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

10  
11 In the Matter of the Accusation Against:

Case No. C20130418-01

12 **STEVEN A. COSTELLI**  
13 **388 Verona Ave.**  
**Danville, CA 94526**

**ACCUSATION**

14 **Real Estate Appraiser Lic. No. AR020097**

15 Respondent.

16  
17 Complainant alleges:

18 **PARTIES**

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

22 2. On or about January 20, 2011, the Bureau of Real Estate Appraisers (formerly Office  
23 of Real Estate Appraisers) issued Real Estate Appraiser License Number 020097 to Steven A.  
24 Costelli (Respondent). The Real Estate Appraiser License expired on January 19, 2013, and has  
25 not been renewed.

26 **JURISDICTION**

27 3. This Accusation is brought before the Bureau of Real Estate Appraisers (Bureau) for  
28 the Department of Consumer Affairs, under the authority of the following laws. All section

1 references are to the Business and Professions Code unless otherwise indicated.

2 4. Business and Professions Code section 11301 states:

3 "(a) There is hereby created within the Department of Consumer Affairs a Bureau of Real  
4 Estate Appraisers to administer and enforce this part.

5 (b) Whenever the term "Office of Real Estate Appraisers" appears in any other law, it  
6 means the "Bureau of Real Estate Appraisers."

7 5. Business and Professions Code section 11313 states:

8 "The bureau is under the supervision and control of the Director of Consumer Affairs. The  
9 duty of enforcing and administering this part is vested in the chief, and he or she is responsible to  
10 the Director of Consumer Affairs therefor. The chief shall adopt and enforce rules and  
11 regulations as are determined reasonably necessary to carry out the purposes of this part. Those  
12 rules and regulations shall be adopted pursuant to Chapter 3.5 (commencing with Section 11340)  
13 of Part 1 of Division 3 of Title 2 of the Government Code. Regulations adopted by the former  
14 Director of the Office of Real Estate Appraisers shall continue to apply to the bureau and its  
15 licensees."

16 6. Business and Professions Code section 11315.3 states:

17 The suspension, expiration, or forfeiture by operation of law of a license or certificate of  
18 registration issued by the office, or its suspension, forfeiture, or cancellation by order of the office  
19 or by order of a court of law, or its surrender without the written consent of the office, shall not,  
20 during any period in which it may be renewed, restored, reissued, or reinstated, deprive the office  
21 of its authority to institute or continue a disciplinary proceeding against the licensee or registrant  
22 upon any ground provided by law or to enter an order suspending or revoking the license or  
23 certificate of registration, or otherwise taking disciplinary action against the licensee or registrant  
24 on any such ground.

25 7. Business and Professions Code section 11316, subdivision (a) states:

26 "(a) The director may assess a fine against a licensee, applicant for licensure, person who  
27 acts in a capacity that requires a license under this part, course provider, applicant for course  
28 provider accreditation, or a person who, or entity that, acts in a capacity that requires course

1 provider accreditation for violation of this part or any regulations adopted to carry out its  
2 purposes."

3 8. California Code of Regulations, title 10, section 3721 states:

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

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

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

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

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

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

18 "(6) Violated any provision of USPAP;

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

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

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

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

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

13           9. Business and Professions Code section 11320, states, in pertinent part:

14           "No person shall engage in federally related real estate appraisal activity governed by this  
15 part or assume or use the title of or any title designation or abbreviation as a licensed appraiser in  
16 this state without first obtaining a license as defined in Section 11302."

17           10. Business and Professions Code section 11321 states:

18           "(a) No person other than a state licensed real estate appraiser may assume or use that title  
19 or any title, designation, or abbreviation likely to create the impression of state licensure as a real  
20 estate appraiser in this state.

21           "(b) No person other than a licensee may sign an appraisal. A trainee licensed pursuant to  
22 Section 11327 may sign an appraisal if it is also signed by a licensee.

23           "(c) No person other than a licensee holding a current valid license at the residential level  
24 issued under this part to perform, make, or approve and sign an appraisal may use the  
25 abbreviation SLREA in his or her real property appraisal business.

26           "(d) No person other than a licensee holding a current valid license at a certified level  
27 issued under this part to perform, make, or approve and sign an appraisal may use the term "state  
28

1 certified real estate appraiser" or the abbreviation SCREA in his or her real property appraisal  
2 business."

3 11. Business and Professions Code section 11328 states, in pertinent part:

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 OREA."

9 12. California Code of Regulations, title 10, section 3527 states, in pertinent part:

10 "(a) All applicants for and holders of a license, temporary practice permit or course  
11 provider approval permit shall submit written notice to OREA of any change to the following  
12 within 10 days on the Change Notification and Miscellaneous Requests Form REA 3011 (Rev.  
13 5/8/00), which is herein incorporated by reference:

14 "(1) Name;

15 "(2) Residence telephone number;

16 "(3) Business telephone number;

17 "(4) Residence address;

18 "(5) Business name or address; or

19 "(6) Mailing address.

20 "..."

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

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

1 FIRST CAUSE FOR DISCIPLINE

2 (Expired License – Appraisal of 600 North Claremont Street, Unit 6, San Mateo, California)

3 14. Respondent is subject to disciplinary action under California Code of Regulations,  
4 title 10, section 3721(a)(2) and 3721(a)(7) and sections 11320, 11321(a) and 11321(b) in that  
5 Respondent prepared an appraisal report of property located at 600 North Claremont Street, Unit  
6 6, San Mateo, California, and signed that report on or about January 31, 2013, using the title or  
7 designation of “Appraiser.” Respondent’s Real Estate Appraiser license expired on or about  
8 January 19, 2013, and has not been renewed.

9 SECOND CAUSE FOR DISCIPLINE

10 (Expired License – Appraisal of 321 North San Mateo Drive, Unit 108, San Mateo, California)

11 15. Respondent is subject to disciplinary action under California Code of Regulations,  
12 title 10, section 3721(a)(2) and 3721(a)(7) and sections 11320, 11321(a) and 11321(b) in that  
13 Respondent prepared an appraisal report of property located at 321 North San Mateo Drive, Unit  
14 108, San Mateo, California, and signed that report on or about February 21, 2013, using the title  
15 or designation of “Appraiser.” Respondent’s Real Estate Appraiser license expired on or about  
16 January 19, 2013, and has not been renewed.

17 THIRD CAUSE FOR DISCIPLINE

18 (Failure to Facilitate Investigation)

19 16. Respondent is subject to disciplinary action under California Code of Regulations,  
20 title 10, section 3721(a)(7) and section 11328 in that he failed to facilitate a Bureau investigation.  
21 The Bureau sent a demand letter to Respondent’s address of record on or about June 10, 2013,  
22 requesting copies of the appraisal reports for the properties located at 600 North Claremont Street,  
23 Unit 6, San Mateo, California and 321 North San Mateo Drive, Unit 108, San Mateo, California.  
24 On or about September 3, 2013, the Bureau sent a follow up demand letter to Respondent at a  
25 forwarding address listed by the U.S. Postal Service. The Bureau also requested that Respondent  
26 provide the appraisal reports via telephone on or about August 2, 2013. Respondent failed to  
27 respond to any of the Bureau’s requests, and has not provided copies of the subject appraisal  
28 reports.

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FOURTH CAUSE FOR DISCIPLINE

(Failure to Provide Updated Contact Information)

17. Respondent is subject to disciplinary action under California Code of Regulations, title 10, section 3721(a)(7) and section 3527(a) in that he failed to submit written notice to the Bureau of a change of address.

PRAYER

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

1. Revoking or suspending Real Estate Appraiser License Number 020097, issued to Steven A. Costelli;

2. Ordering Steven A. Costelli to pay the Bureau of Real Estate Appraisers the reasonable costs of the investigation and enforcement of this case, pursuant to Business and Professions Code section 11409;

3. Ordering Steven A. Costelli to pay the Bureau 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: 2/7/14

**Original Signed**

ELIZABETH SEATERS  
Chief of Enforcement  
Bureau of Real Estate Appraisers  
Department of Consumer Affairs  
State of California  
*Complainant*

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