

NOV 07 2025

DEPARTMENT OF REAL ESTATE
By B. Nicholas

* * *

DECISION

Pursuant to Government Code Section 11521, the Department of Real Estate may order reconsideration of this Decision on petition of any party. The party seeking reconsideration shall set forth new facts, circumstances, and evidence, or errors in law or analysis, that show(s) grounds and good cause for the Commissioner to reconsider the Decision. If new evidence is presented, the party shall specifically identify the new evidence and explain why it was not previously presented. The Department's power to order reconsideration of this Decision shall expire thirty (30) days after mailing of this Decision, or on the effective date of this Decision, whichever occurs first.

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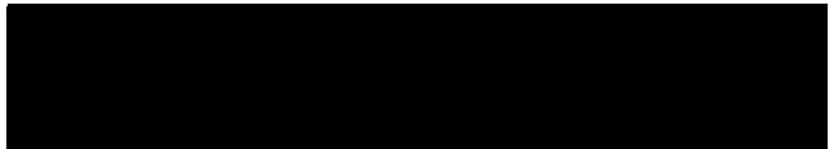
The right to reinstatement of a revoked real estate license or to the reduction of a penalty is controlled by Section 11522 of the Government Code. A copy of Sections 11521 and 11522 and a copy of the Commissioner's Criteria of Rehabilitation are attached hereto for the information of respondent.

This Decision shall become effective at 12 o'clock noon on DEC 01 2025.

IT IS SO ORDERED

11/5/2025

Chika Sunquist
REAL ESTATE COMMISSIONER



FILED

OCT 01 2025

**BEFORE THE
DEPARTMENT OF REAL ESTATE
STATE OF CALIFORNIA**

DEPARTMENT OF REAL ESTATE
By B. Nicholas

In the Matter of the First Amended Accusation Against:

MAHMOUD QWEIDER MASADEH, Respondent

Agency Case No. H-7410 SAC

OAH Case No. 2025010036

PROPOSED DECISION

Wim van Rooyen, Administrative Law Judge (ALJ), Office of Administrative Hearings (OAH), State of California, heard this matter on July 23, 2025, by videoconference from Sacramento, California.

Jessica Cheong, Legal Counsel, represented Heather Nishimura (complainant), Supervising Special Investigator, Department of Real Estate (Department), State of California.

Reshma Kamath, Attorney at Law, represented Mahmoud Qweider Masadeh (respondent), who was present.

Evidence was received and the record left open until August 14, 2025, for the submission of closing briefs. On August 4, 2025, complainant filed a closing brief and separate proof service, which were marked as Exhibits 8 and 9 respectively. On August

13, 2025, respondent filed a closing brief with a proof of service, which was marked as Exhibit B.

On August 14, 2025, Exhibits 8, 9, and B were admitted as argument, the record was closed, and the matter was submitted for decision.

FACTUAL FINDINGS

Jurisdiction

1. On November 16, 2010, the Department issued respondent Real Estate Broker License No. B/01323363 (Broker License). The Broker License will expire on November 15, 2026, unless renewed. Additionally, respondent holds a mortgage loan originator (MLO) endorsement in California.

2. On December 4, 2024, complainant, in her official capacity, signed and later filed an Accusation in Case No. H-7410 SAC against respondent. On January 29, 2025, complainant, in her official capacity, signed and later filed the operative First Amended Accusation (FAA) in Case No. H-7410 SAC against respondent. In the FAA, complainant alleges cause to discipline respondent's Broker License and MLO endorsement based on respondent's prior discipline by another state agency and his failure to timely report that discipline to the Department. Complainant seeks revocation of respondent's Broker License and MLO endorsement, as well as recovery of reasonable investigation and enforcement costs.

3. Respondent timely filed a Notice of Defense. Thereafter, the matter was set for an evidentiary hearing before an ALJ of the OAH, an independent adjudicative agency of the State of California, pursuant to Government Code section 11500 et seq.

Discipline by Other State Agency

4. On March 2, 2005, the Bureau of Real Estate Appraisers, State of California (BREA) issued respondent Real Estate Appraiser License No. 036538 (Appraiser License). Respondent's Appraiser License remained current and active until imposition of the discipline discussed below.

5. On April 11, 2024, respondent signed a Stipulated Revocation and Disciplinary Order in Case No. L20240410-01 (Stipulated Revocation). By virtue of the Stipulated Revocation, respondent agreed that he carefully read and understood the Stipulated Revocation as well as the allegations and charges outlined in an Administrative Allegation of Violation (AAV) attached as Exhibit A to the Stipulated Revocation; waived his rights to be represented by counsel and to a hearing on the AAV; admitted the truth of the AAV's allegations; conceded cause to discipline his Appraiser License; agreed to revocation of the Appraiser License, which shall constitute disciplinary action and become part of respondent's license history with BREA; and agreed to pay BREA a \$10,000 fine and \$10,068.70 in enforcement costs before any reinstatement of his Appraiser License. The following paragraph appears directly above respondent's signature in the Stipulated Revocation:

I have carefully read the above Stipulated Revocation. I understand the stipulation and the effect it will have on my Real Estate Appraiser License. I enter into this Stipulated Revocation voluntarily, knowingly, and intelligently, and agree to be bound by the Decision and Order of the Bureau Chief.

6. The AAV in Exhibit A to the Stipulated Revocation provides (with internal citations omitted):

On or about December 6, 2022, Respondent completed an appraisal of the property located at 15649 N Highway 88, Lodi, CA. The report contains certain errors and omissions in violation of the Uniform Standards of Professional Appraisals Practice (USPAP) as follows:

a) Respondent failed to identify and state the intended user of the appraisal report;

b) Respondent failed to identify and state the intended use of the appraisal report;

c) Respondent failed to accurately identify and report the legal, physical, and economic characteristics of the subject property when he misrepresented the subject as two houses on one lot. In addition, he misrepresented the condition of the subject, failed to identify and report the owner of public record, the borrower, the zoning description, and failed to consistently report market trend information;

d) Respondent failed to accurately develop and report the Sales Comparison Approach to value when he misrepresented the subject as being two houses on one lot, when it was not. He also failed to analyze and report or omitted comparable property characteristics that were consistent with his cited data sources; thereby

misrepresented the gridded comparable properties. In addition, he failed to analyze and report a relevant sale from the immediate market area, instead he relied on sales of sites that, unlike the subject, were two units on one lot;

e) Respondent failed to accurately develop and report a credible Cost Approach when he failed to summarize specific support for the opined site value. He also failed to credibly report replacement costs when he opined replacement costs for a GBA that included personal property, opined a replacement cost for a structure that was not located on the subject site, failed to report replacement costs for the subject's garage and failed to summarize support for not opining an "as-is" value for the subject site's improvements;

f) Respondent failed to analyze and summarize the results of analyzing a prior sale of the subject, which occurred within three years of the effective date. This analysis was especially important because Respondent opined a market value of \$1,150,000 for the subject but failed to summarize any support or include within the appraisal any other support for the 73% percent increase from this subject's prior open market sales price of \$665,000, which occurred approximately 29 months prior to the effective date of value;

g) Based on findings a through f above, Respondent failed to correctly employ recognized methods and techniques to produce a credible appraisal;

h) Based on findings a through f above, Respondent did commit a substantial error of omission or commission that significantly affected the appraisal;

i) Based on findings a through f above, Respondent failed to clearly and accurately set forth the appraisal in a manner that was not misleading;

j) Based on findings a through f above, Respondent did not produce an appraisal report that contained sufficient information to enable the intended user of the appraisal to understand the report properly;

k) Respondent failed to maintain a work file for the appraisal assignment that included all data, information, and documentation necessary to support the Respondent's opinions, conclusions, and to show compliance with USPAP (Record Keeping Rule);

l) Based on findings a through k above, Respondent's appraisal practices represented an extreme departure from the minimum standards promulgated by the 2021 edition of the USPAP, and, as such represented Gross Negligence (Conduct section of the Ethics Rule); and

m) Based on findings a through k above, Respondent's failures and actions were in a single direction that targets a value that was higher than market value. Respondent performed the assignment with bias and advocated the cause or interest of his client as evidenced by a client request for Respondent to push for the highest value for the subject property. These actions evidence an intent to mislead or defraud in the communication of assignment results (Conduct section of the Ethics Rule).

7. On April 17, 2024, the Bureau Chief of BREa issued a Decision and Order adopting the Stipulated Revocation as BREa's final decision resolving the AAV. The decision became effective on April 19, 2024.

Failure to Timely Report BREa's Decision to Department

8. The Department's official custodian of records signed a License Change Transaction document on July 7, 2025. That document indicates that, despite performing a diligent search of the Department's records, the custodian of records could not locate any record that respondent provided the Department with written notice of BREa's decision within 30 days.

Respondent's Evidence

9. Respondent presented documentary evidence and testified at hearing. He worked as a real estate appraiser for almost 20 years. During that time, he received a fine from BREa in 2018, but was never formally disciplined until BREa revoked his Appraiser License in April 2024. He explained that he did not report the 2018 fine to the Department because it did not constitute formal discipline.

10. Respondent has worked as a real estate broker for almost 15 years. During that time, he brokered over 100 properties but never received any complaints and was never disciplined.

11. Respondent believes he did nothing wrong with his Appraiser License, and he never harmed anyone. He explained the circumstances that led to the Stipulated Revocation.

Respondent completed the December 2022 appraisal of the Lodi property "with the utmost care"; the same level of care he uses for all his appraisals. According to respondent, the subject property involved two houses on one lot.

On March 27, 2024, Jared Mickel, a BREa property appraiser investigator, telephoned respondent to discuss an investigation BREa was conducting regarding the December 2022 appraisal. After about 10 minutes, respondent asked to reschedule the interview for a few days given that his uncle was passing away at the hospital at the time. Mr. Mickel agreed. Respondent never spoke to Mr. Mickel again.

The next communication from BREa occurred on April 10, 2024. That day, Tinna Morlatt, a BREa supervising property appraiser investigator, telephoned respondent. Respondent explained that he was on his way to Jordan and wanted additional time to respond to BREa. In response, Ms. Morlatt indicated that she would send respondent "some paper" to sign. Respondent was under the impression that it would be some type of extension of time.

On April 11, 2024, Ms. Morlatt sent respondent the Stipulated Revocation with the AAV attached as Exhibit A. At the time, respondent was rushing off to the airport and signed the Stipulated Revocation without reading or studying it carefully. Additionally, respondent testified that he sometimes has difficulty with reading legal

documents in English because his native language is Arabic. Thus, he did not realize that BREa had brought a formal case against him and that he was agreeing to revocation of his Appraiser License.

Around May 7, 2024, respondent returned to the United States from Jordan. Shortly after, he learned that BREa had revoked his Appraiser license. He contacted BREa, but it informed him it was too late to retain counsel and contest the revocation.

12. Respondent believes BREa's revocation of his Appraiser License was illegal and invalid. He was never given a hearing, a meaningful opportunity to object, or any due process. Respondent's former clients continue to contact him to inquire whether he can do appraisals because they like his work.

13. Respondent acknowledges that he failed to report BREa's revocation of his Appraiser License to the Department within 30 days. He testified that he was unaware of his obligation to do so until the 30-day period had passed.

14. Respondent is 74 years old, is married, and has four adult children. He has no history of criminal convictions or civil judgments imposed against him. He owns his own home and has no past due debts. He is not active in any social, civic, or community groups.

15. Respondent strongly desires to continue working as a real estate broker. He does not "know anything else," and needs the income to support himself and his family. His clients also strongly value his work. He has many Arabic-speaking clients who rely on his bilingual services in complex real estate transactions to overcome linguistic and cultural barriers.

Costs

16. In prosecuting this matter, the Department incurred \$1,801.75 in investigation costs, supported by a Certified Statement of Investigation Costs, and \$759 in enforcement costs, supported by a Certified Statement of Costs by Jessica Cheong. The total costs sought is \$2,560.75. The certified statements are accompanied by documents describing the general tasks performed, the time spent on each task, and the method of calculating the costs.

LEGAL CONCLUSIONS

Burden and Standard of Proof

1. Complainant bears the burden of proving by clear and convincing evidence that respondent's license should be disciplined. (*Ettinger v. Bd. of Medical Quality Assurance* (1982) 135 Cal.App.3d 853, 856; *Realty Projects, Inc. v. Smith* (1973) 32 Cal.App.3d 204, 212.) "Clear and convincing evidence requires a finding of high probability. The evidence must be so clear as to leave no substantial doubt. It must be sufficiently strong to command the unhesitating assent of every reasonable mind." (*In re David C.* (1984) 152 Cal.App.3d 1189, 1208.)

2. If complainant establishes cause for discipline, respondent has the burden to establish any rehabilitation. (*Whetstone v. Bd. of Dental Exam'rs* (1927) 87 Cal.App. 156, 164; Evid. Code, § 500.) The standard of proof is a preponderance of the evidence (Evid. Code, § 115), which means "more likely than not." (*Sandoval v. Bank of America* (2002) 94 Cal.App.4th 1378, 1388.)

Cause for Discipline

3. The Commissioner may discipline the license of a real estate licensee if the licensee:

(f) Acted or conducted themselves in a manner that would have warranted the denial of their application for a real estate license, either had a license denied or had a license issued by another agency of this state, another state, or the federal government revoked, surrendered, or suspended, or received an order of debarment, for acts that, if done by a real estate licensee, would be grounds for the suspension or revocation of a California real estate license, if the action of denial, revocation, surrender, suspension, or debarment by the other agency or entity was taken only after giving the licensee or applicant fair notice of the charges, an opportunity for a hearing, and other due process protections comparable to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340), Chapter 4 (commencing with Section 11370), and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code), and only upon an express finding of a violation of law by the agency or entity.

(Bus. & Prof. Code, § 10177, subd. (f).)

4. Here, respondent's license issued by another state agency was revoked. Specifically, BREa revoked his Appraiser License.

Additionally, BREA revoked respondent's Appraiser License for acts that, if done by a real estate licensee, would be grounds for the suspension or revocation of a California real estate license. Specifically, BREA revoked respondent's Appraiser License based on express findings that respondent's December 2022 appraisal was grossly negligent and evidenced an intent to mislead or defraud. Such conduct by a real estate licensee would be grounds for discipline of a real estate license. (See, e.g., Bus. & Prof. Code, § 10177, subds. (g) (negligence or incompetence) & (j) (fraud or dishonest dealing).)

Finally, the Stipulated Revocation on its face indicates that BREA provided respondent with fair notice of the charges, an opportunity for a hearing, and other due process protections comparable to the Administrative Procedure Act. Respondent admits that he signed the Stipulated Revocation. By signing the Stipulated Revocation, respondent waived his rights to the aforementioned procedures and elected to resolve the BREA matter through the agreed-upon discipline of revocation.

Respondent now contends that he signed the Stipulated Revocation in a rush, without reading or understanding its terms. That argument is unavailing because respondent cannot in this matter collaterally attack BREA's final decision, over which this tribunal lacks jurisdiction. Any procedural irregularities or due process violations in the BREA matter must be raised on appeal or writ in the appropriate forum. Absent a successful reversal, BREA's decision must be given effect in analyzing the present record.

Thus, complainant demonstrated by clear and convincing evidence that cause for discipline exists pursuant to Business and Professions Code section 10177, subdivision (f).

5. The Commissioner may also discipline the license of a real estate licensee who willfully disregarded or violated the Real Estate Law or its implementing rules and regulations. (Bus. & Prof. Code, § 10177, subd. (d).) This statute "does not require an intent to violate the law, only an intent to engage in the act or conduct prohibited by the statute is required." (*Milner v. Fox* (1980) 102 Cal.App.3d 567, 573, fn. 9.) A real estate licensee must report any disciplinary action by another state licensing entity to the Department in writing within 30 days and failure to do so "shall constitute a cause for discipline." (Bus. & Prof. Code, § 10186.2.)

6. Here, the Department's records do not indicate that respondent provided the Department with written notice of BREA's decision within 30 days. At hearing, respondent conceded that he failed to do so. Respondent's testimony that he was unaware of his reporting obligation until the 30-day period had passed is contradicted by his testimony that he previously did not report his 2018 BREA fine because it did not constitute formal discipline. In any event, ignorance of the law is not a defense to respondent's failure to report. Consequently, cause exists to discipline respondent's license pursuant to Business and Professions Code sections 10177, subdivision (d), and 10186.2.

Appropriate Discipline

7. The existence of cause for discipline does not end the required analysis. The next step is to determine the appropriate degree of discipline. Licensing proceedings are not intended to punish an individual but to protect the public, maintain the integrity and high standards of the profession, and preserve public confidence in licensure. (*Fahmy v. Medical Bd. of California* (1995) 38 Cal.App.4th 810, 817.)

8. Here, respondent's conduct giving rise to BREa's revocation of his Appraiser license was serious and relatively recent. It involved gross negligence and an intent to defraud. This is substantially related to licensed real estate work, which requires the discharge of fiduciary duties with honesty and integrity. (*Harrington v. Dept. of Real Estate* (1989) 214 Cal.App.3d 394, 402 ["Honesty and truthfulness are two qualities deemed by the Legislature to bear on one's fitness and qualification to be a real estate licensee."].)

9. Moreover, in this case, respondent denied and accepted no responsibility for his prior misconduct. (*Seide v. Com. of Bar Examiners of the State Bar of Cal.* (1989) 49 Cal.3d 933, 940 ["Fully acknowledging the wrongfulness of [one's] actions is an essential step towards rehabilitation"].) He failed to demonstrate any meaningful change in attitude since the misconduct found by BREa.

10. Respondent also failed to present any meaningful rehabilitation evidence, other than pointing to a lack of prior Department discipline or criminal convictions. He did not offer evidence of completing coursework to address his prior deficiencies, making corrections to his prior professional practices, or performing community service or volunteer work. Although he claims to provide vital real estate services to the Arabic-speaking immigrant community, he failed to provide any corroborating letters of recommendation from clients or colleagues.

11. In sum, when the record as a whole is considered, respondent did not demonstrate that he is sufficiently rehabilitated to continue practicing as a real estate broker, even on a restricted or probationary basis. Thus, license revocation is necessary to protect the public interest.

Costs

12. The Department may recover its reasonable investigation and enforcement costs of a case. (Bus. & Prof. Code, § 10106.) Here, the Department incurred a total of \$2,560.75 in investigation and enforcement costs. Such costs are reasonable given the issues in this case.

13. In *Zuckerman v. State Board of Chiropractic Examiners* (2002) 29 Cal.4th 32, the California Supreme Court set forth guidelines for determining whether the costs should be assessed or reduced in the particular circumstances of each case. These factors include whether the licensee has been successful at hearing in getting charges dismissed or reduced, the licensee's subjective good faith belief in the merits of their position, whether the licensee has raised a colorable challenge to the proposed discipline, the licensee's financial ability to pay, and whether the scope of the investigation was appropriate to the alleged misconduct.

14. Here, the scope of the investigation was appropriate. Additionally, respondent was not successful at hearing in getting charges dismissed or reduced, and he failed to raise a colorable challenge to complainant's proposed discipline of revocation. Respondent also did not present any persuasive evidence of financial inability to pay. He is married, owns his home, has no minor children, and has no past due debts. In any event, the amount of costs sought is very low. In sum, when all the relevant *Zuckerman* factors are considered, they do not suggest that cost reduction is warranted. Thus, the full amount of costs sought is awarded.

ORDER

1. All licenses and licensing rights of respondent Mahmoud Qweider Masadeh under the Real Estate Law, including Real Estate Broker License No. B/01323363 and his Mortgage Loan Originator endorsement, are REVOKED.
2. Respondent shall pay the Department \$2,560.75 in investigation and enforcement costs within 30 days of the effective date of this decision.

DATE: September 3, 2025

Wim vanRooyen

WIM VAN ROOYEN

Administrative Law Judge

Office of Administrative Hearings