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7  
8 **BEFORE THE**  
**DIRECTOR OF THE OFFICE OF REAL ESTATE APPRAISERS**  
9 **STATE OF CALIFORNIA**

10 In the Matter of the Accusation Against:

Case No. C111230-01

11 **JOHN CHEN**  
12 **982 Loraine Ave.**  
13 **Los Altos, CA 94024**

**ACCUSATION**

14 **Certified Real Estate Appraiser License No.**  
15 **014225**

Respondent.

16  
17 Complainant alleges:

18 PARTIES

19 1. Elizabeth Seaters, acting on behalf of the Office of Real Estate Appraisers  
20 (Complainant), brings this Accusation solely in her official capacity as Chief of Enforcement for  
21 Complainant.

22 2. On or about December 21, 2005, the Director of the Office of Real Estate Appraisers  
23 issued Certified Real Estate Appraiser License Number 014225 to John Chen (Respondent). The  
24 Certified Real Estate Appraiser License was in full force and effect at all times relevant to the  
25 charges brought herein and expired on April 29, 2013.<sup>1</sup>

26  
27 <sup>1</sup> Respondent timely filed his renewal application; the application is currently being  
28 processed.

JURISDICTION

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2       3.    This Accusation is brought before the Director of the Office of Real Estate Appraisers  
3 (Director), under the authority of the following laws. All section references are to the Business  
4 and Professions Code unless otherwise indicated.

5       4.    Business and Professions Code section 11313 states, in pertinent part:

6       "The office [Office of Real Estate Appraisers] is under the supervision and control of the  
7 secretary [secretary of the Business, Transportation and Housing Agency]. The duty of enforcing  
8 and administering this part is vested in the director [director of the Office of Real Estate  
9 Appraisers] and he or she is responsible to the secretary therefor. The director shall adopt and  
10 enforce rules and regulations as are determined reasonably necessary to carry out the purposes of  
11 this part."

12       5.    Business and Professions Code section 11314 states, in pertinent part: "The office is  
13 required to include in its regulations requirements for licensure and discipline of real estate  
14 appraisers that ensure protection of the public interest."

15       6.    Business and Professions Code section 11316, subdivision (a) states:

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

21       7.    Business and Professions Code section 11319 states:

22       "Notwithstanding any other provision of this code, the Uniform Standards of Professional  
23 Appraisal Practice constitute the minimum standard of conduct and performance for a licensee in  
24 any work or service performed that is addressed by those standards. If a licensee also is certified  
25 by the Board of Equalization, he or she shall follow the standards established by the Board of  
26 Equalization when fulfilling his or her responsibilities for assessment purposes."

27       8.    Business and Professions Code section 11325, subdivision (a) states:  
28

1 "The director shall adopt regulations which determine the parameters of appraisal work  
2 which may be performed by licensed appraisers."

3 9. Business and Professions Code section 11328 states:

4 "To substantiate documentation of appraisal experience, or to facilitate the investigation of  
5 illegal or unethical activities by a licensee, applicant, or other person acting in a capacity that  
6 requires a license, that licensee, applicant, or person shall, upon the request of the director, submit  
7 copies of appraisals, or any work product which is addressed by the Uniform Standards of  
8 Professional Appraisal Practice, and all supporting documentation and data to the office. This  
9 material shall be confidential in accordance with the confidentiality provisions of the Uniform  
10 Standards of Professional Appraisal Practice."

11 10. California Code of Regulations, title 10, section 3701 states:

12 "Every holder of a license under this part shall conform to and observe the Uniform  
13 Standards of Professional Appraisal Practice (USPAP) and any subsequent amendments thereto  
14 as promulgated by the Appraisal Standards Board of The Appraisal Foundation which standards  
15 are herein incorporated into these regulations by reference as if fully set forth herein."

16 11. California Code of Regulations, title 10, section 3702 states:

17 "(a) The Director finds and declares as follows:

18 "(1) That the profession of real estate appraisal is vested with a fiduciary relationship of  
19 trust and confidence as to clients, lending institutions, and both public and private guarantors or  
20 insurers of funds in federally-related real estate transactions and that the qualifications of honesty,  
21 candor, integrity, and trustworthiness are directly and substantially related to and indispensable to  
22 the practice of the appraisal profession;

23 "(2) That registered Appraisal Management Companies are vested with a relationship  
24 of trust and confidence as to their clients, lending institutions, and both public and private  
25 guarantors or insurers of funds in federally-related real estate transactions and that the  
26 qualifications of honesty, candor, integrity, and trustworthiness are directly and substantially  
27 related to and indispensable to their business operations; and

28 "(3) Every holder of a license to practice real estate appraisal, Registrant, Controlling

1 Person of an Appraisal Management Company, or person or entity acting in a capacity requiring a  
2 license or Certificate of Registration shall be required to demonstrate by his or her conduct that he  
3 or she possesses the qualifications of honesty, candor, integrity, and trustworthiness.

4 "(b) The Director may require such proof as he may deem advisable concerning the  
5 special qualifications of an applicant for or holder of an appraisers' license or a Certificate of  
6 Registration."

7 12. California Code of Regulations, title 10, section 3721 states:

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

12 "(1) Been convicted of a felony or any crime which is substantially related to the  
13 qualifications, functions, or duties of the profession of real estate appraisal;

14 "(2) Done any act involving dishonesty, fraud or deceit with the intent to benefit himself or  
15 another, or to injure another;

16 "(3) Been convicted for a commission or solicitation of a criminal act which involved or  
17 threatened bodily harm to others;

18 "(4) Done any act which if done by the holder of a license to practice real estate appraisal  
19 would be grounds for revocation or suspension of such license;

20 "(5) Knowingly made a false statement of material fact required to be disclosed in an  
21 application for a license authorizing the practice of real estate appraisal;

22 "(6) Violated any provision of USPAP;

23 "(7) Violated any provision of the Real Estate Appraisers' Licensing and Certification Law,  
24 Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code, or  
25 regulations promulgated pursuant thereto; or any provision of the Business and Professions Code  
26 applicable to applicants for or holders of licenses authorizing appraisals;

27 "(8) Been prohibited from participating in the affairs of an insured depository institution  
28 pursuant to Section 19(a) of the Federal Deposit Insurance Act (12 U.S.C. Section 1829.); or

1           "(9) Submitted a financial instrument to OREA for the payment of any fee, fine or penalty  
2 which instrument is subsequently dishonored by the issuing institution due to an act or omission  
3 of that person.

4           "(b) Before issuing any private or public reproof or denying, suspending, or revoking any  
5 license or Certificate of Registration issued or issuable under the provisions of the Real Estate  
6 Appraisers Licensing and Certification Law or these regulations, the Office shall proceed as  
7 prescribed by Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of  
8 the Government Code (the Administrative Procedure Act) and the Office shall have all the  
9 powers granted therein.

10           "(c) Any person issued a citation containing a fine or order of abatement may contest the  
11 citation by filing a written notice with the Office within 30 calendar days that states with  
12 specificity the basis of the appeal. Upon receipt of such notice, the Office shall proceed as  
13 prescribed by Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of  
14 the Government Code (the Administrative Procedure Act) and the Office shall have all the  
15 powers granted therein."

16           13. Business and Professions Code section 11409, subdivision (a) states:

17           "Except as otherwise provided by law, any order issued in resolution of a disciplinary  
18 proceeding may direct a licensee, applicant for licensure, person who acts in a capacity that  
19 requires a license under this part, registrant, applicant for a certificate of registration, course  
20 provider, applicant for course provider accreditation, or a person who, or entity that, acts in a  
21 capacity that requires course provider accreditation found to have committed a violation or  
22 violations of statutes or regulations relating to real estate appraiser practice to pay a sum not to  
23 exceed the reasonable costs of investigation, enforcement, and prosecution of the case."

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1                                    2008 UNIFORM STANDARDS OF APPRAISAL PRACTICE (“USPAP”)<sup>2</sup>

2            14.        USPAP Standards Rule 1-1 states:

3            In developing a real property appraisal, an appraiser must:

4            (a) be aware of, understand, and correctly employ those recognized methods and techniques  
5 that are necessary to produce a credible appraisal;

6            (b) not commit a substantial error of omission or commission that significantly affects an  
7 appraisal; and

8            (c) not render appraisal services in a careless or negligent manner, such as by making a  
9 series of errors that, although individually might not significantly affect the results of an  
10 appraisal, in the aggregate affects the credibility of those results.

11           15.        USPAP Standards Rule 1-2 states:

12           In developing a real property appraisal, an appraiser must:

13           (a) identify the client and other intended users;

14           (b) identify the intended use of the appraiser's opinions and conclusions;

15           (c) identify the type and definition of value, and, if the value opinion to be developed is  
16 market value, ascertain whether the value is to be the most probable price:

17           (i) in terms of cash; or

18           (ii) in terms of financial arrangements equivalent to cash; or

19           (iii) in other precisely defined terms; and

20           (iv) if the opinion of value is to be based on non-market financing or financing with  
21 unusual conditions or incentives, the terms of such financing must be clearly identified and the  
22 appraiser's opinion of their contributions to or negative influence on value must be developed by  
23 analysis of relevant market data;

24           (d) identify the effective date of the appraiser's opinions and conclusions;

25           (e) identify the characteristics of the property that are relevant to the purpose and intended  
26 use of the appraisal, including:

27           \_\_\_\_\_  
28           <sup>2</sup> 2008 USPAP was in effect for appraisals between January 1, 2008 and December 31,  
2009.

- 1 (i) its location and physical, legal, and economic attributes;  
2 (ii) the real property interest to be valued;  
3 (iii) any personal property, trade fixtures, or intangible items that are not real property but  
4 are included in the appraisal;  
5 (iv) any known easements, restrictions, encumbrances, leases, reservations, covenants,  
6 contracts, declarations, special assessments, ordinances, or other items of similar nature; and  
7 (v) whether the subject property is a fractional interest, physical segment, or partial  
8 holding;  
9 (f) identify any extraordinary assumptions necessary in the assignment;  
10 (g) identify any hypothetical conditions in the assignment; and  
11 (h) determine the scope of work necessary to produce credible assignment results in  
12 accordance with the SCOPE OF WORK RULE.

13 16. USPAP Standards Rule 1-3 states:

14 When necessary for credible assignment results in developing a market value opinion, an  
15 appraiser must:

- 16 (a) identify and analyze the effect on use and value of existing land use regulations,  
17 reasonably probable modifications of such land use regulations, economic supply and demand,  
18 the physical adaptability of the real estate, and market area trends; and  
19 (b) develop an opinion of the highest and best use of the real estate.

20 17. USPAP Standard Rule 1-4 states:

21 In developing a real property appraisal, an appraiser must collect, verify, and analyze all  
22 information necessary for credible assignment results.

23 (a) When a sales comparison approach is necessary for credible assignment results, an  
24 appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

25 (b) When a cost approach is necessary for credible assignment results, an appraiser must:

- 26 (i) develop an opinion of site value by an appropriate appraisal method or technique;  
27 (ii) analyze such comparable cost data as are available to estimate the cost new of the  
28 improvements (if any); and

1 (iii) analyze such comparable data as are available to estimate the difference between the  
2 cost new and the present worth of the improvements (accrued depreciation).

3 (c) When an income approach is necessary for credible assignment results, an appraiser  
4 must:

5 (i) analyze such comparable rental data as are available and/or the potential earnings  
6 capacity of the property to estimate the gross income potential of the property;

7 (ii) analyze such comparable operating expense data as are available to estimate the  
8 operating expenses of the property;

9 (iii) analyze such comparable data as are available to estimate rates of capitalization and/or  
10 rates of discount; and

11 (iv) base projections of future rent and/or income potential and expenses on reasonably  
12 clear and appropriate evidence.

13 (d) When developing an opinion of the value of a leased fee estate or a leasehold estate, an  
14 appraiser must analyze the effect on value, if any, of the terms and conditions of the lease(s).

15 (e) When analyzing the assemblage of the various estates or component parts of a property,  
16 an appraiser must analyze the effect on value, if any, of the assemblage. An appraiser must refrain  
17 from valuing the whole solely by adding together the individual values of the various estates or  
18 component parts.

19 (f) When analyzing anticipated public or private improvements, located on or off the site,  
20 an appraiser must analyze the effect on value, if any, of such anticipated improvements to the  
21 extent they are reflected in market actions.

22 (g) When personal property, trade fixtures, or intangible items are included in the  
23 appraisal, the appraiser must analyze the effect on value of such non-real property items.

24 18. USPAP Standard Rule 1-6 states:

25 In developing a real property appraisal, the appraiser must:

26 (a) reconcile the quality and quantity of data available and analyzed within the approaches  
27 used; and

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1 (b) reconcile the applicability and relevance of the approaches, methods and techniques  
2 used to arrive at the value conclusion(s).

3 USPAP Standard 2 states:

4 In reporting the results of a real property appraisal, an appraiser must communicate each  
5 analysis, opinion, and conclusion in a manner that is not misleading.

6 19. USPAP Standards Rule 2-1 states:

7 Each written or oral real property appraisal report must:

8 (a) clearly and accurately set forth the appraisal in a manner that will not be misleading.

9 (b) contain sufficient information to enable the intended users of the appraisal to  
10 understand the report properly; and

11 (c) clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical  
12 conditions, and limiting conditions used in the assignment.

13 20. USPAP Standards Rule 2-2 states:

14 Each written real property appraisal report must be prepared under one of the following  
15 three options and prominently state which option is used: Self-Contained Appraisal Report,  
16 Summary Appraisal Report, or Restricted Use Appraisal Report.

17 (a) The content of a Self-Contained Appraisal Report must be consistent with the intended  
18 use of the appraisal and, at a minimum:

19 (i) state the identity of the client and any intended users, by name or type;

20 (ii) state the intended use of the appraisal;

21 (iii) describe information sufficient to identify the real estate involved in the appraisal,  
22 including the physical and economic property characteristics relevant to the assignment;

23 (iv) state the real property interest appraised;

24 (v) state the type and definition of value and cite the source of the definition;

25 (vi) state the effective date of the appraisal and the date of the report;

26 (vii) describe the scope of work used to develop the appraisal;

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1 (viii) describe the information analyzed, the appraisal methods and techniques employed,  
2 and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales  
3 comparison approach, cost approach, or income approach must be explained;

4 (ix) state the use of the real estate existing as of the date of value and the use of the real  
5 estate reflected in the appraisal; and, when an opinion of highest and best use was developed by  
6 the appraiser, describe the support and rationale for that opinion;

7 (x) clearly and conspicuously:

8 state all extraordinary assumptions and hypothetical conditions; and

9 state that their use might have affected the assignment results; and

10 (xi) include a signed certification in accordance with Standards Rule 2-3.

11 (b) The content of a Summary Appraisal Report must be consistent with the intended use  
12 of the appraisal, and, at a minimum;

13 (i) state the identity of the client and any intended users, by name or type;

14 (ii) state the intended use of the appraisal;

15 (iii) summarize information sufficient to identify the real estate involved in the appraisal,  
16 including the physical and economic property characteristics relevant to the assignment;

17 (iv) state the real property interest appraised;

18 (v) state the type and definition of value and cite the source of the definition;

19 (vi) state the effective date of the appraisal and the date of the report;

20 (vii) summarize the scope of work used to develop the appraisal;

21 (viii) summarize the information analyzed, the appraisal methods and techniques employed,  
22 and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales  
23 comparison approach, cost approach, or income approach must be explained;

24 (ix) state the use of the real estate existing as of the date of value and the use of the real  
25 estate reflected in the appraisal; and, when an opinion of highest and best use was developed by  
26 the appraiser, summarize the support and rationale for that opinion;

27 (x) clearly and conspicuously:

28 state all extraordinary assumptions and hypothetical conditions; and

- 1 state that their use might have affected the assignment results; and
- 2 (xi) include a signed certification in accordance with Standards Rule 2-3.
- 3 (c) The content of a Restricted Use Appraisal Report must be consistent with the intended
- 4 use of the appraisal and, at a minimum:
- 5 (i) state the identity of the client, by name or type;
- 6 (ii) state the intended use of the appraisal;
- 7 (iii) state information sufficient to identify the real estate involved in the appraisal;
- 8 (iv) state the real property interest appraised;
- 9 (v) state the type of value, and cite the source of its definition;;
- 10 (vi) state the effective date of the appraisal and the date of the report.
- 11 (vii) state the scope of work used to develop the appraisal;
- 12 (viii) state the appraisal methods and techniques employed, state the value opinion(s) and
- 13 conclusion(s) reached, and reference the workfile; exclusion of the sales comparison approach,
- 14 cost approach, or income approach must be explained;
- 15 (ix) state the use of the real estate existing as of the date of value and the use of the real
- 16 estate reflected in the appraisal; and, when an opinion of highest and best use was developed by
- 17 the appraiser, state that opinion;
- 18 (x) clearly and conspicuously:
- 19 state all extraordinary assumptions and hypothetical conditions; and
- 20 state that their use might have affected the assignment results; and
- 21 (xi) include a signed certification in accordance with Standards Rule 2-3.

22 21. The USPAP ETHICS RULE states:

23 To promote and preserve the public trust inherent in professional appraisal practice, an

24 appraiser must observe the highest standards of professional ethics. This ETHICS RULE is

25 divided into four sections: Conduct, Management, Confidentiality, and Record Keeping. The first

26 three sections apply to all appraisal practice, and all four sections apply to appraisal practice

27 performed under Standards 1 through 10.

28

1 Compliance with USPAP is required when either the service or the appraiser is obligated by  
2 law or regulation, or by agreement with the client or intended users, to comply. In addition to  
3 these requirements, an individual should comply any time that individual represents that he or she  
4 is performing the service as an appraiser.

5 An appraiser must not misrepresent his or her role when providing valuation services that  
6 are outside of appraisal practice.

7 Conduct:

8 An appraiser must perform assignments ethically and competently, in accordance with  
9 USPAP.

10 An appraiser must not engage in criminal conduct.

11 An appraiser must perform assignments with impartiality, objectivity, and independence,  
12 and without accommodation of personal interests.

13 An appraiser must not advocate the cause or interest of any party or issue.

14 An appraiser must not accept an assignment that includes the reporting of predetermined  
15 opinions and conclusions.

16 An appraiser must not communicate assignment results in a misleading or fraudulent  
17 manner. An appraiser must not use or communicate a misleading or fraudulent report or  
18 knowingly permit an employee or other person to communicate a misleading or fraudulent report.

19 An appraiser must not use or rely on unsupported conclusions relating to characteristics  
20 such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of  
21 public assistance income, handicap, or an unsupported conclusion that homogeneity of such  
22 characteristics is necessary to maximize value.

23 Management:

24 The payment of undisclosed fees, commissions, or things of value in connection with the  
25 procurement of an assignment is unethical.

26 It is unethical for an appraiser to accept an assignment, or to have a compensation  
27 arrangement for an assignment, that is contingent on any of the following:

- 28 1. the reporting of a predetermined result (e.g., opinion of value);

- 1           2. a direction in assignment results that favors the cause of the client;  
2           3. the amount of a value opinion;  
3           4. the attainment of a stipulated result; or  
4           5. the occurrence of a subsequent event directly related to the appraiser's opinions and  
5 specific to the assignment's purpose.

6           Advertising for or soliciting assignments in a manner that is false, misleading, or  
7 exaggerated is unethical.

8           Confidentiality:

9           An appraiser must protect the confidential nature of the appraiser-client relationship.

10          An appraiser must act in good faith with regard to the legitimate interests of the client in the  
11 use of confidential information and in the communication of assignment results.

12          An appraiser must be aware of, and comply with, all confidentiality and privacy laws and  
13 regulations applicable in an assignment.

14          An appraiser must not disclose confidential information or assignment results prepared for a  
15 client to anyone other than the client and persons specifically authorized by the client; state  
16 enforcement agencies and such third parties as may be authorized by due process of law; and a  
17 duly authorized professional peer review committee except when the disclosure to a committee  
18 would violate applicable law or regulation. It is unethical for a member of a duly authorized  
19 professional peer review committee to disclose confidential information presented to the  
20 committee.

21          Record Keeping:

22          An appraiser must prepare a workfile for each appraisal, appraisal review, or appraisal  
23 consulting assignment. The workfile must include:

24           the name of the client and the identity, by name or type, of any other intended users;

25           true copies of any written reports, documented on any type of media;

26           summaries of any oral reports or testimony, or a transcript of testimony, including the

27           appraiser's signed and dated certification; and  
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1 all other data, information, and documentation necessary to support the appraiser's opinions  
2 and conclusions and to show compliance with this Rule and all other applicable Standards, or  
3 references to the location(s) of such other documentation.

4 An appraiser must retain the workfile for a period of at least five (5) years after preparation  
5 or at

6 least two (2) years after final disposition of any judicial proceeding in which the appraiser  
7 provided testimony related to the assignment, whichever period expires last.

8 An appraiser must have custody of his or her workfile, or make appropriate workfile  
9 retention, access, and retrieval arrangements with the party having custody of the workfile.

10  
11 22. The USPAP Competency Rule states:

12 Prior to accepting an assignment or entering into an agreement to perform any assignment,  
13 an appraiser must properly identify the problem to be addressed and have the knowledge and  
14 experience to complete the assignment competently; or alternatively, must:

- 15 1. disclose the lack of knowledge and/or experience to the client before accepting the  
16 assignment;
- 17 2. take all steps necessary or appropriate to complete the assignment competently; and
- 18 3. describe the lack of knowledge and/or experience and the steps taken to complete the  
19 assignment competently in the report.

20 CAUSE FOR DISCIPLINE

21 (USPAP VIOLATIONS - 2133 Diego Court, Tracy, California)

22 23. On March 4, 2008, Respondent completed a real estate appraisal report for property  
23 described as 2133 Diego Court, Tracy, California. Respondent is subject to disciplinary action  
24 under Regulation section 3721, subdivisions (a)(6) and (a)(7), by and through his violations of  
25 Regulation sections 3701, 3702 subdivisions (a)(1) and (a)(3), under Business and Professions  
26 Code sections 11319 and 11328 for the following USPAP violations:

27 a. Respondent failed to describe the subject neighborhood properly. The neighborhood  
28 description includes contradictory information regarding price trends as it states that they are

1 declining and increasing, in violation of Standards Rules 1-1(a), 1-1(b), 1-2(e)(i), 1-3(a), 2-1(b)  
2 and 2-2(b)(iii);

3 b. Respondent failed to describe the subject property in a consistent and credible  
4 manner. The sketch diagram in the report shows the measured size of the subject property, but in  
5 the description of the improvements and in the valuation section, a much higher number is used  
6 resulting in gross over valuation, in violation of Standards Rules 1-1(a), 1-1(b), 1-2(e)(i), and 2-  
7 2(b)(iii);

8 c. Respondent failed to complete the Cost Approach to value in a credible manner.  
9 Respondent valued the subject property using a grossly over stated size of the improvements, in  
10 violation of Standards Rules 1-1(a), 1-1(b), 1-4(b)(i)(ii), 2-1(b) and 2-2(b)(iii);

11 d. Respondent failed to complete the Sales Comparison Approach correctly by using  
12 inappropriate comparables and misrepresenting them; Respondent misrepresented the comparable  
13 sales by placing the wrong photographs of the comparables in his report; Respondent failed to  
14 describe his comparables appropriately, two of which were trustee sales; Respondent over stated  
15 the gross living area of the subject property resulting in a flawed analysis of the sales, in violation  
16 of Standards Rules 1-1(a), 1-1(b), 1-4(a), 2-1(a), and the Competency Rule;

17 e. Respondent failed to reconcile the data in his valuation, as his final estimate of value  
18 was not within the indicated value range shown in his analysis and there was no explanation as to  
19 why it was not within the indicated range, in violation of Standard Rules 1-1(a), 1-6(a), 2-  
20 2(b)(viii) and the Competency Rule;

21 f. Respondent rendered services in an unprofessional manner by producing an appraisal  
22 report with an abundance of errors, both minor and major. Amongst those errors were the failure  
23 to describe the subject property and the market in a consistent manner, and failure to value the  
24 subject property credibly, in violation of Standard Rules 1-1(a), 1-1(b), 2-2(b)(viii) and the  
25 Competency Rule; and

26 g. Respondent failed to keep a complete work file and submit it to OREA as required by  
27 a Demand Letter sent to him, in violation of the Record Keeping and Conduct Section of the  
28 Ethics Rule.

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PRAYER

WHEREFORE, Complainant requests that a hearing be held on the matters herein alleged, and that following the hearing, the Director of the Office of Real Estate Appraisers issue a decision:

1. Revoking or suspending Certified Real Estate Appraiser License Number 014225, issued to John Chen;
2. Ordering John Chen to pay the Director of the Office of Real Estate Appraisers the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 11409;
3. Ordering John Chen to pay the Director of the Office of Real Estate Appraisers a fine pursuant to Business and Professions Code section 11316; and
4. Taking such other and further action as deemed necessary and proper.

DATED: 5/6/13

**Original Signed**

ELIZABETH SEATERS  
Chief of Enforcement  
Office of Real Estate Appraisers  
State of California  
*Complainant*