

**BEFORE THE REAL ESTATE APPRAISERS BOARD
FOR THE STATE OF NEW MEXICO**

IN THE MATTER OF:

**QUALITY VALUATION SERVICES, LLC.
LICENSE NO. AMC1024**

Case No. 15, MC11-04-13

Respondent.

DECISION AND ORDER

THIS MATTER came before a quorum of the Real Estate Appraisers Board ("Board") during their meeting on August 26, 2013 for deliberation and decision in the above referenced case. Chairman and Hearing Officer Dean Zantow did not participate in the deliberation or final order.

The Board, having thoroughly familiarized itself with the record of the proceedings, including the testimony of the witnesses, the exhibits admitted into evidence at the hearing, and the Hearing Officer's report, adopts the following findings of fact, reaches the following conclusions of law, and renders this decision and order.

FINDINGS OF FACT

Based upon facts entered through testimony at hearing, the Board hereby makes the following findings of fact:

1. Respondent, maintains a Certificate of Registration as an appraisal management company ("AMC") with the New Mexico Real Estate Appraisers Board ("Board").
2. Respondent's representative, Cynthia (Cindi) Harris is the Co-founder, Chief Operations Officer, Employee in Charge and Controlling Person at Quality Valuation Services, LLC.

3. At hearing, Ms. Harris testified that Respondent AMC hires New Mexico appraisers to appraise property in New Mexico.
4. Ms. Harris further testified that Respondent AMC sells a service to her clients; she delivers a product wherein the appraisal is part of that product.
5. Respondent, though its agent, completed and signed the Appraisal Management Company Registration Application and Renewal Application, agreeing to “abide by all laws applicable to Appraisal Management Companies in the State of New Mexico...” (Exhibit 3 & 6)
6. In April 2009, Ms. Dulce Boles (“Complainant”) contracted to perform appraisals for Respondent.
7. Complainant testified that completed approximately 132 appraisals for Respondent between April 2009 and February 2011.
8. Complainant did not receive a Non-Taxable Transaction Certificate (“NTTC”) for any of these appraisals.
9. On two occasions in March, 2011, Complainant contacted Respondent’s President and CIO, Tom Huffman, advising him of the NTTC requirement in New Mexico. (Exhibit 8)
10. Respondent replied to Complainant through email, advising her that they believed they were “not a New Mexico corporation” and thus “not subject to New Mexico gross receipts tax.”
11. Ms. Harris testified that she had spoken to an individual at the New Mexico Taxation Board and believed that she was exempt from gross receipts tax in the New Mexico.

CONCLUSIONS OF LAW

Based on the findings of fact, the Board hereby reaches the following conclusions of law:

1. As a registrant/licensee, Respondent is subject to the jurisdiction of the Board pursuant to the Uniform Licensing Act, NMSA 1978, Sections 61-1-1 to -33; the New Mexico Appraisal Management Company Registration Act, NMSA 1978, §47-14-1 to § 47-14-23 (2009, as amended through 2010); and the New Mexico Appraisal Management Company Registration Board Rules and Regulations, Title 16, Chapter 65, NMAC.
2. The New Mexico Appraisal Management Company Registration Act, NMSA, 1978, §47-14-1 to -23 (2009, as amended through 2010), in conjunction with the Uniform Licensing Act, NMSA 1978, §61-1-1 to -33 (1953, as amended through 2004), empowers the Board to censure an AMC.
3. Section 47-14-21 of the Appraisal Management Company Registration Act states that the Board may censure an appraisal management company, conditionally or unconditionally suspend or revoke any registration issued under the Appraisal Management Company Registration Act, levy fines or impose civil penalties not to exceed twenty-five thousand dollars (\$25,000) per violation if, in the opinion of the board, an appraisal management company is attempting to perform, has performed or has attempted to perform any of the following acts:
 - A. committing any act in violation of the Appraisal Management Company Registration Act;
 - B. violating any rule or regulation adopted by the board in the interest of the public and consistent with the provisions of the Appraisal Management Company Registration Act; or
 - C. (...); or
 - D. violating the Real Estate Appraisers Act.

4. Section 47-14-18(F) of the Act states that an appraisal management company shall provide an appraiser with the appropriate nontaxable transaction certificate pursuant to Section 7-9-48, NMSA 1978. See 16.65.2.11(D)(1)(b) NMAC.
5. Board Rule 16.65.2.8(F)(3) NMAC states that an appraisal management company shall maintain a board file containing a list of all non-taxable transaction certificates issued.
6. Board Rule 16.65.2.14 NMAC states that by acceptance of registration shall agree to abide by the Board rules.
7. Respondent, by acceptance of registration and by signing the application and renewal application agreed to abide by Board statutes and rules.
8. The Administrative Prosecutor proved by a preponderance of the evidence that Respondent's failure to provide Complainant with an NTTC is a violation of Board statutes and rules.
9. The Administrative Prosecutor proved by a preponderance of the evidence that Respondent's conduct constitutes a violation of the Appraisal Management Company Act.

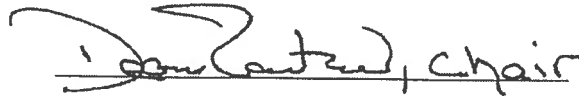
Based on the Findings of Fact and Conclusions of Law, the Board votes in the affirmative and renders this Decision and Order.

IT IS ORDERED that Respondent shall hereafter comply with all relevant NTTC statutes and Rules. For said violations, Respondent shall be assessed the following penalties:

- **Fine in the amount of \$10,000 (ten thousand dollars); and**
- **Reimbursement of New Mexico Gross Receipts Taxes to the Complainant for appraisal transactions conducted during the applicable period.**

Proof of compliance with this Order shall be provided to the Board Office prior to the next regularly scheduled meeting of October 24, 2013.

FOR THE NEW MEXICO
REAL ESTATE APPRAISERS BOARD


Don Zentgraf, chair

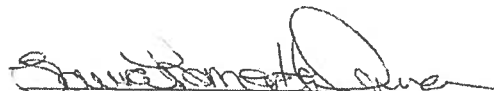
DATE: 09.27.2013

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was sent via U.S. certified mail return receipt requested and electronic mail to the following on this 27th day of September, 2013.

Sally Galanter, Assistant Attorney General
NM Attorney General's Office
PO Box 1508
Santa Fe, NM 87104-1508
sgalanter@nmag.gov

Quality Valuation Services, LLC.
Attn: Cindi Harris
25422 Trabuco Road
Lake Forest, CA 29630
cindih@qualvs.com


Sara Bonner
Regulation and Licensing Department

**BEFORE THE REAL ESTATE APPRAISERS BOARD
FOR THE STATE OF NEW MEXICO**

IN THE MATTER OF:

**QUALITY VALUATION SERVICES, LLC.
LICENSE NO. AMC1024**

Case No. 15, MC11-04-13

Respondent.

HEARING OFFICER'S REPORT

THIS MATTER came before the duly appointed Hearing Officer on July 2, 2013 in Santa Fe, New Mexico. Respondent appeared pro se at the hearing. The State appeared through its Administrative Prosecutor, Sally Galanter, Assistant Attorney General.

The Hearing Officer finds as follows:

FINDINGS OF FACT

Based upon facts entered through testimony at hearing, the Hearing Officer hereby submits the following findings of fact:

1. Respondent, maintains a Certificate of Registration as an appraisal management company ("AMC") with the New Mexico Real Estate Appraisers Board ("Board").
2. Respondent's representative, Cynthia (Cindi) Harris is the Co-founder, Chief Operations Officer, Employee in Charge and Controlling Person at Quality Valuation Services, LLC.
3. At hearing, Ms. Harris testified that Respondent AMC hires New Mexico appraisers to appraise property in New Mexico.
4. Ms. Harris further testified that Respondent AMC sells a service to her clients; she delivers a product wherein the appraisal is part of that product.

5. Respondent, through its agent, completed and signed the Appraisal Management Company Registration Application and Renewal Application, agreeing to “abide by all laws applicable to Appraisal Management Companies in the State of New Mexico...” (Exhibit 3 & 6)
6. In April 2009, Ms. Dulce Boles (“Complainant”) contracted to perform appraisals for Respondent.
7. Complainant testified that she completed approximately 132 appraisals for Respondent between April 2009 and February 2011.
8. Complainant did not receive a Non-Taxable Transaction Certificate (“NTTC”) for any of these appraisals.
9. On two occasions in March, 2011, Complainant contacted Respondent’s President and CIO, Tom Huffman, advising him of the NTTC requirement in New Mexico. (Exhibit 8)
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11. Ms. Harris testified that she had spoken to an individual at the New Mexico Taxation Board and believed that she was exempt from gross receipts tax in the New Mexico.

CONCLUSIONS OF LAW

Based on the findings of fact, the Hearing Officer hereby reaches the following conclusions of law:

1. As a registrant/licensee, Respondent is subject to the jurisdiction of the Board pursuant to the Uniform Licensing Act, NMSA 1978, Sections 61-1-1 to -33; the New Mexico Appraisal Management Company Registration Act, NMSA 1978,

§47-14-1 to § 47-14-23 (2009, as amended through 2010); and the New Mexico Appraisal Management Company Registration Board Rules and Regulations, Title 16, Chapter 65, NMAC.

2. The New Mexico Appraisal Management Company Registration Act, NMSA, 1978, §47-14-1 to -23 (2009, as amended through 2010), in conjunction with the Uniform Licensing Act, NMSA 1978, §61-1-1 to -33 (1953, as amended through 2004), empowers the Board to censure an AMC.
3. Section 47-14-21 of the Appraisal Management Company Registration Act states that the Board may censure an appraisal management company, conditionally or unconditionally suspend or revoke any registration issued under the Appraisal Management Company Registration Act, levy fines or impose civil penalties not to exceed twenty-five thousand dollars (\$25,000) per violation if, in the opinion of the board, an appraisal management company is attempting to perform, has performed or has attempted to perform any of the following acts:
 - A. committing any act in violation of the Appraisal Management Company Registration Act;
 - B. violating any rule or regulation adopted by the board in the interest of the public and consistent with the provisions of the Appraisal Management Company Registration Act; or
 - C. (...); or
 - D. violating the Real Estate Appraisers Act.
4. Section 47-14-18(F) of the Act states that an appraisal management company shall provide an appraiser with the appropriate nontaxable transaction certificate pursuant to Section 7-9-48, NMSA 1978. See 16.65.2.11(D)(1)(b) NMAC.
5. Board Rule 16.65.2.8(F)(3) NMAC states that an appraisal management company shall maintain a board file containing a list of all non-taxable transaction certificates issued.

6. Board Rule 16.65.2.14 NMAC states that by acceptance of registration shall agree to abide by the Board rules.
7. Respondent, by acceptance of registration and by signing the application and renewal application agreed to abide by Board statutes and rules.
8. Respondent's failure to provide Complainant with an NTTC is a violation of Board statutes and rules.
9. Respondent's conduct constitutes violation of the Appraisal Management Company Act.

Respectfully Submitted,



DEAN ZANTOW
Hearing Officer

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was sent via U.S. certified mail return receipt requested and/or electronic mail to the following on this 31st day of July, 2013.

Sally Galanter, Assistant Attorney General
NM Attorney General's Office
PO Box 1508
Santa Fe, NM 87104-1508
sgalanter@nmag.gov

Quality Valuation Services, LLC.
Attn: Cindi Harris
25422 Trabuco Road
Lake Forest, CA 29630
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