**BEFORE THE**
**DIRECTOR OF THE OFFICE OF REAL ESTATE APPRAISERS**
**STATE OF CALIFORNIA**

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| In the Matter of the Accusation Against:<br><br>**HILARY A. DORFF**<br>**9305 Bournville Court**<br>**Elk Grove, CA 95758**<br><br>**Real Estate Appraiser License No. AL042225**<br><br>Respondent. | Case Nos. C071018-06, C071121-02, C081007-04 and C090615-01<br><br>**DEFAULT DECISION AND ORDER**<br><br>[Gov. Code, §11520] |

FINDINGS OF FACT

1. On or about February 3, 2012, Elizabeth Seaters, acting solely in her official capacity as the Acting Chief of Enforcement, acting on behalf of the Office of Real Estate Appraisers (Complainant), filed an Accusation in Case Nos. C071018-06, C071121-02, C081007-04 and C090615-01 against Hilary A. Dorff (Respondent) before the Director of the Office of Real Estate Appraisers. (Accusation attached as Exhibit A.)

2. On or about March 21, 2009, the Director of the Office of Real Estate Appraisers (Director) issued Real Estate Appraiser License No. AL042225 to Respondent. The Real Estate Appraiser License expired on March 20, 2011, and has not been renewed.

3. On or about February 3, 2012, Respondent was served by Certified and First Class Mail copies of the Accusation in Case Nos. C071018-06, C071121-02, C081007-04 and C090615-01, Statement to Respondent, Notice of Defense, Request for Discovery, and Discovery

Statutes (Government Code sections 11507.5, 11507.6, and 11507.7) at Respondent's address of record which, pursuant to Title 10, California Code of Regulations, section 3527, is required to be reported and maintained with the Director. Respondent's address of record was and is: 9305 Bournville Court, Elk Grove, CA 95758.

4. Service of the Accusation was effective as a matter of law under the provisions of Government Code section 11505, subdivision (c) and/or Business & Professions Code section 124.

5. Subsequent to the date of service, the aforementioned documents were returned by the U.S. Postal Service marked "Unclaimed."

6. Government Code section 11506 states, in pertinent part:

> (c) The respondent shall be entitled to a hearing on the merits if the respondent files a notice of defense, and the notice shall be deemed a specific denial of all parts of the accusation not expressly admitted. Failure to file a notice of defense shall constitute a waiver of respondent's right to a hearing, but the agency in its discretion may nevertheless grant a hearing.

7. Respondent failed to file a Notice of Defense within 15 days after service upon her of the Accusation, and therefore waived her right to a hearing on the merits of the Accusation in Case Nos. C071018-06, C071121-02, C081007-04 and C090615-01.

8. California Government Code section 11520 states, in pertinent part:

> (a) If the respondent either fails to file a notice of defense or to appear at the hearing, the agency may take action based upon the respondent's express admissions or upon other evidence and affidavits may be used as evidence without any notice to respondent.

9. Pursuant to its authority under Government Code section 11520, the Deputy Director finds Respondent is in default. The Deputy Director will take action without further hearing and, based on the relevant evidence contained in the Default Decision Evidence Packet in this matter, as well as taking official notice of all the investigatory reports, exhibits and statements contained therein on file at the Director's offices regarding the allegations contained in Accusation in Case Nos. C071018-06, C071121-02, C081007-04 and C090615-01, finds that the charges and allegations in the Accusation are separately and severally, found to be true and correct by clear and convincing evidence.

10. Taking official notice of its own internal records, pursuant to Business and Professions Code section 11409, it is hereby determined that the reasonable costs for Investigation and Enforcement are $3,574.97 as of April 25, 2012.

## DETERMINATION OF ISSUES

1. Based on the foregoing findings of fact, Respondent Hilary A. Dorff has subjected her Real Estate Appraiser License No. AL042225 to discipline.

2. The agency has jurisdiction to adjudicate this case by default.

3. The Deputy Director of the Office of Real Estate Appraisers is authorized to revoke Respondent's Real Estate Appraiser License based upon the following violations alleged in the Accusation which are supported by the evidence contained in the Default Decision Evidence Packet in this case:

a. Title 10, California Code of Regulations, sections 3721(a)(6) and (a)(7), 3701, 3702(a)(1) and (a)(3), California Business and Professions Code sections 11324 and 11328, and the following USPAP provisions: Standard Rules 1-1(a), 1-1(b); 1-2(e)(i); 1-4(a), 1-5(b), 1-6(a), 2-1(a), 2-1(b); 2-2(b)(iii), 2-2(b)(viii), 2-3, the Scope of Work Rule, the Conduct Section of the Ethics Rules, the Recordkeeping Section of the Ethics Rule, and the Competency Rule.

## ORDER

IT IS SO ORDERED that Real Estate Appraiser License No. AL042225, heretofore issued to Respondent Hilary A. Dorff, is revoked.

Pursuant to Government Code section 11520, subdivision (c), Respondent may serve a written motion requesting that the Decision be vacated and stating the grounds relied on within seven (7) days after service of the Decision on Respondent. The agency in its discretion may

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vacate the Decision and grant a hearing on a showing of good cause, as defined in the statute.

This Decision shall become effective on May 10, 2012.

It is so ORDERED May 10, 2012

**Original Signed**

FOR THE DEPUTY DIRECTOR OF THE OFFICE
OF REAL ESTATE APPRAISERS

20596885.DOC
DOJ Matter ID:SF2012204309

Attachment:
Exhibit A: Accusation

# Exhibit A

Accusation

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Sacramento, CA 95811
Telephone: (916) 552-9000
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*Attorney for Complainant*

**BEFORE THE**
**DIRECTOR OF THE OFFICE OF REAL ESTATE APPRAISERS**
**STATE OF CALIFORNIA**

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|---|---|
| In the Matter of the Accusation Against:<br><br>**Hilary Dorff**<br>9305 Bournville Court<br>Elk Grove, CA 95758<br><br>**Residential Appraiser License No. AL042225**<br><br>Respondent. | Case No. C071018-06<br>C071121-02<br>C081007-04<br>C090615-01<br><br>**A C C U S A T I O N** |

Complainant alleges:

**PARTIES**

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

2. On or about March 21, 2009, the Director of the Office of Real Estate Appraisers ("Director") issued Residential Appraiser license Number AL042225 to Hilary Dorff ("Respondent"). Respondent's real estate appraiser license was in full force and effect at all times relevant to the charges brought herein. Respondent's real estate appraiser license expired on March 20, 2011, and has not been renewed.

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## JURISDICTION

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

4. Code section 11313 requires OREA to adopt and enforce rules and regulations as are determined reasonably necessary to carry out the purposes of the Real Estate Appraisers' Licensing and Certification law.

5. Code section 11314 states, in pertinent part:

The office is required to include in its regulations requirements for licensure and discipline of real estate appraisers that ensure protection of the public interest.

## MINIMUM STANDARDS FOR CONDUCT AND PERFORMANCE

6. Code section 11319 states:

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

7. Code section 11324 states:

An individual who is not a licensee may assist in the preparation of an appraisal under the following conditions:

(a) The assistance is under the direct supervision of an individual who is a licensed appraiser and the final conclusion as to value is made by a licensed appraiser.

(b) The final appraisal document is approved and signed, with acceptance of full responsibility, by the supervising individual who is licensed by the state pursuant to this part, identifies the assisting individual, and identifies the scope of work performed by the individual who assisted in the preparation of the appraisal.

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8. Code Section 11328 states, in pertinent part:

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

**FINES**

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

The director may assess a fine against a licensee, applicant for licensure, person who acts in a capacity that requires a license under this part, course provider, applicant for course provider accreditation, or a person who, or entity that, acts in a capacity that requires course provider accreditation for violation of this part or any regulation adopted to carry out its purposes.

**COST RECOVERY**

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

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

**REGULATORY PROVISIONS**

11. California Code of Regulations, title 10, ("Regulation") section 3701 states:

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

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12. Regulation section 3702 (a) states, in pertinent part:

(a) The Director finds and declares as follows:

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

(3) Every holder of a license to practice real estate appraisal...shall be required to demonstrate by his or her conduct that he or she possesses the qualifications of honesty, candor, integrity and trustworthiness.

13. Regulation section 3705 (a) states:

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

14. Regulation 3721 states, in pertinent part:

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

...

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

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

...

(6) Violated any provision of USPAP;

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

**UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE (USPAP) (EFFECTIVE JULY 1, 2006 AND JANUARY 1, 2008)[1]**

15. USPAP Standard 1 states:

In developing a real property appraisal, an appraiser must identify the problem to be solved, determine the scope of work necessary to solve the problem, and correctly complete research and analyses necessary to produce a credible appraisal.

16. USPAP Standards Rule 1-1 states:

In developing a real property appraisal, an appraiser must:

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

(b) not commit a substantial error of omission or commission that significantly affects an appraisal...

17. USPAP Standards Rule 1-2 states:

In developing a real property appraisal, an appraiser must:

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

(i) its location and physical, legal, and economic attributes...

[1] USPAP is periodically revised: appraisers are responsible for adherence to the edition of USPAP in effect as of the date of report for an appraisal. The July 1, 2006 edition of USPAP (effective July 1, 2006 through December 31, 2007) is applicable to the allegations in the First and Second Causes for Discipline (date of report June 15, 2007 and October 1, 2007, respectively.) The January 1, 2008 edition of USPAP (effective January 1, 2008 through December 31, 2009) is applicable to the allegations in the Third and Fourth Causes for Discipline (date of report September 5, 2008 and April 6, 2009, respectively). For purposes of this case, the USPAP provisions applicable to three or more counts are identical as between the July 1, 2006 and the January 1, 2008 versions, as reflected herein.

(h) determine the scope of work necessary to produce credible assignment results in accordance with the SCOPE OF WORK RULE.

18. USPAP Standards Rule 1-4 states in part:

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

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

19. USPAP Standards Rule 1-5 states:

When the value opinion to be developed is market value, an appraiser must, if such information is available to the appraiser in the normal course of business:

(a) analyze all agreements of sale, options and listing of the subject property current as of the effective date of the appraisal; and

(b) analyze all sales of the subject property that occurred within the three (3) years prior to the effective date of the appraisal.

20. USPAP Standard Rule 1-6 states

In developing a real property appraisal, an appraiser must:

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

(b) reconcile the applicability or suitability of the approaches used to arrive at the value conclusion(s).

21. USPAP Standard 2 states:

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

22. USPAP Standards Rule 2-1 states:

Each written or oral real property appraisal report must:

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

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

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

23. USPAP Standards Rule 2-2 states in part:

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

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

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

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

24. USPAP Standards Rule 2-3 states:

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

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

--- the statements of fact contained in this report are true and correct.

--- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

--- 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.)

25. The Ethics Rule of USPAP provides, in part:

**ETHICS RULE**

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

Compliance with USPAP is required when either the service or the appraiser is obligated buy law or regulation, or by agreement with the client or intended users, to comply. In addition to

these requirements, an individual should comply any time that individual represents that he or she is performing the service as an appraiser.

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

Conduct:

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

An appraiser must not engage in criminal conduct.

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

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

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

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

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

Recordkeeping

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

- the name of the client and the identity by name or type, of any other intended users;
- true copies of any written reports, documented on any type of media;
- summaries of any oral reports or testimony, or a transcript of testimony, including the appraiser's signed and dated certification; and
- all other data, information, and documentation necessary to support the appraiser's

opinions and conclusions and to show compliance with this Rule and all other applicable Standards or references to the location(s) of such other documentation.

Any appraiser must retain the workfile for a period of at least five (5) years after preparation or at least two (2) years after final disposition of any judicial proceeding in which the appraiser provided testimony related to the assignment, whichever period expires last.

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

26. The Competency Rule states:

**COMPETENCY RULE**

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

1. disclose the lack of knowledge and/or experience to the client before accepting the assignment;

2. take all steps necessary or appropriate to complete the assignment competently; and

3. describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.

27. The Scope of Work Rule in USPAP states:

**SCOPE OF WORK RULE**

For each appraisal, appraisal review, and appraisal consulting assignment, an appraiser must:

1. identify the problem to be solved;

2. determine and perform the scope of work necessary to develop credible assignment results; and

3. disclose the scope of work in the report

An appraiser must properly identify the problem to be solved in order to determine the appropriate scope of work. The appraiser must be prepared to demonstrate that the scope of work is sufficient to produce credible assignment results.

Problem Identification

An appraiser must gather and analyze information about those assignment elements that are necessary to properly identify the appraisal, appraisal review, or appraisal consulting problem to be solved.

Scope of Work Acceptability

The scope of work must include the research and analyses that are necessary to develop credible assignment results.

An appraiser must not allow assignment conditions to limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use.

An appraiser must not allow the intended use of an assignment or client's objectives to cause the assignment results to be biased.

Disclosure Obligation

The report must contain sufficient information to allow intended users to understand the scope of work performed.

**FIRST CAUSE FOR DISCIPLINE**

**Property #1 2298 Nolen Drive, Lincoln, California**

28. On June 15, 2007, Respondent completed a real estate appraisal report for property located at 2298 Nolen Drive, Lincoln, California, with a concluded opinion of value of $745,000. The subject property is a two-story, single family detached tract home with five bedrooms, four and a half baths, 3,656 square feet of gross living area (GLA) and a tandem four-car garage. The intended use of the appraisal report was for mortgage refinancing purposes.

29. Respondent is subject to disciplinary action under Regulation section 3721, subdivisions (a) (6) and (a) (7), by and through her violation of Regulation sections 3701, 3702 subdivisions (a) (1) and (a) (3), and the following violations of USPAP and state law:

a. Respondent incorrectly reported that property values were increasing and that

marketing time was under three months (Standard Rule (S.R.) 1-1(a), (b); 1-2(e) (i); 2-1(a), (b); 2-2(b) (iii), and Competency Rule);

b. Respondent failed to adequately or accurately describe and analyze the characteristics of the subject property (S.R. 1-1(a), (b); 1-2(e) (i); 2-1(a), (b); 2-2(b) (iii), and Competency Rule):

i. The report sketch did not match the photos of the subject property resulting in incorrect analysis of the gross living area throughout the report;

ii. Characteristics of the improvements pertinent to the analysis in the Sales Comparison Approach and Cost Approach were not reported correctly. The subject property had four and half bathrooms, instead of the four reported. The subject property had a four car garage, not the three car garage analyzed in the report.

c. The Respondent failed to correctly perform the Sales Comparison Approach. The Respondent failed to accurately report and analyze the characteristics of the comparables. Three of the four comparables were in planned unit developments and were not similar to the subject property. Two of the comparables were in an exclusive golf course retirement community. Homeowner association dues and recreational facilities were not reported or analyzed. More appropriate sales were available. This led to an overvaluation. (S.R. 1-1(a), (b); 1-4(a); 2-1(a),(b); 2-2(b)(viii), and Competency Rule);

d. The Respondent failed to provide adequate support for the conclusions found in the report. The sale price and adjusted sale price range was excessive and lacked relevance (S.R. 1- 1(a), (b); 1-6(a); 2-1(a), (b); 2-2(b)(viii), and Competency Rule); and

e. Respondent failed to cooperate with the investigation. Respondent failed to provide copies of appraisal reports and work files when officially requested by OREA. Respondent failed to respond to attempts to contact her by mail, phone and Email (California Business and Professions Code 11328; Recordkeeping Section of the Ethics Rule).

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## SECOND CAUSE FOR DISCIPLINE

### Property #2 3043 Marysville Boulevard, Sacramento California

30. On October 1, 2007, Respondent completed a real estate appraisal report for property located at 3043 Marysville Boulevard, Sacramento, California, with a concluded opinion of value of $350,000. The subject property is a two-story, single family detached home built between 1935 and 1940 on a 0.82 acre lot in a mixed-use neighborhood. The number of bedrooms and bathrooms could not be verified. Zoning of the subject property would allow up to 21 residential units per acre.

31. Respondent is subject to disciplinary action under Regulation section 3721, subdivisions (a)(6) and (a)(7), by and through her violation of Regulation sections 3701, 3702 subdivisions (a)(1) and (a)(3), and the following violations of USPAP and state law:

a. Respondent incorrectly reported that property values were increasing, that supply and demand were in balance, and that marketing time was under three months (S.R. 1-1(a), (b); 1-2(e) (i); 2-1(a), (b); 2-2(b) (iii), and Competency Rule);

b. Respondent failed to adequately or accurately describe and analyze the characteristics of the subject property (S.R. 1-1(a), (b); 1-2(e) (i); 2-1(a), (b); 2-2(b) (iii), and Competency Rule):

i. The report sketch did not match the photos of the subject property resulting in incorrect analysis of the gross living area and garage area throughout the report;

ii. Negative factors significantly affecting value were not reported or analyzed. The subject was located on a busy four lane thoroughfare. High tension power lines were located over the subject property. The subject was located in a mixed use neighborhood with a school, automotive repair facilities, and automotive sales and storage facilities as neighbors; and

iii. The subject property had an in-ground swimming pool that was not reported or analyzed.

c. Respondent failed to correctly perform the Sales Comparison Approach. The

Respondent failed to accurately report and analyze the characteristics of the comparables. The comparables were in superior residential neighborhoods with less negative influences that might affect value. The sales analyzed represented the highest sale prices in the area. his led to an overvaluation. None of the reported dates of sale were correct (S.R. 1-1(a), (b); 1-4(a); 2-1(a), (b); 2-2(b)(viii), and Competency Rule);

d. Respondent failed to analyze the sale of the subject property that occurred on June 7, 2006. Respondent failed to explain how the value increased from $225,000 to her value opinion of $350,000. The market was strongly affected by foreclosures and short sales and properties were declining during this time period (S.R. 1-1(a), (b); 1-5(b); 2-1(a), (b); 2-2(viii), and Competency Rule);

e. Respondent failed to provide adequate support for the conclusions found in the report. The sale price and adjusted sale price range was excessive and lacked relevance S.R. 1-1(a), (b); 1-6(a); 2-1(a), (b); 2-2(b)(viii), and Competency Rule); and

f. Respondent failed to cooperate with the investigation. Respondent failed to provide copies of appraisal reports and work files when officially requested by OREA. Respondent failed to respond to attempts to contact her by mail, phone and Email (California Business and Professions Code 11328; Recordkeeping Section of the Ethics Rule.)

**THIRD CAUSE FOR DISCIPLINE**

**Property #3: 7019 New Sacto Way, Sacramento, California**

32. On September 5, 2008, Respondent completed a real estate appraisal report for property located at 7019 New Sacto Way, Sacramento, California, with a concluded opinion of value of $260,000. The subject property is a single family, 2,554 square foot detached tract home with five bedrooms and three baths. The house was constructed in 2005 on a 7,213 square foot site. The intended use of the appraisal report was for mortgage refinancing purposes.

33. Respondent is subject to disciplinary action under Regulation section 3721, subdivisions (a)(2), (4), (6) and (a)(7), by and through his violation of Regulation sections 3701, 3702 subdivisions (a)(1) and (a)(3), and the following violations of USPAP and state law:

a. Respondent falsely certified that she inspected the interior and exterior of the subject property (California Business and Professions Code 11324; S.R. 1-1(a), (b); 2-1(a), (b); 2-3; Scope of Work Rule; Conduct Section of the Ethics Rule);

b. Respondent failed to recognize the assistance of her husband, who was the sole party that inspected the subject property. Respondent falsely certified that no one had provided assistance in the assignment (California Business and Professions Code 11324; S.R. 1-1(a), (b); 2-1(a), (b); 2-3, Scope of Work Rule; Conduct Section of the Ethics Rule); and

c. Respondent failed to cooperate with the investigation. Respondent failed to provide copies of appraisal reports and work files when officially requested by OREA. Respondent failed to respond to attempts to contact her by mail, phone and Email (California Business and Professions Code 11328; Recordkeeping Section of the Ethics Rule).

**FOURTH CAUSE FOR DISCIPLINE**

**Property #4: 3525 Maplewood Lane, Sacramento, California**

34. On April 6, 2009, Respondent completed a real estate appraisal report for property located at 3525 Maplewood Lane, Sacramento, California, with a concluded opinion of value of $320,000. The subject property is a single family detached ranch style home. The bathroom count as well as the Gross Living Area of the subject property is in question. The subject property improvements are most likely three bedroom, three baths and between 1,845 square feet (public records) and 1,975 square feet (Tinkham) in GLA. The subject has a conforming 8,712 square foot site. The intended use of the appraisal report was for mortgage refinancing purposes.

35. Respondent is subject to disciplinary action under Regulation section 3721, subdivisions (a)(2), (4),(6) and (a)(7), by and through her violation of Regulation sections 3701, 3702 subdivisions (a)(1) and (a)(3), and the following violations of USPAP and state law:

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a. Respondent failed to accurately describe the Arden Oaks neighborhood of the subject property. Neighborhood boundaries included several inferior neighborhoods Respondent incorrectly reported that property values were stable and in balance (S.R. 1-1(a), (b); 1-2(e)(i); 2-1(a), (b); 2-2(b)(iii), and Competency Rule);

b. Respondent failed to adequately or accurately describe and analyze the characteristics of the subject property (S.R. 1-1(a), (b), 1-2(e)(i), 2-1(a), (b), 2-2(b)(iii), and Competency Rule):

i. The report sketch did not contain accurate measurements of the subject property, resulting in incorrect analysis of the gross living area and garage area throughout the report;

ii. Characteristics of the improvements pertinent to the analysis in the Sales Comparison Approach were not reported correctly. The subject property has three bathrooms, the Respondent and incorrectly reported four;

c. Respondent failed to correctly perform the Sales Comparison Approach. The Respondent failed to accurately report and analyze the characteristics of the comparables. Four of the five comparables were in inferior neighborhoods. The only similar comparable sale considered was located two doors from the subject property, but was given least weight in the analysis. More appropriate sales were available. This led to an under valuation (S.R. 1-1(a), (b); 1-4(a); 2-1(a), (b); and 2-2(b)(viii));

d. Respondent failed to provide the reasoning that might support the analysis found in the report. The sale price and adjusted sale price range was excessive and lacked relevance (S.R. 1-1(a), (b); 1-6(a); 2-1(a), (b); ,and 2-2(b)(viii)):

e. Respondent falsely certified that she inspected the interior and exterior of the subject property (California Business and Professions Code 11324; S.R. 1-1(a), (b); 2-1(a), (b); 2-3; Scope of Work Rule; and Conduct Section of the Ethics Rule).

f. Respondent failed to recognize the assistance of her husband, who was the sole party that inspected the subject property. Respondent falsely certified that no one had provided assistance in the assignment (California Business and Professions Code 11324;

S.R. 1-1(a), (b); 2-1(a), (b); 2-3; Scope of Work Rule; and Conduct Section of the Ethics Rule); and

g. Respondent failed to cooperate with the investigation. Respondent failed to provide copies of appraisal reports and work files when officially requested by OREA. Respondent failed to respond to attempts to contact her by mail, phone and Email (California Business and Professions Code 11328 and Recordkeeping Section of the Ethics Rule).

**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 the right of Hilary Dorff to renew Residential Appraiser License Number AL042225.

2. Ordering Hilary Dorff 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 Hilary Dorff to pay the Director of the Office of Real Estate Appraisers a fine pursuant to section 11316, subdivision (a); and

4. Taking such other and further action as deemed necessary and proper.

***Original Signed***

DATED: February 3, 2012

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