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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 and Petition to
11 Revoke Probation Against:

Case No. C 071016-01

OAH No. 2012020947

12 **FARAH H. GULPARAST**
13 **791 Saffron Drive**
Tracy, CA 95377

**ACCUSATION AND PETITION TO
REVOKE**

14 **Real Estate Appraiser License No. AL**
15 **038505**

16 Respondent.

17 Complainant alleges:

18 **ACCUSATION**

19 **PARTIES**

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

23 2. On or about April 4, 2007, the Director of the Office of Real Estate Appraisers issued
24 Real Estate Appraiser License Number AL 038505 to Farah H. Gulparast (Respondent). The
25 Real Estate Appraiser License expired on November 27, 2009, and has not been renewed.

26 **JURISDICTION**

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

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

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

10 5. Business and Professions Code section 11316, subdivision (a) states:

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

16 6. Business and Professions Code section 11319 states:

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

22 7. Business and Professions Code section 11328 states, in pertinent part:

23 "To substantiate documentation of appraisal experience, or to facilitate the investigation of
24 illegal or unethical activities by a licensee, applicant, or other person acting in a capacity that
25 requires a license, that licensee, applicant, or person shall, upon the request of the director, submit
26 copies of appraisals, or any work product which is addressed by the Uniform Standards of
27 Professional Appraisal Practice, and all supporting documentation and data to the OREA."
28

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

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

6 9. California Code of Regulations, title 10, section 3702(a) states:

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

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

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

18 "(3) Every holder of a license to practice real estate appraisal, Registrant, Controlling
19 Person of an Appraisal Management Company, or person or entity acting in a capacity requiring a
20 license or Certificate of Registration shall be required to demonstrate by his or her conduct that he
21 or she possesses the qualifications of honesty, candor, integrity, and trustworthiness."

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

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

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

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

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

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

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

9 "(6) Violated any provision of USPAP;

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

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

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

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

25 "(c) Any person issued a citation containing a fine or order of abatement may contest the
26 citation by filing a written notice with the Office within 30 calendar days that states with
27 specificity the basis of the appeal. Upon receipt of such notice, the Office shall proceed as
28 prescribed by Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of

1 the Government Code (the Administrative Procedure Act) and the Office shall have all the
2 powers granted therein."

3 11. California Code of Regulations, title 10, section 3722 states:

4 "(a) A crime or act shall be deemed to be substantially related to the qualifications,
5 functions or duties of an appraiser if, to a substantial degree, it evidences present or potential
6 unfitness of a person holding a license to perform the functions authorized by his/her license. The
7 crimes or acts include, but are not limited to, the following:

8 "(1) Crimes or Acts involving the use of fraud, deceit or dishonesty for profit or gain;

9 "(2) Taking, appropriating or retaining the funds or property of another;

10 "(3) Forging, counterfeiting or altering any instrument affecting the rights or obligations of
11 another;

12 "(4) Evasion of a lawful debt or obligation, including but not limited to tax obligations;

13 "(5) Traffic in any narcotic or controlled substance in violation of law;

14 "(6) Driving under the influence of alcohol or drugs, while conducting business related to
15 real estate appraisals; conviction of felony driving under the influence of alcohol or drugs; or
16 conviction of two or more misdemeanor driving under the influence of alcohol or drugs within
17 any three year period, whether or not while conducting business:

18 "(7) Violation of a relation of trust or confidence;

19 "(8) Theft of personal property or funds;

20 "(9) Crimes or acts of violence or threatened violence against persons or property;

21 "(10) The commission of any crime or act punishable as a sexually related crime, if that
22 crime or act is substantially related to the duties and functions of the licensee; or

23 "(11) Misrepresentation of facts or information on the appraisal license application and/or
24 cheating on the examination.

25 "(b) An act or crime shall be deemed to be substantially related to the functions, duties or
26 qualifications of an appraiser if it involves any willful violation of the Real Estate Appraisers'
27 Licensing and Certification Act or provisions of the Business and Professions Code applicable to
28 appraisers.

1 "(c) The weight to be accorded to a substantially related crime or act under (a) or (b) shall
2 be determined by application of the following standards:

3 "(1) The extent to which the particular acts or omissions have adversely affected other
4 persons, including but not limited to lenders, clients, employers or other persons; and the
5 probability that such adverse effects will continue;

6 "(2) The recency or remoteness in time of the acts or omissions;

7 "(3) The type of license applied for or held by the person involved;

8 "(4) The extenuating or aggravating circumstances surrounding the acts or omissions;

9 "(5) The motivation of the acts or omissions, whether praiseworthy or blameworthy;

10 "(6) The probability that the questioned acts or omissions will continue or be repeated; and

11 "(7) The extent to which disciplinary action may inflict an adverse impact or chilling effect
12 upon the constitutional rights of the person involved or other licensed persons."

13 12. Title 10, California Code of Regulations, section 3705, states:

14 "(a) Every appraisal report subject to the Uniform Standards of Professional Appraisal
15 Practice upon final completion shall bear the signature and license number of the appraiser and of
16 the supervising appraiser, if appropriate. The affixing of such signature and number constitute the
17 acceptance by the appraiser and supervising appraiser of full and personal responsibility for the
18 accuracy, content, and integrity of the appraisal under Standards Rules 1 and 2 of USPAP.

19 "(b) Every review appraisal report upon final completion shall bear the signature and
20 license number of the reviewer. The affixing of such signature and number shall constitute
21 acceptance by the reviewer of responsibility for the review under Standard Rule 3 of USPAP.

22 "(c) The license number of the appraiser, and of the review appraiser if the report is a
23 review, shall appear with each signature throughout the appraisal or review document."

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

25 "Except as otherwise provided by law, any order issued in resolution of a disciplinary
26 proceeding may direct a licensee, applicant for licensure, person who acts in a capacity that
27 requires a license under this part, registrant, applicant for a certificate of registration, course
28 provider, applicant for course provider accreditation, or a person who, or entity that, acts in a

1 capacity that requires course provider accreditation found to have committed a violation or
2 violations of statutes or regulations relating to real estate appraiser practice to pay a sum not to
3 exceed the reasonable costs of investigation, enforcement, and prosecution of the case."

4 **2005 UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP)**

5 14. The USPAP ETHICS RULE states in pertinent part:

6 "To promote and preserve the public trust inherent in professional appraisal practice, an
7 appraiser must observe the highest standards of professional ethics. This ETHICS RULE is
8 divided into four sections: Conduct, Management, Confidentiality, and Record Keeping. The first
9 three sections apply to all appraisal practice, and all four sections apply to appraisal practice
10 performed under STANDARDS 1 through 10.

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

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

17 15. The Conduct section of USPAP ETHICS RULE states:

18 "An appraiser must perform assignments ethically and competently, in accordance with
19 USPAP and any supplemental standards agreed to by the appraiser in accepting the assignment.
20 An appraiser must not engage in criminal conduct. An appraiser must perform assignments with
21 impartiality, objectivity, and independence, and without accommodation of personal interests.

22 "In appraisal practice, an appraiser must not perform as an advocate for any party or issue.

23 "An appraiser must not accept an assignment that includes the reporting of predetermined
24 opinions and conclusions.

25 "An appraiser must not communicate assignment results in a misleading or fraudulent
26 manner.

27 "An appraiser must not use or communicate a misleading or fraudulent report or knowingly
28 permit an employee or other person to communicate a misleading or fraudulent report.

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

5 16. USPAP Standards Rule 1-1 states:

6 "In developing a real property appraisal, an appraiser must:

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

9 "(b) not commit a substantial error of omission or commission that significantly affects an
10 appraisal;

11 ..."

12 17. USPAP Standards Rule 1-2 states:

13 "In developing a real property appraisal, an appraiser must:

14 ...

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

16 "(e) identify the characteristics of the property that are relevant to the type and definition of
17 value and intended use of the appraisal, including:

18 "(i) its location and physical, legal, and economic attributes;

19 ...

20 "(f) identify the scope of work necessary to complete the assignment;

21 ..."

22 18. USPAP Standards Rule 1-4 states:

23 "In developing a real property appraisal, an appraiser must collect, verify, and analyze all
24 information applicable to the appraisal problem, given the scope of work identified in accordance
25 with Standards Rule 1-2(f).

26 "(a) When a sales comparison approach is applicable, an appraiser must analyze such
27 comparable sales data as are available to indicate a value conclusion.

28 "(b) When a cost approach is applicable, an appraiser must:

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

4 ...
5 "(b) The content of a Summary Appraisal Report must be consistent with the intended use
6 of the appraisal and, at a minimum:

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

10 ...
11 "(vi) state the effective date of the appraisal and the date of the report;

12 "(vii) summarize sufficient information to disclose to the client and any intended uses
13 of the appraisal the scope of work used to develop the appraisal;

14 "(viii) clearly and conspicuously:
15 state all extraordinary assumptions and hypothetical conditions; and
16 state that their use might have affected the assignment results;

17 "(ix) summarize the information analyzed, the appraisal procedures followed, and the
18 reasoning that supports the analyses, opinions, and conclusions;

19 ..."
20 23. USPAP Standards Rule 2-3 states:

21 "Each written real property appraisal report must contain a signed certification that is
22 similar in content to the following form:

23 "I certify that, to the best of my knowledge and belief:

- 24 • "the statements of fact contained in this report are true and correct.
- 25 • "the reported analyses, opinions, and conclusions are limited only by the reported
26 assumptions and limiting conditions and are my personal, impartial, and unbiased
27 professional analyses, opinions, and conclusions.

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- "I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.
- "I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- "my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- "my compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- "my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- "I have (or have not) made a personal inspection of the property that is the subject of this report. (If more than one person signs this certification, the certification must clearly specify which individuals did and which individuals did not make a personal inspection of the appraised property.)
- "no one provided significant real property appraisal assistance to the person signing this certification. (If there are exceptions, the name of each individual providing significant real property appraisal assistance must be stated.)"

FIRST CAUSE FOR DISCIPLINE
(FEBRUARY 9, 2006 APPRAISAL OF 1729 CHRISTINA AVENUE, STOCKTON, CALIFORNIA)

24. On or about February 9, 2006, Respondent completed a real estate appraisal report for property described as 1729 Christina Avenue in Stockton, California. Respondent is subject to disciplinary action under Regulation section 3721, subdivisions (a)(6) and (a)(7), by and through

1 her violations of Regulation sections 3701, 3702 subdivisions (a)(1) and (a)(3), and the following
2 USPAP violations:

- 3 a. Failure to disclose that the photographs of the subject property were not taken as of the
4 date of her inspection, but were from a prior appraisal report of the subject property, in
5 violation of USPAP Standard Rules (S.R.) 1-2(f) and 2-2(b)(vii);
- 6 b. Respondent's appraisal indicated that her supervisor had inspected the exteriors of the
7 subject property and comparable sales utilized on February 9, 2006, when she had not,
8 in violation of S.R. 1-2(f), 2-2(b)(vii) and 2-3;
- 9 c. Respondent created a misleading report by failing to collect, verify, and analyze all
10 information necessary for credible assignment results via the Sales Comparison
11 Approach, in violation of S.R. 1-4(a) and 2-2(b)(ix) as follows:
 - 12 1. Comparable Sale One: Respondent understated the gross living area. Respondent
13 also falsely stated the date of sale;
 - 14 2. Comparable Sale Two: Respondent significantly understated the gross living area
15 and room count. Respondent also failed to adequately discuss and analyze a prior
16 sale that occurred less than six months earlier;
 - 17 3. Comparable Sale Three: Respondent failed to adequately discuss and analyze this
18 property sold with 100% financing;
- 19 d. Failure to adequately reconcile the disparity of the adjusted sale prices of the
20 comparable sales utilized. Respondent understated the gross living areas of Comparable
21 Sales One and Two, whereas Comparable Sale Three did not support Respondent's
22 concluded value, in violation of S.R. 1-4(a), 1-6(a), and 2-2(b)(ix);
- 23 e. Based on the allegations listed in paragraphs a. through d. above, Respondent failed to
24 correctly employ those recognized methods and techniques that are necessary to
25 produce a credible appraisal, in violation of S.R. 1-1(a);
- 26 f. Based on the allegations listed in paragraphs a. through d. above, Respondent
27 committed substantial errors of omission or commission that significantly affected the
28 appraisal, in violation of S.R. 1-1(b);

- 1 g. Based on the allegations listed in paragraphs a. through d. above, Respondent failed to
2 clearly and accurately set forth the appraisal in a manner that would not be misleading,
3 in violation of S.R. 2-1(a);
- 4 h. Based on the allegations listed in paragraphs a. through d. above, Respondent failed to
5 provide sufficient information to enable the intended users of the report to understand it
6 properly, in violation of S.R. 2-1(b);
- 7 i. Based on the allegations listed in paragraphs a. through d. above, in addition to
8 formulating an appraisal that was not credible, Respondent violated the Conduct Section
9 of the Ethics Rule;
- 10 j. Respondent utilized her supervisor's digital signature without her knowledge or
11 involvement in the appraisal process, in violation of California Code of Regulations,
12 title 10, sections 3702(a)(1) and 3702(a)(3), 3721(a)(2), 3721(a)(4), 3721(a)(6),
13 3722(a)(1), 3722(a)(3), S.R. 2-1(a), 2-3, and the Conduct Section of the Ethics Rule.

14 **SECOND CAUSE FOR DISCIPLINE**

15 **(MARCH 29, 2006 APPRAISAL OF 1729 CHRISTINA AVENUE, STOCKTON,**
16 **CALIFORNIA)**

17 25. On or about March 29, 2006, Respondent completed a real estate appraisal report for
18 property described as 1729 Christina Avenue in Stockton, California. Respondent is subject to
19 disciplinary action under Regulation section 3721, subdivisions (a)(6) and (a)(7), by and through
20 her violations of Regulation sections 3701, 3702 subdivisions (a)(1) and (a)(3), and the following
21 USPAP violations:

- 22 a. Respondent falsely stated the owner of public record. Respondent also stated the
23 subject property was tenant occupied, which contradicted her prior report as of the same
24 date that stated the subject was owner occupied, in violation of S.R. 1-2(e)(i) and 2-
25 2(b)(iii);
- 26 b. Respondent failed to disclose that the photographs of the subject property were not
27 taken as of the date of her inspection, but were from a prior appraisal reports of the
28 subject property, in violation of S.R. 1-2(f) and 2-2(b)(vii);

- 1 c. Respondent's appraisal indicated that her supervisor had inspected the exteriors of the
2 subject property and comparable sales utilized on February 9, 2006, when she had not,
3 in violation of S.R. 1-2(f), 2-2(b)(vii) and 2-3;
- 4 d. Respondent created a misleading report by failing to collect, verify, and analyze all
5 information necessary for credible assignment results via the Sales Comparison
6 Approach, in violation of S.R. 1-4(a) and 2-2(b)(ix), as follows:
- 7 1. Comparable Sale One: Respondent understated the gross living area. Respondent
8 also falsely stated the date of sale;
 - 9 2. Comparable Sale Two: Respondent significantly understated the gross living area
10 and room count. Respondent also failed to adequately discuss and analyze a prior
11 sale that occurred less than six months earlier;
 - 12 3. Comparable Sale Three: Respondent failed to adequately discuss and analyze this
13 property sold with 100% financing;
- 14 e. Respondent failed to adequately reconcile the disparity of the adjusted sale prices of the
15 comparable sales utilized. Respondent understated the gross living areas of Comparable
16 Sales One and Two, whereas Comparable Sale Three did not support Respondent's
17 concluded value, in violation of S.R. 1-4(a), 1-6(a), and 2-2(b)(ix);
- 18 f. Based upon the allegations listed in paragraphs a. through e. above, Respondent failed
19 to correctly employ those recognized methods and techniques that are necessary to
20 produce a credible appraisal, in violation of S.R. 1-1(a);
- 21 g. Based upon the allegations listed in paragraphs a. through e. above, Respondent
22 committed substantial errors of omission or commission that significantly affected the
23 appraisal, in violation of S.R. 1-1(b);
- 24 h. Based upon the allegations listed in paragraphs a. through e. above, in addition to
25 Respondent's date of report that was 48 days following her supervisor's date of report,
26 Respondent failed to clearly and accurately set forth the appraisal in a manner that
27 would not be misleading, in violation of S.R. 2-1(a);
- 28

- 1 i. Based upon the allegations listed in paragraphs a. through e. above, Respondent failed
2 to provide sufficient information to enable the intended users of the report to understand
3 it properly, in violation of S.R. 2-1(b);
- 4 j. Based upon the allegations listed in paragraphs a. through e. above, in addition to an
5 appraisal that was not credible, Respondent violated the Conduct Section of the Ethics
6 Rule;
- 7 k. Respondent utilized her supervisor's digital signature without her knowledge or
8 involvement in the appraisal process, in violation of California Code of Regulations,
9 Title 10, sections 3702(a)(1), 3702(a)(3), 3721(a)(2), 3721(a)(4), 3721(a)(6),
10 3722(a)(1), 3722(a)(3), S.R. 2-1(a), 2-3, and the Conduct Section of the Ethics Rule.

11 **THIRD CAUSE FOR DISCIPLINE**

12 **(FEBRUARY 20, 2006 APPRAISAL OF 1060 N. MITCHELL AVENUE, TURLOCK,**
13 **CALIFORNIA)**

14 26. On or about February 20, 2006, Respondent completed a real estate appraisal report
15 for property described as 1060 N. Mitchell Avenue in Turlock, California. Respondent is subject
16 to disciplinary action under Regulation section 3721, subdivisions (a)(6) and (a)(7), by and
17 through her violations of Regulation sections 3701, 3702 subdivisions (a)(1) and (a)(3), and the
18 following USPAP violations:

- 19 a. Respondent falsely stated the effective date of the appraisal in violation of S.R. 1-2(d)
20 and 2-2(b)(vi);
- 21 b. Respondent's appraisal indicated that her supervisor had inspected the interior of the
22 subject property on December 17, 2006, when in fact, she had not, in violation of S.R.
23 1-2(f), 2-2(b)(vii) and 2-3;
- 24 c. Respondent created a misleading report by failing to collect, verify, and analyze all
25 information necessary for credible assignment results via the Sales Comparison
26 Approach, in violation of S.R. 1-4(a) and 2-2(b)(ix), as follows:
- 27 1. Comparable Sale One: Respondent failed to discuss and analyze this property's
28 superior condition, remodeling and new 1,500 square foot shop;

- 1 2. Comparable Sale Two: Respondent failed to discuss and analyze this property's
2 superior condition and remodeling. Respondent also failed to adequately discuss
3 and analyze the 57 year age disparity in comparison to the subject property;
- 4 3. Comparable Sale Three: Respondent failed to discuss and analyze this property's
5 superior condition, remodeling and addition. Respondent also failed to discuss
6 and analyze this property sold with 100% financing. Additionally, Respondent
7 failed to adequately discuss and analyze the 50 year age disparity in comparison
8 to the subject property;

9 d. Respondent applied across the board upward site area adjustments based on an inflated
10 site area for the subject property, in violation of S.R. 1-4(a) and 2-2(b)(ix);

11 e. Respondent disclosed, but failed to analyze a prior sale of the subject property that
12 occurred less than eight months earlier for 12% less than Respondent's concluded
13 value, in violation of S.R. 1-5(b) and 2-2(b)(ix);

14 f. Based upon the allegations listed above in paragraphs a. through e., Respondent failed
15 to correctly employ those recognized methods and techniques that are necessary to
16 produce a credible appraisal, in violation of S.R. 1-1(a);

17 g. Based upon the allegations listed above in paragraphs a. through e., Respondent
18 committed substantial errors of omission or commission that significantly affected the
19 appraisal, in violation of S.R. 1-1(b);

20 h. Based upon the allegations listed above in paragraphs a. through e., Respondent failed
21 to clearly and accurately set forth the appraisal in a manner that would not be
22 misleading, in violation of S.R. 2-1(a);

23 i. Based upon the allegations listed above in paragraphs a. through e., Respondent failed
24 to provide sufficient information to enable the intended users of the report to understand
25 it properly, in violation of S.R. 2-1(b);

26 j. Based upon the allegations listed above in paragraphs a. through e., in addition to
27 formulating an appraisal that was not credible, Respondent violated the Conduct section
28 of the Ethics Rule;

1 k. Respondent utilized her supervisor's digital signature without her knowledge or
2 involvement in the appraisal process. Respondent also replaced her supervisor's
3 business name and contact information with her own, in violation of California Code of
4 Regulations, Title 10, sections 3702(a)(1), 3702(a)(3), 3721(a)(2), 3721(a)(4),
5 3721(a)(6), 3722(a)(1), 3722(a)(3), S.R. 2-1(a), 2-3, and the Conduct Section of the
6 Ethics Rule.

7 **FOURTH CAUSE FOR DISCIPLINE**

8 **(FEBRUARY 20, 2006 APPRAISAL OF 1060 N. MITCHELL AVENUE, TURLOCK,**
9 **CALIFORNIA)**

10 27. On or about February 20, 2006, Respondent completed a real estate appraisal report
11 for property described as 1060 N. Mitchell Avenue in Turlock, California. Respondent is subject
12 to disciplinary action under Regulation section 3721, subdivisions (a)(6) and (a)(7), by and
13 through her violations of Regulation sections 3701, 3702 subdivisions (a)(1) and (a)(3), and the
14 following USPAP violations:

- 15 a. Respondent falsely stated the effective date of the appraisal in violation of S.R. 1-2(d)
16 and 2-2(b)(vi);
- 17 b. Respondent falsely stated the owner of public record. Respondent also stated the
18 subject property was tenant occupied, whereas her prior report as of the same date
19 stated the subject was owner occupied, in violation of S.R. 1-2(e)(i) and 2-2(b)(iii);
- 20 c. Respondent's appraisal indicated that her supervisor had inspected the interior of the
21 subject property on December 17, 2006, when, in fact, she had not, in violation of S.R.
22 1-2(f), 2-2(b)(vii), and 2-3;
- 23 d. Respondent created a misleading report by failing to collect, verify, and analyze all
24 information necessary for credible assignment results via the Sales Comparison
25 Approach, in violation of S.R. 1-4(a) and 2-2(b)(ix);
- 26 1. Comparable Sale One: Respondent failed to discuss and analyze this property's
27 superior condition, remodeling and new 1,500 square food shop;
- 28

1 2. Comparable Sale Two: Respondent failed to discuss and analyze this property's
2 superior condition and remodeling. Respondent also failed to adequately discuss
3 and analyze the 57 year age disparity in comparison to the subject property;

4 3. Comparable Sale Three: Respondent failed to discuss and analyze this property's
5 superior condition, remodeling and addition. Respondent also failed to discuss
6 and analyze this property sold with 100% financing. Additionally, Respondent
7 failed to adequately discuss and analyze the 50 year age disparity in comparison
8 to the subject property;

9 e. Respondent applied across the board upward site area adjustments based on an inflated
10 site area for the subject property, in violation of S.R. 1-4(a) and 2-2(b)(ix);

11 f. Respondent disclosed, but failed to analyze a prior sale of the subject property that
12 occurred less than eight months earlier for 12% less than Respondent's concluded
13 value, in violation of S.R. 1-5(b) and 2-2(b)(ix);

14 g. Based on the allegations listed in paragraphs a. through f. above, Respondent failed to
15 correctly employ those recognized methods and techniques that are necessary to
16 produce a credible appraisal, in violation of S.R. 1-1(a);

17 h. Based on the allegations listed in paragraphs a. through f. above, Respondent committed
18 substantial errors of omission or commission that significantly affected the appraisal, in
19 violation of S.R. 1-1(b);

20 i. Based on the allegations listed in paragraphs a. through f. above, Respondent failed to
21 clearly and accurately set forth the appraisal in a manner that would not be misleading,
22 in violation of S.R. 2-1(a);

23 j. Based on the allegations listed in paragraphs a. through f. above, Respondent failed to
24 provide sufficient information to enable the intended users of the report to understand it
25 properly, in violation of S.R. 2-1(b);

26 k. Based on the allegations listed in paragraphs a. through f. above, in addition to
27 formulating an appraisal that was not credible, Respondent violated the Conduct Section
28 of the Ethics Rule; and

1 i. Respondent utilized her supervisor's digital signature without her knowledge or
2 involvement in the appraisal process. Respondent also replaced her supervisor's
3 business name and contact information with her own, in violation of California Code of
4 Regulations, Title 10, sections 3702(a)(1), 3702(a)(3), 3721(a)(2), 3721(a)(4),
5 3721(a)(6), 3722(a)(1), 3722(a)(3), S.R. 2-1(a), 2-3, and the Conduct Section of the
6 Ethics Rule.

7 **PETITION TO REVOKE PROBATION**

8 **PARTIES**

9 28. Elizabeth Seaters, acting on behalf of the Office of Real Estate Appraisers
10 (Complainant) brings this Petition to Revoke Probation solely in her official capacity as the
11 Supervising Property Appraiser Investigator of the Office of Real Estate Appraisers.

12 29. On or about April 4, 2007, the Director of the Office of Real Estate Appraisers issued
13 Real Estate Appraiser License No. AL 038505 to Farah H. Gulparast (Respondent). The Real
14 Estate Appraiser License expired on November 27, 2009, and has not been renewed.

15 30. In a disciplinary action entitled "In the Matter of the Accusation against Farah H.
16 Gulparast," Case No. C 071016-01, the Director of the Office of Real Estate Appraisers issued a
17 decision, effective December 28, 2009, in which Respondent's Real Estate Appraiser License was
18 revoked. However, the revocation was stayed and Respondent's Real Estate Appraiser License
19 was placed on probation for a period of two (2) years with certain terms and conditions.
20 Additionally, Respondent was issued a public reproof and a \$1,000.00 fine, both of which were
21 stayed pending successful completion of probation. A copy of that decision is attached as Exhibit
22 A and is incorporated by reference.

23 **JURISDICTION**

24 31. This Petition to Revoke Probation is brought before the Director of the Office of Real
25 Estate Appraisers (Director), under the authority of the following laws. All section references are
26 to the Business and Professions Code unless otherwise indicated.

27 32. Business and Professions Code section 11313 states, in pertinent part:
28

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

7 **FIRST CAUSE TO REVOKE PROBATION**

8 (Active License Status)

9 33. At all times after the effective date of Respondent's probation, Condition 7 stated:

10 Respondent shall at all times maintain an active license status with the Office of
11 Real Estate Appraisers, including during any period of suspension. If the license
12 is expired at the time the Decision and Order of the Director of the Office of
13 Real Estate Appraisers becomes effective, the license must be renewed within
14 30 days of the effective date of the Decision and Order.

15 34. Respondent's probation is subject to revocation because she failed to comply with
16 Probation Condition 7, referenced above. The facts and circumstances regarding this violation
17 are as follows:

18 A. Respondent's license expired on November 27, 2009, and has not been renewed.
19 Accordingly, it was not active on the date the Decision and Order became effective. Respondent
20 was required by Condition 7 to renew her license within 30 days of the effective date of the
21 Decision and Order, and she failed to do so. Additionally, Respondent failed to maintain an
22 active license throughout the course of her probation, as required by Condition 7.

23 **SECOND CAUSE TO REVOKE PROBATION**

24 (Uniform Standards of Professional Appraisal Practice Course/Examination)

25 35. At all times after the effective date of Respondent's probation, Condition 10 stated:

26 Respondent shall take and pass an Office of Real Estate Appraisers approved
27 15-hour basic education course on the Uniform Standards of Professional
28 Appraisal Practice within 12 months of the date of the Decision and Order of the
Director of the Office of Real Estate Appraisers is final. The course must be
The Appraisal Foundation's National USPAP Course (or its equivalent as
determined solely by the Appraiser Qualifications Board (AQB) Course
Approval Program), and must be taught by an AQB Certified USPAP Instructor
who is also a Certified Residential or Certified General appraiser in good
standing with OREA. The course must be in a classroom setting and administer

1 a closed book final examination. Respondent must submit proof of successful
2 completion of the course and final examination within 12 months following the
3 date the Decision and Order of the Director of the Office of Real Estate
Appraisers is final. Respondent understands that it is his responsibility to ensure
that the course meets all of the requirements listed above and to apply for,
schedule, and make all arrangements to take the course.

4 36. Respondent's probation is subject to revocation because she failed to comply with
5 Probation Condition 10, referenced above. The facts and circumstances regarding this violation
6 are as follows:

7 A. Respondent was required to take the above-referenced 15 hour USPAP course on or
8 before December 28, 2010 (12 months after the effective date of the Decision and Order).
9 Respondent completed the 15 hour USPAP course on November 11, 2011, almost 11 months late.

10 **PRAYER**

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

14 1. Revoking or suspending Real Estate Appraiser License Number AL 038505, issued to
15 Farah H. Gulparast;

16 2. Ordering Farah H. Gulparast to pay the Director of the Office of Real Estate
17 Appraisers the reasonable costs of the investigation and enforcement of this case, pursuant to
18 Business and Professions Code section 11409;

19 3. Ordering Farah H. Gulparast to pay the Director of the Office of Real Estate
20 Appraisers a fine pursuant to Business and Professions Code section 11316;

21 4. Revoking the probation that was granted by the Office of Real Estate Appraisers in
22 Case No. C 071016-01 and imposing the disciplinary order that was stayed thereby revoking Real
23 Estate Appraiser License No. AL 038505 issued to Farah H. Gulparast;

24 5. Imposing the public reproof that was stayed by the Decision and Order in Case No.
25 C 071016-01;

26 6. Imposing the \$1,000.00 fine that was stayed by the Decision and Order in Case No. C
27 071016-01; and
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7. Taking such other and further action as deemed necessary and proper.

DATED: 10/8/12

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

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