

STATE OF ARIZONA
Department of Insurance and Financial Institutions
FILED May 24, 2023 by AS

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of Appraiser License of:

STEPHANIE N. LAM,

Certified Residential Real Estate Appraiser,

License no. 1025226

Respondent

No. 23A-004-FIN

NUNC PRO TUNC

On May 23, 2023, the Arizona Department of Insurance and Financial Institutions filed an Order (attached) in the matter of the appraiser license of Stephanie N. Lam; Docket No. 23A-004-FIN. The Order failed to address all parts of the Administrative Law Judge Decision (“ALJ’s Decision”). In the Order, the Director inadvertently only adopted the ALJ’s Decision in regards to Respondent’s education requirements. The Director now clarifies and adopts the ALJ’s Decision and Order in its entirety.

THEREFORE, it is ORDERED Nunc Pro Tunc:

- **Stephanie N. Lam’s Arizona appraiser license, number 1025226, is suspended for the period of three (3) months following the effective date of the May 23rd Order.**
- Stephanie N. Lam shall complete eleven (11) hours of corrective professional education consisting of: a) a four-hour course through Appraisal Foundation called “Appraiser Self-Protection: Documentation and Record-Keeping” and b) a seven-hour Supporting Adjustments course.
- Stephanie N. Lam shall pass any accompanying examination associated with those courses.

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- Stephanie N. Lam shall complete the required coursework within six (6) months following the effective date of this Order.
- Stephine N. Lam shall provide to the Department proof of completion of the coursework within three (3) weeks of its completion.

DATED and EFFECTIVE this 24th day of May, 2023.

Barbara D. Richardson

Barbara D. Richardson, Director
Arizona Department of Insurance and
Financial Institutions

1 ORIGINAL of the foregoing filed electronically
this 25th day of May, 2023, to:

2 Kay Abramsohn, Administrative Law Judge
3 <https://portal.azoah.com/submission>
4 Office of Administrative Hearings

5 COPY of the foregoing delivered the same date, to:

6 Deian Ousounov, Assistant Director
7 Gio Espinosa, Regulatory Legal Affairs Officer
8 Ana Starcevic, Paralegal Project Specialist
9 Steven Fromholtz, Licensing Division Manager
10 Tammy Seto, Assistant Director
11 Linda Lutz, Legal Assistant
12 Kelly Luteijn, Staff Investigator-Appraisal Investigations
13 Nancy Insera, Regulatory Compliance Officer
14 Arizona Department of Insurance and Financial Institutions
15 100 North 15th Avenue, Suite 261
16 Phoenix, Arizona 85007

13 COPY mailed the same date by Certified Mail,
14 Return Receipt Requested, to:

15 Stephanie N. Lam
16 460 W. 1/2 St. N.
17 Snowflake, AZ 85937
Respondent 9489 0090 0027 6486 6715 70

18 Stephanie N. Lam
19 9010 Soquel Dr.
20 Aptos, CA 95003
Respondent 9489 0090 0027 6486 6715 63

21 COPY sent via electronic mail
22 the same date, to:

23 Stephanie N. Lam
24 Stephanie@pacificappraiser.com
25 Respondent
26

1 Zachary Howard, Assistant Attorneys General

Zachary.Howard@azag.gov

2 AdminLaw@azag.gov

Attorney for the Department

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4 *Ana Starcevic*

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STATE OF ARIZONA
Department of Insurance and Financial Institutions
FILED May 23, 2023 by AS

STATE OF ARIZONA

DEPARTMENT OF INSURANCE AND FINANCIAL INSTITUTIONS

In the Matter of Appraiser License of:

STEPHANIE N. LAM,

Certified Residential Real Estate Appraiser,

License no. 1025226

Respondent

No. 23A-004-FIN

ORDER

On May 1, 2023, the Office of Administrative Hearings, through Administrative Law Judge Kay Abramsohn, issued an Administrative Law Judge Decision (“Recommended Decision”). The Director of the Arizona Department of Insurance and Financial Institutions (“Director”) received the Recommended Decision on the same date, a copy of which is attached and incorporated by reference. Respondent failed to accept the Recommended Decision within ten days of receipt. Therefore, the Director has reviewed the Recommended Decision and enters the following:

1. The Director ADOPTS the Findings of Fact, except to correct the following:
 - a) Page 1, line 25 should read, “(Bates 0001 through 0144)”
 - b) Page 2, line 5 should read, “Respondent completed the Rainbow Drive appraisal, **effective** November 29, 2021.”
 - c) Page 2 line 21 should read “**difference in GLA had not been**”
 - d) Page 2 line 30 (footnote) should read, “**as of the date of the report**”
 - e) Page 3 line 5 should read “USPAP SR 1-1-(a)”
 - f) Page 3 line 8 should read, “**Scope of Work Rule**”
 - g) Page 3 line 13 should read, “Respondent completed Windy Lane appraisal,

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effective March 9, 2022.”

h) Page 3 line 28 should read, “explanation or analysis”

2. The Director ADOPTS the Conclusions of Law.
3. The Director ADOPTS the Recommended Order.
4. The Director ORDERS the following:
 - Stephanie N. Lam shall complete eleven (11) hours of corrective professional education consisting of: a) a four-hour course through Appraisal Foundation called “Appraiser Self-Protection: Documentation and Record-Keeping” and b) a seven-hour Supporting Adjustments course.
 - Stephanie N. Lam shall pass any accompanying examination associated with those courses.
 - Stephanie N. Lam shall complete the required coursework within six (6) months following the effective date of this Order.
 - Stephine N. Lam shall provide to the Department proof of completion of the coursework within three (3) weeks of its completion.

NOTIFICATION OF RIGHTS

Pursuant to Arizona Revised Statutes (“A.R.S.”) § 41-1092.09, Respondent may request a rehearing or review with respect to this Order by filing a written motion with the Director within 30 days after the date of this Order, setting forth the basis for relief under Arizona Administrative Code R20-6-114(B). Pursuant to A.R.S. § 41-1092.09, it is not necessary to request a rehearing before filing an appeal to the Superior Court.

Respondent may appeal the final decision of the Director to the Superior Court of Maricopa County for judicial review, pursuant to A.R.S. § 6-139. A party filing an appeal must notify the Office of Administrative Hearings of the appeal within ten days after filing the complaint commencing the appeal, pursuant A.R.S. § 12-904(B).

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DATED and EFFECTIVE this 23rd day of May, 2023.

Barbara D. Richardson

Barbara D. Richardson, Director
Arizona Department of Insurance and
Financial Institutions

1 **ORIGINAL** of the foregoing filed electronically
this 23 day of May, 2023, to:

2 Kay Abramsohn, Administrative Law Judge
3 <https://portal.azoah.com/submission>
4 Office of Administrative Hearings

5 **COPY** of the foregoing delivered the same date, to:

6 Deian Ousounov, Assistant Director
7 Gio Espinosa, Regulatory Legal Affairs Officer
8 Ana Starcevic, Paralegal Project Specialist
9 Steven Fromholtz, Licensing Division Manager
10 Tammy Seto, Assistant Director
11 Linda Lutz, Legal Assistant
12 Aqueelah Currie, Insurance and Appraisal Licensing Supervisor
13 Kelly Luteijn, Staff Investigator-Appraisal Investigations
14 Nancy Inserra, Regulatory Compliance Officer
15 Arizona Department of Insurance and Financial Institutions
16 100 North 15th Avenue, Suite 261
17 Phoenix, Arizona 85007

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20 Stephanie N. Lam
21 460 W. 1/2 St. N.
22 Snowflake, AZ 85937
23 Respondent

9489 0090 0027 6486 6611 99

24 Stephanie N. Lam
25 9010 Soquel Dr.
26 Aptos, CA 95003
Respondent

9489 0090 0027 6486 6612 05

27 **COPY** sent via electronic mail
28 the same date, to:

29 Stephanie N. Lam
30 Stephanie@pacificappraiser.com
31 Respondent

1 Zachary Howard, Assistant Attorneys General

Zachary.Howard@azag.gov

2 AdminLaw@azag.gov

Attorney for the Department

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4 *Ana Starcevic*

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IN THE OFFICE OF ADMINISTRATIVE HEARINGS

In the Matter of Appraiser License of:

Stephanie N. Lam,
Certified Residential Real Estate Appraiser,
License No. 1025226,
Respondent.

No. 23A-004-FIN

**ADMINISTRATIVE LAW JUDGE
DECISION**

HEARING: April 11, 2023.

APPEARANCES: Stephanie N. Lam failed to appear. Assistant Attorney General Zachary Howard, Esq, for the Arizona Department of Insurance and Financial Institutions.

ADMINISTRATIVE LAW JUDGE: Kay Abramsohn

FINDINGS OF FACT

1. On February 23, 2023, the Arizona Department of Insurance and Financial Institutions (Department) issued a Notice of Hearing and Complaint setting this matter for administrative hearing on April 11, 2023 at the Office of Administrative Hearings in Phoenix, Arizona.¹

2. The Notice of Hearing provides notice to Respondent that the administrative hearing was being held to determine whether grounds exist to (a) revoke or suspend Respondent's License No. 1025226 for a period of three months and (b) required the completion of corrective education classes. Additionally, the Notice of Hearing sets forth the background information of two complaints having been received against Respondent's License and the allegations therein, as well as the Department's investigation regarding the complaints and the Department's findings of violations.

3. At hearing, the Department presented the testimony of investigator Kelly Luteijn; the Department's Exhibits 1 through 9 (Bates 00001 through 0144) were admitted to the hearing record.

4. Respondent's Arizona licensure became active June 20, 2021 and is set to expire May 31, 2023.²

¹ The Notice of Hearing was sent to Respondent by certified mail to Respondent's Arizona address of record; at hearing, the Department indicated that it received the certified receipt for the mailing.

² See Exhibit 2. Respondent's California licensure is inactive.

Office of Administrative Hearings
1740 West Adams Street, Lower Level
Phoenix, Arizona 85007
(602) 542-9826

1 Competency Rule, Scope of Work Rule, and Record Keeping Rule, 1-1(a)(b), 1-4(a) and
2 2-1(a)(b).

3 9. Finally, the Department determined there were multiple other violations: (a)
4 failure to include the MLS listings in workfile [Record Keeping Rule]; (b) failure to provide
5 explanations of analysis in providing only limited discussion to support adjustments
6 [USPAP SR -1-(a) and 1-4(a)]; (c) failure to provide analysis of location differences as to
7 Comp. # 4 and Comp. #5 or market trends [USPAP SR 1-1(b)]; (d) failure to provide
8 original photographs per engagement agreement and only providing MLS photographs
9 [Scope of Work Rule]; (e) failure to report/analyze the prior sale of the subject property
10 [USPAP SR 1-5(b)]; (f) failure to produce an appraisal with sufficient information to
11 demonstrate compliance with Standard 1 [USPAP 2-2(a)(x); and, (g) failure to report the
12 appraisal fee [A.R.S. § 32-3673(B)].

13 **WINDY LANE APPRAISAL**

14 10. On March 9, 2022, Respondent completed the Windy Lane appraisal for
15 purposes of a purchase transaction.⁸

16 11. On review by the Department,⁹ the Investigator identified multiple errors and
17 failings in the Windy Lane appraisal and workfile: (a) failed to make adjustments for the
18 differences as to age and construction upgrades from the subject property; (b) the lack of
19 details about the home's features post-renovation along with use of "construction"
20 photographs; (c) limited descriptions of the interior and exterior details fail to support the
21 assertion that the subject is, in fact, Q2 quality; (d) inconsistent analysis of differences as
22 to subject and comparables and resultant failure to make adjustments as to Comps.#1-4;
23 and, (e) failure to provide adequate support for the value opinion. The Department
24 determined that these errors and failings were violations of the USPAP Competency Rule,
25 Scope of Work Rule, Record Keeping Rule, and Standard Rules 1-1(a)(b), 1-4(a) and 2-
26 1(a)(b).

27 12. Finally, the Department determined there were multiple other violations: (a)
28 failure to include the MLS listings in workfile [Record Keeping Rule]; (b) failure to provide
29 explanations of analysis for adjustments [Record Keeping Rule]; (c) providing only limited

30 ⁸ See Exhibit 5; the date of the report is March 17, 2022.

⁹ See Exhibit 6.

1 discussion or analysis to support adjustments [USPAP SR 1-1(a) and 1-4(a)]; (d) failure
2 to produce an appraisal with sufficient information to demonstrate compliance with
3 Standard 1 [USPAP 2-2(a)(x); and, (e) failure to report the appraisal fee [A.R.S. § 32-
4 3673(B)].

5 13. On October 31, 2022, the Department issued, via email, a Letter of
6 Remedial Action (LAR) and copies of the two investigative reports, requesting that
7 Respondent meet with the Department or sign off on the LAR.

8 14. On November 2, 2022, the Department discovered that Respondent had not
9 opened the communication. The Department then left a voice mail at the phone number
10 on file and, further, contacted the employer of record; the Department was informed that
11 Respondent no longer worked at the company.

12 15. On November 9, 2022, the Department sent, by certified and regular mail,
13 the Letter of Remedial Action (LAR) and copies of the two investigative reports to
14 Respondent's address of record.¹⁰ The Department again requested that Respondent
15 meet with the Department or sign off on the LAR by November 21, 2022.

16 16. On November 15, 2022, the Department was informed that the mailing was
17 not able to be delivered to the address of record but a further effort would be made.

18 17. As of the date of the Notice of Hearing (February 23, 2023), the Department
19 has had no response from Respondent to the email, voice mail, or USPS mailing. Further,
20 the Department also has not heard from Respondent with regard to any business,
21 residence, email, or phone contact number changes. A.R.S. § 32-3621(D) mandates that
22 a licensee shall give written notification to the Department of changes within ten days
23 after the change.

24 18. Due to her failure to appear at the administrative hearing, Respondent failed
25 to dispute or rebut any of the Department's allegations.

26 19. At hearing, the Department argued that the undisputed allegations are
27 violations which support discipline in the form of a suspension and required professional
28 education.

29 **CONCLUSIONS OF LAW**

30 ¹⁰ See Exhibit 8.

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IT IS FURTHER ORDERED that Respondent complete corrective professional education in the amount of eleven (11) hours consisting of the following: (a) a four (4) hour course through Appraisal Foundation called "Appraiser Self-Protection: Documentation and Record-Keeping;" and, a seven (7) hour course called "Supporting Adjustments," and pass any accompanying examinations associated with those courses,

IT IS FURTHER ORDERED that Respondent provide proof of completion of the coursework within three (3) weeks of course completion as well as provide proof to the Department of completion of all corrective action within six (6) months of Department's final ORDER in this matter.

Pursuant to A.R.S. § 41-1092.08(l), the licensee may accept the Administrative Law Judge Decision by advising the Office of Administrative Hearings in writing not more than ten (10) days after receiving the Administrative Law Judge Decision. If the licensee accepts the Administrative Law Judge Decision, the Administrative Law Judge Decision shall be certified as the final decision by the Office of Administrative Hearings.

In the event of certification of the Administrative Law Judge Decision by the Director of the Office of Administrative Hearings, the effective date of the Order will be forty (40) days from the date of that certification.

RECOMMENDED this day, May 1, 2023.

/s/ Kay A. Abramsohn
Administrative Law Judge

Transmitted electronically, or by mail, to:

Barbara D. Richardson
Department of Insurance and Financial Institutions

Stephanie Lam
460 W. 1/2 St. N.
Snowflake, AZ 85937

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By: OAH Staff