

STATE OF NEW YORK  
DEPARTMENT OF STATE  
OFFICE OF ADMINISTRATIVE HEARINGS

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In the matter of the Complaint of

**DEPARTMENT OF STATE  
DIVISION OF LICENSING SERVICES,**

Complainant,

**DECISION**

-against-

**STEVEN M. KNOBEL,  
JEFFREY JACKSON,  
and MITCHELL, MAXWELL &  
JACKSON INC.,**

Respondents

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The above noted matter came on for hearing before the undersigned, Roger Schneier, on January 31, April 5, August 28, and November 14, 2012 at the office of the Department of State located at 123 William Street, New York, New York.

The respondents were represented by Eric S. Wei, Esq. and Maksim Fuchs, Esq., Demba Wei LLP, 1221 Avenue of the Americas, 42nd floor, New York, New York 10020 on January 31, 2012. At the other three hearing session the respondents chose to appear *pro se*.

The complainant was represented by Senior Attorney John Kenny, Esq.

**COMPLAINT**

The complaint as amended on the record at the first hearing session alleges that the respondent Real Estate Appraisers wrongfully affixed the electronic signature of another Real Estate Appraiser to appraisals.

**FINDINGS OF FACT**

1) Notices of hearing together with copies of the complaint were served on the respondents by certified mail (State's Ex. 1).

2) Steven M. Knobel and Jeffrey Jackson are, and at all times hereinafter mentioned were, duly licensed New York State Certified Residential Real Estate Appraisers representing Mitchel Maxwell & Jackson Inc. (hereinafter "MMJ") (State's Ex. 2). Mr. Knobel is President of the Corporation and Mr. Jackson is Chairman.

3) From 2003 to March 2010 Marianne Mueller, a New York State licensed Real Estate Appraiser, was employed by MMJ, first as an Apprentice Appraiser, then as an Appraiser, and finally as Executive Vice President of Legal Services and Private Clients. In the latter part of that employment part of her duties was to review and sign off as Supervisory Appraiser on appraisals done by other MMJ employees.

4) Sometime in 2009 Ms. Mueller discovered that, with the knowledge of Mr. Knobel and Mr. Jackson, her name and electronic signature was being placed, without her knowledge and permission, as Supervisory Appraiser on MMJ appraisals that she had not reviewed or approved.<sup>1</sup> She was subsequently able to find the following fourteen appraisals which bear such unapproved signatures (State's Ex. 5):

400 East 85th Street, New York, NY;  
 100 West 58th Street, New York, NY;  
 196 East 75th Street, New York, NY;  
 179 East 79th Street, New York, NY;  
 146 West 74th Street, New York, NY;  
 336 West End Avenue, New York, NY;  
 7 Woods Lane, Harrison, NY;  
 8 Charles Lane, New York, NY;  
 36 West 35th Street, New York, NY;  
 26 Beaver Street, New York, NY;  
 241 West 23rd Street, New York, NY;  
 333 East 53rd Street, New York, NY;  
 300 East 40th Street, New York, NY; and  
 300 East 24th Street, New York, NY.

5) Without the signature of a Supervisory Appraiser on the aforementioned appraisals they would not have been accepted by MMJ's client.

#### OPINION AND CONCLUSIONS OF LAW

I- Being an artificial entity created by law, MMJ can only act through its officers, agents, and employees, and it is, therefore, bound by the knowledge acquired by and is responsible for the acts committed by its President, Mr. Knobel, and its Chairman, Mr. Jackson, within the actual or apparent scope of their authority. *Roberts Real Estate, Inc. v Department of State*, 80 NY2d 116, 589 NYS2d 392 (1992); *A-1 Realty Corporation v State Division of Human Rights*, 35 A.D.2d 843, 318 N.Y.S.2d 120 (1970); *Division of Licensing Services v First Atlantic Realty Inc.*, 64 DOS 88; RPL § 442-c.

II- As the party which initiated the hearing, the burden is on the complainant to prove, by substantial evidence, that Ms. Mueller's electronic signature was affixed without her permission to appraisals which she had not approved as Supervisory Appraiser. State Administrative Procedure Act (SAPA), §306(1). Substantial evidence is that which a reasonable mind could accept as supporting a conclusion or ultimate fact. *Gray v Adduci*, 73 N.Y.2d 741, 536 N.Y.S.2d 40 (1988). "The question...is whether a conclusion or ultimate fact may be extracted reasonably--probatively and logically." *City of Utica Board of Water Supply v New York State Health Department*, 96 A.D.2d 710, 465 N.Y.S.2d 365, 366 (1983)(citations omitted).

<sup>1</sup> The evidence establishes that Mr. Knobel was aware in general that Ms. Mueller's signature was being affixed to appraisals that she had not reviewed and that Mr. Jackson was aware of it at least with regards to one appraisal for which he was the actual appraiser.

The complainant's evidence consists essentially of Ms. Mueller's testimony and the suspect appraisals. The respondents called numerous witnesses and introduced a large number of documentary exhibits in their attempt to refute that testimony. The volume of evidence is not dispositive, and having heard and observed all of the testimony, and having reviewed all of the documentary evidence, I find that Ms. Mueller's testimony was convincing and that the respondents' evidence did not refute it. I find, therefore, that the complainant has met its burden of proof.

III- By participating in a scheme in which the electronic signature of an appraiser was affixed to appraisals to falsely indicate that she had reviewed those appraisals where without such a signature the appraisals would not have been accepted by their client and, therefore, MMJ obviously would not be paid, the respondents engaged in acts involving dishonesty and misrepresentation with the intent to substantially benefit themselves in violation of Executive Law §160-u [1] [e].

### **DETERMINATION**

**WHEREFORE, IT IS HEREBY DETERMINED THAT** Steven M. Knobel, Jeffrey Jackson, and Mitchell, Maxwell & Jackson have violated Executive Law §160-u [1] [e], and accordingly, pursuant to Executive Law §160-u [1], the licenses issued to Steven M. Knobel and Jeffrey Jackson as Certified Residential Real Estate Appraisers, are revoked effective February 1, 2012, and they are directed to surrender their license certificates and pocket cards by certified mail addressed to Norma Rosario, Department of State, Division of Licensing Services, One Commerce Plaza, 99 Washington Avenue, 6th Floor, Albany, New York 12231-0001.



Roger Schneier  
Administrative Law Judge

Dated: December 27, 2012