

Appraisal Software Techie Turns Expert Witness

LITIGATION: Aftermath of financial crisis generates suits over home valuation.

Lee Kennedy has found a way to bring his technical savvy to the courtroom, helping defend lenders in the aftermath of the financial crisis – and launching a second career as an expert witness.

His Simi Valley company **AVMetrics** specializes in testing and validating automated valuation models, or AVMs, which are computer programs used to appraise residential real estate. When purchasing a home, a lender or owner typically hires an appraiser to assess the property’s value. But in some cases, an appraiser might cost too much, so the lender

could use an AVM to assign value to the property at a fraction of the cost. Kennedy and his staff examine various AVM programs, test them for accuracy and report the results in a quarterly review that is provided to clients, which are mostly lending companies and AVM developers. According to Kennedy, his company is the only independent tester of AVMs, which is what prompted his career in the courtroom. Kennedy is hired by defense attorneys who represent lenders to show that AVMs are not appropriate to appraise property deals in the past because the time lapse along with other factors affect AVMs’ accuracy.

He has worked on dozens of cases worth billions of dollars, providing reports and depositions regarding AVMs. Kennedy is currently working on 10 lawsuits and has cases lined up until 2017. He charges \$350 an hour for his services.

In the court cases stemming from the 2007 financial crisis, the Federal Housing Administration, the Federal Deposit Insurance Corp. along with other institutions that securitize mortgages have brought lawsuits against lenders for originating risky mortgages and misrepresenting their quality when selling off the loans. As part of the prosecution, attorneys

representing these institutions have tried to use AVMs to retrospectively value property in an attempt to prove that lenders, such as **Bank of America** and **Chase**, had overstated real estate values, leading to improper loans. Kennedy’s job is to refute that methodology.

As a result of his thriving expert witness business, he has doubled the staff at AVMetrics, bringing the total to 12 employees. Locally, Kennedy has been retained by the legal team behind a class-action lawsuit against **Southern California Gas Co.** on behalf of residents forced to temporarily evacuate their homes because of the Aliso Canyon gas leak. In this case, AVMetrics will assign value to properties that have depreciated due to the leak. “We’ve moved out into building valuation models for diminution of property values, much like Porter Ranch, where those properties are going to be affected by the gas leak,” said Kennedy.



Immigration Academy: NNA plans to train consultants.

Motorcycle Lawyer

California Legal Group, a law firm representing motorcycle accident victims, has opened a satellite office in Agoura Hills. **Barry Zlotowicz**, an attorney at the Northern California firm, said the Agoura Hills location is a meeting place for local clients. It is located at 30101 Agoura Court. “While we often have to meet with clients at their homes due to the injuries they’ve sustained in an accident, we are happy to provide them with the option to meet with us in this satellite office,” he said in a statement. The firm handles motorcycle injuries, insurance claims, litigation and settlements.

Immigration Uptick

NNA Services, parent company and operator of membership-based trade group **National Notary Association** in Chatsworth, has acquired **Latinos Unidos Event LLC**, a national training and support firm for immigration consultants. NNA Services purchased Latinos Unidos in light of a growing need for immigration services, which could spike over the summer

if the Supreme Court upholds the Obama administration’s immigration plan to protect up to 5 million illegal immigrants from deportation. If this scenario happens, there will be a high demand for nonlawyer immigration consultants. Later this year, NNA plans to launch the American Association of Immigration Consultants to provide training and advocacy for the industry.

“It is going to be the place for immigration consultants to interact with each other, get training and support,” **Phillip Browne**, director of communications for the National Notary Association, told the Business Journal. Unlike immigration attorneys, immigration consultants are not allowed to give legal advice and can be prosecuted if they do. The American Association of Immigration Consultants will aim to alleviate this issue with proper education. “We will use this acquisition to help immigration consultants ensure their practices and procedures are legal and in strict compliance with current laws and regulations,” **Tom Heymann**, chief executive of NNA Services, said in a statement. Just last month, the city of Los Angeles filed charges against **Gloria Dora Saucedo** and her Panorama City immigration consulting business **Hermanidad Mexicana Transnacional Inc.** for violating the Immigration Consultants Act and practicing law without a license.

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Executive Helps Students Further Education

MENTORING: James Castro’s future nonprofit will help youth get into college.

It’s a demanding time of year for high school seniors. Most are filling out college applications, taking mind-numbing standardized tests and waiting to hear back from their first-choice universities. It’s this stress-filled process that **James Castro** has spent years helping students navigate.

When he’s not juggling a 60-hour-a-week workload, the executive vice president of **Access Integrated Healthcare** – a medical technology firm in Glendale – is empowering youth in the community to pursue their dreams of a higher education. As he has for the past 15 years, Castro helps high school upperclassmen at his



Advisor: James Castro believes seniors ‘just need direction.’

AIH offices as they work through college applications – including SAT preparation, school selection and personal statement assistance, not to mention leveraging his contacts at universities to increase students’ exposure. “Students are like sponges, they want to absorb knowledge, they just need direction. I’ve become fascinated with how far just a little bit of guidance can take an individual,” Castro, 39, said. It all started in the early 2000s, when Cas-

wouldn’t consider themselves to be in that arena. But (together we) get their confidence level up. I help them put their best foot forward on the application.” Taking it a step further, Castro launched an internship program in 2014 at AIH for high school upperclassmen and college students looking to gain experience in business and finance. Last year, **Chase Matthews** spent the summer interning with AIH. The high school graduate worked with Castro earlier this year to apply to several universities including **Stanford University**, **USC** and **New York University**, and is now waiting to hear back from his top choices. “He developed a roadmap and a step-by-step plan for me and he’d check in twice a week to make sure I was meeting the marks,” Matthews said. “The biggest thing that helped me through this difficult transition in my life was his positivity and support. I wasn’t too confident in my ability to get into these top universities.” Castro is working now to develop a nonprofit called **Illuminant Minds**, which will enable him to rally the support of more volunteers so he can help more students. He plans to apply for 501(c)(3) status this year. “I have to turn a bunch away every year – at least 30 I have to respectfully decline –

which is why I want to formalize something so I can get some help,” he said. **Sandwich Anyone?** **Jersey Mike’s Subs** celebrated its Month of Giving fundraiser by donating 100 percent of its March 30 proceeds to nonprofit organizations nationwide. Of the 104 participating franchises, donations from California locations in Los Angeles, Fresno and Santa Barbara will be allocated to two nonprofit organizations – Chatsworth-based **Operation Gratitude**, which provides care packages for U.S. military personnel and first responders, and to date has sent more than 1.4 million packages; and the **City of Hope** cancer treatment center in Duarte. Jersey Mike’s has yet to announce the results, but hopes to raise \$3.5 million this year that will go toward 180 charities nationwide. **Pancake Day** **International House of Pancakes’** annual National Pancake Day was deemed a success this year by parent company **DineEquity Inc.**, a Glendale restaurateur that also owns **Applebee’s Neighborhood Bar & Grill**. The 11-year tradition took effect March 8 and donations totaled \$3.9 million. On National Pancake Day, IHOP customers receive a free short stack of pancakes and are asked to donate to select causes. The money this year was donated to the **Children’s Miracle Network Hospitals** in Salt Lake City; **Shriners Hospitals for Children** in Tampa, Fla.; and the **Leukemia & Lymphoma Society** in White Plains, N.Y.

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