failure to accurately describe subject neighborhood and key physical and legal characteristics of the subject property; commission of a series of errors in the Sales Comparison Approach including the misrepresentation of key features of the sales comparables and the lack of support for adjustments to the sales comparables; failure to analyze a current agreement of sale for the subject property and a prior sale in the past 12 months.

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Certified Residential licensee	12/3/01. Citation/Final Order. \$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to accurately describe key physical characteristics of the subject properties; commission of a series of errors in the Sales Comparison Approach including the inaccurate description of the comparable sales and the failure to adjust for key amenities.
Certified Residential licensee	4/25/02. 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: failure to accurately report key site and improvement characteristics of the subject property; failure to disclose and adequately analyze a Hypothetical Condition that had a significant impact on the valuation of the subject property.
Certified General licensee	11/5/02. Citation/Final Order. \$500 fine, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to analyze and disclose adverse site influences that affected the subject property; failure to appropriately consider adverse site influences of the subject property in the Sales Comparison Approach.
Certified General licensee	10/10/02. Citation/Final Order. \$750 fine, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Competency Rule: failure to accurately analyze the legal and physical characteristics of the subject property; failure to provide sufficient support for Highest and Best Use conclusion.
Certified Residential licensee	5/31/02. Settlement Agreement, \$750 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Alleged violations of USPAP S.R. 1 and 2: failure to accurately describe the physical characteristics of the subject property; failure to accurately describe the physical characteristics of the comparable sales utilized in the Sales Comparison Approach.
Trainee license applicant	2/25/02. Settlement Agreement, \$250 fine, private reproof. failure to disclose on application conviction of misdemeanor violation of California Penal Code section 459.
Certified General licensee	2/11/02. Settlement Agreement, \$2,000 fine, 15 hrs. USPAP, 30 hrs. basic education, six month appraisal log for monitoring, private reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, Competency Rule: failure to accurately describe key physical characteristics of the subject properties; commission of a series of errors in the Income Approaches for multiple properties including the failure to properly analyze

subject leases, incorrectly analyzing leased fee estate, and failure to accurately describe comparable rental properties; failure to accurately analyze sales comparables in the Sales Comparison Approaches for multiple properties.

Certified General licensee	2/25/02. Citation/Final Order. \$500 fine, 15 hrs. USPAP, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately describe the physical and legal characteristics of the subject site; failure to disclose and analyze a Hypothetical Condition for the subject property.
Residential licensee	10/31/02. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 20 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 referencing incorrect data sources and not accurately reporting the relevant property characteristics of the comparable sales.
Certified Residential licensee	10/31/02. Citation/Final Order. \$750 fine, 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 accurate verification of the sales and the lack of support for adjustments employed in the analysis; failure to support the concluded value of the Cost Approach.
Residential licensee	2/25/02. 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 describe the physical condition of the subject property; failure to report and analyze the prior sale of the subject property occurring in the past 12 months.
Certified General licensee	12/3/02. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 7 and 8: failure to analyze the current agreement of sale for the subject property; failure to utilize proper methodology in valuing subject property's "blue sky" value.
Trainee license applicant	3/8/02. Denial of appraiser's application for a trainee license. Convicted of violations of 21 USC 846.
Certified General licensee	12/3/02. Citation/Final Order. \$750 fine, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 7 and 8: failure to accurately analyze the relevant property characteristics; failure to provide adequate support for final concluded land value.

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- Certified Residential licensee 11/4/02. Citation/Final Order. \$500 fine, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Record Keeping section of the Ethics Rule: failure to maintain a complete workfile for the appraisal report; failure to accurately describe the physical characteristics of the subject property; selection of comparable sales in the Sales Comparison Approach that were significantly superior overall while omitting more similar and proximate sales.
- Certified Residential licensee 5/16/02. Settlement Agreement, \$250 fine, private reproof. Alleged violations of Title 10, California Code of Regulations section 3527(a)(5).
- Certified General licensee 11/11/02. Citation/Final Order. \$500 fine, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately describe all physical components of the subject property.
- Certified Residential licensee 5/28/02. 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 atypical nature of subject site; commission of a series of errors in the Sales Comparison Approach including the selection of superior comparable sales and the lack of support for adjustments in the analysis.
- Certified Residential licensee 7/8/02. Settlement Agreement, \$500 fine, 15 hrs. USPAP, private reproof. Alleged violations of USPAP S.R. 1 and 2, Competency Rule: failure to accurately describe the physical and legal characteristics of two subject properties; failure to analyze the pending agreements of sale for two subject properties; failure to provide support for conclusion of economic rents in the Income Approach.
- Certified Residential licensee 5/24/02. Settlement Agreement, 30 day stayed suspension, \$2,500 fine, 15 hrs. USPAP, 30 hrs. basic education. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: falsely certified inspection of the subject property; failure to provide adequate support for adjustments employed in the Sales Comparison Approach.
- Certified Residential licensee 10/24/02. Citation/Final Order. \$500 fine, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately describe the adverse locational factors and physical characteristics of the subject property; failure to disclose and analyze key amenities of the comparable sales employed in the Sales Comparison Approach.
- Certified Residential licensee 2/25/02. Citation/Final Order. \$750 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 measure the subject property; commission of a series of errors in the Sales Comparison Approach including the inaccurate description and analysis of the comparable sales; failure to analyze the prior sale of the subject property that occurring within a 12 month period.

- Certified General licensee 5/29/02. Settlement Agreement, \$500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to accurately identify the property interest being appraised; commission of a series of errors in the Sales Comparison Approach including the lack of documented support for adjustments in the analysis and the inaccurate reporting of the physical characteristics of one comparable sale.
- Certified Residential licensee 1/28/02. Citation/Final Order. \$500 fine, 15 hrs. USPAP, private reproof. Violations of USPAP Record Keeping Section of the Ethics Rule: failure to retain a true copy of the written appraisal report and associated workfile.
- Certified Residential licensee 4/11/02. Citation/Final Order. \$750 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately report the relevant upgraded features of the subject property; commission of a series of errors in the Sales Comparison Approach including the misrepresentation of pertinent property characteristics of the comparable sales and the lack of support for the adjustments in the analysis.
- Certified Residential licensee 2/28/02. Citation/Final Order. \$750 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 report key legal and physical characteristics of two subject properties; failure to analyze prior sales of the subject properties that occurred within 12 months of the date of the appraisal; failure to accurately report key information of sales utilized in the Sales Comparison Approach.
- Certified General licensee 12/12/02. Citation/Final Order. \$500 fine, 30 hrs. basic education, private reproof. Violations of USPAP. 1 and 2: failure to accurately report and analyze relevant property characteristics of the subject property; failure to analyze and disclose significantly lower sale prices of the comparable sales that sold within one year in the Sales Comparison Approach.
- Residential licensee 6/20/02. 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 the locational attributes of the subject property;

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misrepresented the site amenities of two comparable sales in the Sales Comparison Approach.

Certified Residential licensee 10/7/02. Settlement Agreement, \$1,000 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Alleged violations of USPAP S.R. 1 and 2: failure to accurately describe relevant property characteristics of the subject property; failure to analyze current agreement of sale for the subject property; selection of comparable sales in the Sales Comparison Approach located in superior neighborhoods and on superior sites without proper adjustments or justification for their use.

Certified General licensee 7/17/02. Citation/Final Order. \$750 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to analyze a current agreement of sale; failure to accurately describe and analyze the relevant property characteristics of the comparable sales employed in the Sales Comparison Approach.

Residential licensee 10/24/02. Citation/Final Order. \$500 fine, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately describe the adverse locational factors and physical characteristics of the subject property; failure to disclose and analyze key amenities of the comparable sales employed in the Sales Comparison Approach.

Certified Residential licensee 1/11/02. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 20 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 misrepresentation of the comparable sales' land sizes and the exclusion of relevant comparable sales in close proximity to the subject property.

Trainee licensee 4/24/02. Settlement Agreement, requirement that licensee adhere to terms set forth in decision of the Commissioner of the Department of Real Estate, private reproof. Alleged violations of Title 10, California Code of Regulations section 3722(a)(4).

Residential licensee 2/20/02. Citation/Final Order. \$750 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to accurately report key legal and physical characteristics of the subject property; failure to provide adequate support for adjustments in the Sales Comparison Approach; failure to analyze a current listing and agreement of sale for the subject property.

Residential licensee	12/19/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, private reproof. Violations of USPAP Record Keeping Section of Ethics Rule: failure to maintain work files for two appraisals completed in past five years.
Residential licensee	4/15/02. Settlement Agreement, \$500 fine, private reproof: failure to disclose conviction for misdemeanor violation of California Vehicle Code section 20001(a) on renewal application.
Certified General licensee	5/30/02. Citation/Final Order. \$500 fine, private reproof. Violations of Title 10, California Code of Regulations section 3527(a): failure to submit written notice to OREA of a change in residence and business addresses and phone numbers.
Certified Residential licensee	5/24/02. Settlement Agreement, \$500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Alleged violations of USPAP S.R. 7 and 8, Competency Rule: failure to accurately identify property interest appraised; commission of a series of errors in the Sales Comparison Approach including the misrepresentation of the physical characteristics of a comparable sale and the lack of support for adjustments in the analysis.
Certified General licensee	12/3/02. Citation/Final Order. \$1,500 fine, 15 hrs. USPAP, private reproof. Violations of USPAP S.R. 1 and 2: failure to analyze future development impediments of the subject property; failure to disclose and support all extraordinary assumptions used in the analysis; failure to complete a comprehensive Highest and Best Use analysis for a complex property with significant development issues.
Trainee license applicant	1/23/02. Settlement Agreement, \$250 fine, private reproof. Requirement that licensee agree to obey all terms of court ordered probation and all laws related to real estate appraisers. Any violations will result in automatic revocation of license. Convicted of misdemeanor violation of California Penal Code section 484(A).
Certified Residential Licensee	9/24/02. Accusation/Default Decision: \$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 accurately disclose and analyze relevant property characteristics; commission of a series of errors in the Sales Comparison Approach including the inaccurate reporting of the sales comparables relevant physical characteristics and the omission of relevant comparable sales proximate to the subject property.

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Certified General licensee	1/28/02. Settlement Agreement, \$1,500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule, Competency Rule: failure to appropriately analyze the comparables used in the Sales Comparison Approach; failure to provide support for the gross income estimated in the Income Approach; based value on a Hypothetical Condition that was misleading.
Residential licensee	6/3/02. 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 describe the subject property's neighborhood; inclusion of comparable sales from a superior neighborhood while omitting relevant comparable sales near the subject property.
Certified General licensee	6/3/02. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to report and analyze furniture, fixtures, and equipment (FF&E) of the subject property that contributed to value, failure to utilize appropriate methodology in estimating gross annual income.
Residential licensee	1/11/02. Accusation/Default Decision: \$2,000 fine, 15 hrs. USPAP, 30 hrs. basic education, one year appraisal log for monitoring, private reproof. Violations of USPAP S.R. 1 & 2, Conduct Section of the Ethics Rule: failure to accurately describe key locational, legal, and physical characteristics of multiple subject properties; failure to correctly analyze a current pending sale of the subject property; commission of a series of errors in the Sales Comparison Approach including the reporting of incorrect sales data, misrepresentation of comparable sale amenities, and minimal support for adjustments.
Residential licensee	12/3/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, private reproof. Violations of USPAP S.R. 1 and 2: failure to disclose and analyze a previous sale of the subject property (at a significantly lower price) within one year of the effective date of the appraisal.
Residential licensee	5/23/02. Citation/Final Order. \$750 fine, private reproof. Violations of USPAP S.R. 1 and 2, Record Keeping Section of the Ethics Rule: failure to adequately address an addition to the improvements for the subject property; omission of adjustments in the Sales Comparison Approach for significant differences in the comparable sales.

- Certified Residential licensee 3/8/02. Settlement Agreement, \$2,500 fine, 15 hrs. USPAP, 30 hrs. basic education, private reproof. Alleged violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Provision, Competency Provision: failure to accurately disclose key site and improvement characteristics of the subject property; failure to analyze a prior transfer of the subject property within 12 months of the date of the appraisal; commission of a series of errors in the Sales Comparison Approach including the use of comparable sales dissimilar in location and amenities to the subject property and incorrectly reporting the amenities of the comparable sales.
- Certified General licensee 10/23/01. Citation/Final Order. \$500 fine, private reproof. Violations of USPAP S.R. 1 and 2: commission of a series of errors in the Sales Comparison Approach including the failure to adequately verify sales closing data and the misrepresentation of all salient physical characteristics of the comparable sales.
- Certified Residential licensee 10/31/02. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to disclose and analyze a previous sale of the subject property within the past year; failure to fully analyze comparable sales employed in the Sales Comparison Approach.
- Certified General licensee 6/24/02. Settlement Agreement, \$500 fine, private reproof: Failure to disclose conviction for misdemeanor violation of California Penal Code section 243(E)(1) on renewal application.
- Certified General licensee 11/14/01. 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 including reporting incorrect sales price of a comparable and incorrectly extracting capitalization rates; failure to accurately disclose terms and conditions of the subject property's leases.
- Certified Residential licensee 5/17/02. Accusation/Default Decision: \$1,500 fine, 15 hrs. USPAP, 45 hrs. basic education, private reproof. Violations of USPAP S.R. 1 & 2, Conduct Section of the Ethics Provision: failure to analyze a transfer of the subject property within a one year period; failure to analyze comparable sales employed in the Sales Comparison Approach resulting in a significant overvaluation.
- Residential licensee 10/31/02. 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

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accurately analyze and disclose relevant property characteristics of the comparable sales used in the Sales Comparison Approach.

Residential licensee 12/10/01. Citation/Final Order. \$500 fine, 15 hrs. USPAP, 20 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2: failure to disclose consider and analyze a recent previous listing of the subject property at a price significantly below the concluded value estimate; failure to employ the correct effective date of value for an appraisal report.

Residential licensee 5/29/02. Citation/Final Order. \$750 fine, 15 hrs. USPAP, 45 hrs. basic education, private reproof. Violations of USPAP S.R. 1 and 2, Conduct Section of the Ethics Rule: failure to accurately report key legal and locational characteristics of the subject property; misrepresentation of pertinent property characteristics of the comparable sales in the Sales Comparison Approach.

Certified General licensee 7/10/02. 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 describe the physical characteristics of the subject property; commission of a series of errors in the Sales Comparison Approach including referencing incorrect data sources and utilizing comparable sales dissimilar to the subject property.

Certified General licensee 12/3/02. Citation/Final Order. \$1,500 fine, 15 hrs. USPAP, private reproof. Violations of USPAP S.R. 1 and 2: failure to analyze future development impediments of the subject property; failure to disclose and support all extraordinary assumptions used in the analysis; failure to complete a comprehensive Highest and Best Use analysis for a complex property with significant development issues.

Delinquent Court-Ordered Child Support Actions

Paul F. Castro 2/1/03: Suspension ended due to license expiration. 11/4/01: License
AT027957 suspended: Violation of Family Code, Section 17520

Paul G. Chenelia 3/21/02: License Reinstated. 3/11/02: License suspended: Violation of
AR022532 Family Code, Section 17520

Murvin R. Durkee 11/27/02: License Reinstated. 11/05/02: License suspended: Violation of
AG002976 Family Code, Section 17520

John L. Elliott AL024652	8/26/02: License Reinstated. 10/30/01: License suspended: Violation of Family Code, Section 17520
Jeffrey L. Grant AR017757	2/26/02: License Reinstated. 10/30/01: License suspended: Violation of Family Code, Section 17520
Curtis D. Harris AG002574	1/9/02: License Reinstated. 12/7/01: License suspended: Violation of Family Code, Section 17520
John T. Hollis AT027734	7/25/02: Suspension ended due to expiration of license. 12/31/01: License suspended: Violation of Family Code, Section 17520
Clint T. Krueger AR008476	1/10/03: License Reinstated. 4/8/02: License suspended: Violation of Family Code, Section 17520
J. Douglas Law AR013328	10/25/01: License Reinstated. 4/6/01: License suspended: Violation of Family Code, Section 17520
Jovonnie R. Mabrie AG005340	11/3/02: Suspension ended due to license expiration. 4/8/02: License suspended: Violation of Family Code, Section 17520
Dennis F. McBride AR007905	10/4/02: License Reinstated. 9/4/02: License suspended: Violation of Family Code, Section 17520
Troy L. Peters AG025225	2/25/02: License Reinstated. 2/7/02: License suspended: Violation of Family Code, Section 17520. 10/24/01: License Reinstated. 10/4/01: License suspended: Violation of Family Code, Section 17520
Rohollah Piryaeei AT029025	11/12/02: License suspended: Violation of Family Code, Section 17520
Brett S. Rowe AT028426	9/16/02: License Reinstated. 9/4/02: License suspended: Violation of Family Code, Section 17520
Shawn Smith AT027960	7/29/02: License Reinstated. 3/11/02: License suspended: Violation of Family Code, Section 17520
Robert D. Stone AT028549	12/31/02: 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

ANTHONY F. MAJEWSKI

Acting Director

Office of Real Estate Appraisers
1755 Creekside Oaks Drive, Suite 190
Sacramento, CA 95833

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