

**SETTLEMENT AGREEMENT**  
**BETWEEN**  
**MISSOURI REAL ESTATE APPRAISERS COMMISSION**  
**AND**  
**BRADLEY DASTRUP**

Bradley Dastrup (Dastrup) and the Missouri Real Estate Appraisers Commission (MREAC) enter into this Settlement Agreement for the purpose of resolving the question of whether Dastrup's license as a state-licensed Real Estate Appraiser, no. 2005000570, will be subject to discipline. Pursuant to § 536.060, RSMo 2000,<sup>1</sup> the parties hereto waive the right to a hearing by the Administrative Hearing Commission of the State of Missouri and, additionally, the right to a disciplinary hearing before the MREAC under § 621.110, RSMo Cum. Supp. 2007. The MREAC and Dastrup jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo Cum. Supp. 2007.

Dastrup acknowledges that he understands the various rights and privileges afforded him by law, including the right to a hearing of the charges against him; the right to appear and be represented by legal counsel; the right to have all charges proven upon the record by competent and substantial evidence; the right to cross-examine any witnesses appearing against him at the hearing; the right to present evidence on his behalf at the hearing; the right to a decision upon the record of the hearing by a fair and impartial

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<sup>1</sup> All statutory citations are to the 2000 Revised Statutes of Missouri unless otherwise noted.

administrative hearing commissioner concerning the charges pending against him; the right to a ruling on questions of law by the Administrative Hearing Commission; the right to a disciplinary hearing before the MREAC at which time Dastrup may present evidence in mitigation of discipline; the right to a claim for attorney fees and expenses; and the right to obtain judicial review of the decisions of the Administrative Hearing Commission and the MREAC.

Being aware of these rights provided to him by law, Dastrup knowingly and voluntarily waives each and every one of these rights and freely enters into this Settlement Agreement and agrees to abide by the terms of this document as they pertain to him.

Dastrup acknowledges that he has received a copy of documents that were the basis upon which the MREAC determined there was cause for discipline, along with citations to law and/or regulations the MREAC believes were violated. Dastrup stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREAC that Dastrup's license as a licensed Real Estate Appraiser, license no. 2005000570, is subject to disciplinary action by the MREAC in accordance with the relevant provisions of Chapter 621, RSMo Cum. Supp. 2007, and Chapter 339, RSMo, as amended.

The parties stipulate and agree that the disciplinary order agreed to by the MREAC and Dastrup in Part III herein is based only on the agreements set out in Parts I & II

herein. Dastrup understands that the MREAC may take further disciplinary action against him based on facts or conduct not specifically mentioned in this document that are either now known to the MREAC or may be discovered.

**I.**  
**Joint Stipulation of Facts**

Based upon the foregoing, the MREAC and Dastrup herein jointly stipulate to the following:

1. The MREAC was established pursuant to § 339.507.1, RSMo (Cum. Supp. 2007), for the purpose of executing and enforcing the provisions of §§ 339.500 through 339.549, RSMo, as amended.

2. Dastrup is licensed by the MREAC as a licensed Real Estate Appraiser, license number 2005000570. Dastrup's license is, and was at all relevant times hereto, current and active.

3. On or about June 5, 2005, Dastrup prepared a Uniform Residential Appraisal Report for certain real property commonly described as 12118 Charlotte Street, Kansas City, MO 64146-1105 ("the subject appraisal report").

4. Following an administrative review of the subject appraisal report, the MREAC has found a number of deficiencies, in violation of USPAP Standards Rules present in the subject appraisal report. Such material deficiencies are listed immediately below:

- a. Failed to report material information pertaining to the relevant homeowners' association;
- b. In the Site section, stated that the subject property was zoned single-family, though the property is situated in a multi-family development;
- c. In the Cost Approach analysis, did not support land value of the site and overvalued replacement cost for residence;
- d. In the Cost Approach analysis, stated the value opinion was merely an estimate, as a separate site appraisal was not performed;
- e. In the Sales Comparison Analysis, inaccurately reported the total amount of square footage for comparable property number 2, by stating that it was substantially less than is actually the case;
- f. In the Sales Comparison Analysis, provided lower than appropriate negative adjustments to comparable sales;
- g. In the Sales Comparison Analysis, failed to provide a credible appraisal by including as comparable property number 3 a property from a different townhouse community, which was of larger size and higher quality, while ignoring similar, comparable properties in subject's immediate area, leading to a misleading value conclusion;
- h. In the Sales Comparison Analysis, failed to discuss problems encountered in finding comparable sales of appropriate quality in the immediate area and failed to state reasoning for seeking comparable sale from distant neighborhood.

## II.

### **JOINT STATEMENTS AND CONCLUSIONS OF LAW**

1. Section 339.532.2, RSMo, states in part that:

The commission may cause a complaint to be filed with the administrative hearing commission as provided by chapter 621, RSMo, against any state-certified real estate appraiser, state-licensed real estate appraiser, or any person who has failed to renew or has surrendered his or her certificate or license for any one or any combination of the following causes:

(5) Incompetency, misconduct, gross negligence, dishonesty, fraud, or misrepresentation in the performance of the functions or duties of any profession licensed or regulated by sections 339.500 to 339.549;

(6) Violation of any of the standards for the development or communication of real estate appraisals as provided in or pursuant to sections 339.500 to 339.549;

(7) Failure to comply with the Uniform Standards of Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation;

(8) Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal;

(9) Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal;

(10) Violating, assisting or enabling any person to willfully disregard any of the provisions of sections 339.500 to 339.549 or the regulations of the commission for the administration and enforcement of the provisions of sections 339.500 to 339.549;

(14) Violation of any professional trust or confidence.

2. Section 339.535 states that state-certified real estate appraisers and state licensed real estate appraisers shall comply with the Uniform Standards of

Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation.

3. The preparation of the subject appraisal report was to be in compliance with the Uniform Standards of Professional Appraisal Practice, 2005 edition. The pertinent provisions of USPAP are cited below.

4. USPAP Standards Rule 1-1 states that “in developing a real property appraisal, an appraiser must:

(a) – be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal;

(b) – not commit a substantial error of omission or commission that significantly affects an appraisal; and,

(c) - not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results.”

5. USPAP Standards Rule 1-4 states in pertinent part that “in developing a real property appraisal, an appraiser must collect, verify, and analyze all information applicable to the appraisal problem, given the scope of work identified in accordance with Standards Rule 1-2(f):

1-4(a) – “When a sales comparison approach is applicable, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

(b) – “When a cost approach is applicable, an appraiser must:

(i) develop an opinion of site value by an appropriate appraisal method or technique;

(ii) analyze such comparable cost data as are available to estimate the cost new of the improvements (if any).”

6. USPAP Standards Rule 1-5(c) states that “in developing a real property appraisal, an appraiser must... reconcile the quality and quantity of data available and analyzed within the approaches used and the applicability or suitability of the approaches used.”

7. USPAP Standards Rule 2-1 states in pertinent part that “in reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading. Each written or oral real property appraisal report must:

- (a) – clearly and accurately set forth the appraisal in a manner that will not be misleading;
- (b) – contain sufficient information to enable the intended users of the appraisal to understand the report properly.”

8. USPAP Standards Rule 2-2(b) states in pertinent part that the content of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum...:

- (ix) – summarize the information analyzed, the appraisal procedures followed, and the reasoning that supports the analyses, opinions, and conclusions.”

9. Cause exists to discipline Dastrup’s license because in preparing the subject appraisal report, Dastrup: failed to provide a credible appraisal by including as comparable property number 3 a property from a different townhouse community, of larger size and higher quality; failed to report information pertaining to the relevant homeowners’ association; stated that the property was zoned single-family when the property is in a multi-family neighborhood; reported the total amount of square footage for comparable property number 2 to be substantially less than is actually the case; and, provided lower than appropriate negative adjustments to comparable sales, all in violation of §§ 339.532.2 (6), (7) & (10) and 339.535, RSMo, and USPAP S.R. 1-1(a) – (c).

10. Cause exists to discipline Dastrup’s license because in preparing the subject appraisal report, Dastrup: did not consider all comparable properties that were available of similar size, quality and located in the subject property’s immediate neighborhood with

similar features and subdivision quality, and instead included a property from different community substantially greater quality and value in the Sales Comparison Analysis; did not support land value of the site in the Cost Approach; stated that the value opinion was an estimate in the Cost Approach; overvalued replacement cost for residence without support in the Cost Approach; did not discuss adequately the quality used in the Marshall Swift Residential Cost Handbook; and, provided an unsupported value in the Cost Approach that is unable to be duplicated, all in violation of §§ 339.532.2 (6), (7) & (10) and 339.535, RSMo, and USPAP S.R. 1-4(a) and (b)(i), (ii).

11. Cause exists to discipline Dastrup's license because in preparing the subject appraisal report's Sales Comparison Analysis, Dastrup discussed neither any problems encountered in finding comparable sales of appropriate quality in the immediate area, nor his reason for seeking a comparable sale from a neighborhood of superior value, but instead stated that "All comps are closed sales from the subject's immediate vicinity and are similar in overall quality and appeal", when in fact comparable sale number 3 is 1.7 miles distant from the subject real property (though the subject appraisal lists the distance to be .99 mile), is located in a neighborhood of homes of superior size and quality, when there were available a great number of comparable sales in the immediate area, in violation of §§ 339.532.2 (6), (7) & (10) and 339.535, RSMo, and USPAP S.R. 1-5(c).

12. Cause exists to discipline Dastrup's license because in preparing the subject appraisal report, Dastrup: included as a comparable sale a property from a different,

higher value town-home community, which inclusion led to a misleading value conclusion; and, he failed to sufficiently explain or support adjustments made to values of comparable sales, all in violation of §§ 339.532.2 (6), (7) & (10) and 339.535, RSMo, and USPAP S.R. 2-1 (a) & (b).

13. Cause exists to discipline Dastrup's license because in preparing the subject appraisal report, Dastrup: did not provide sufficient information as to why it was necessary to include a comparable sale of higher quality, better location, and from a stronger community; and, failed to support reported adjustments to comparable sale values, all in violation of §§339.532.2 (6), (7) & (10) and 339.535, RSMo, and USPAP S.R. 2-2(b)(ix).

14. Cause exists to discipline Dastrup's license because the subject appraisal report: did not contain a credible sales comparison approach; contained an over-inflated value of the subject property; ignored numerous similar sales in the immediate town-home community, and instead included a home from a different community at a significantly higher price point; and, the cost approach did not prove site value, all in violation of §§ 339.532.2 (6), (7) & (10) and 339.535, RSMo, and USPAP.

15. Dastrup's preparation and delivery of the subject appraisal report including the numerous deficiencies detailed above constitutes incompetency and gross negligence in the performance of the functions or duties of a licensed real estate appraiser, contrary to the tenets of §339.532.2(5), RSMo (Cum. Supp. 2007).

16. Dastrup's preparation and delivery of the subject appraisal report including the numerous deficiencies detailed above constitutes a failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, and communicating an appraisal report, contrary to the tenets of § 339.532.2(8), RSMo (Cum. Supp. 2007).

17. Dastrup's preparation and delivery of the subject appraisal report including the numerous deficiencies detailed above constitutes negligence or incompetence in developing an appraisal, in preparing an appraisal report, and in communicating an appraisal, contrary to the tenets of § 339.532.2(9), RSMo (Cum. Supp. 2007).

18. Dastrup's preparation and delivery of the subject appraisal report including the numerous deficiencies detailed above constitutes a violation of a professional trust or confidence, contrary to the tenets of §339.532.2(14), RSMo (Cum. Supp. 2007).

### III.

#### **Joint Agreed Disciplinary Order**

Based on the foregoing, the parties mutually agree and stipulate that the following shall constitute the disciplinary order entered by the MREAC in this matter under the authority of §§ 536.060, 621.045.3, and 621.110, RSMo.

1. **Dastrup's license is on probation.** Dastrup's license as a licensed Real Estate Appraiser is hereby placed on PROBATION for a period of ONE (1) YEAR. The period of probation shall constitute the "disciplinary period." During the disciplinary

period, Dastrup shall be entitled to practice as a licensed Real Estate Appraiser under Chapter 339, RSMo, as amended, provided Dastrup adheres to all the terms of this agreement.

2. **Terms and conditions of the disciplinary period.** The terms and conditions of the disciplinary period are as follows:

A. Dastrup shall submit written reports to the MREAC by no later than January 15, April 15, July 15 and October 15, during the disciplinary period stating truthfully whether there has been compliance with all terms and conditions of this Settlement Agreement. Dastrup is responsible for assuring that the reports are submitted to and received by the MREAC.

B. During the disciplinary period, Dastrup shall maintain a log of all appraisal assignments as required by 20 CSR 2245-2.050. A true and accurate copy of which shall be submitted to the MREAC every three (3) months after the disciplinary period goes into effect with the written reports required under subparagraph A., above. Dastrup is responsible for assuring that the logs are submitted to and received by the MREAC. Upon MREAC request, Dastrup shall submit copies of his work samples for MREAC review.

C. Within six months after the effective date of this Settlement Agreement, Dastrup shall submit verification to the MREAC of successful completion of a 30-hour approved Market Analysis course.

D. Dastrup may not apply the education required by this Settlement Agreement to satisfy the continuing education hours required for license renewal.

E. During the disciplinary period, Dastrup shall not serve as a supervising appraiser to trainee real estate appraisers under 20 CSR 2245-3.005. Within ten days of the effective date of this Settlement Agreement, Dastrup shall advise each trainee real estate appraiser working under him that the supervisory relationship is terminated and comply with all other requirements of 20 CSR 2245-3.005 regarding the termination of the supervisory relationship.

F. During the disciplinary period, Dastrup shall keep the MREAC apprised at all times in writing of his current work and home addresses and telephone numbers at each place of residence and employment. Dastrup shall notify the MREAC in writing of any change in address or telephone number within 15 days of a change in this information.

G. Dastrup shall timely renew his license and timely pay all fees required for license renewal and comply with all other MREAC requirements necessary to maintain his license in a current and active state.

H. During the disciplinary period, Dastrup shall comply with all provisions of §§ 339.500 through 339.549, RSMo, all rules and regulations promulgated thereunder, and all federal and state laws. "State" includes the state of Missouri and all other states and territories of the United States. Any cause to

discipline Dastrup's license as a real estate appraiser under § 339.532.2, RSMo, as amended, that accrues during the disciplinary period shall also constitute a violation of this Settlement Agreement.

I. Dastrup shall accept and comply with reasonable unannounced visits from the MREAC's duly authorized agents to monitor compliance with the terms and conditions stated herein.

J. Dastrup shall appear before the MREAC or its representative for a personal interview upon the MREAC's written request.

K. If, at any time within the disciplinary period, Dastrup removes himself from the state of Missouri, ceases to be currently licensed under the provisions of §§ 339.500 through 339.549, RSMo, or fails to keep the MREAC advised of all current places of residence and business, the time of absence, unlicensed status or unknown whereabouts shall not be deemed or taken as any part of the disciplinary period.

3. Upon the expiration of the disciplinary period, the license of Dastrup shall be fully restored if all requirements of law have been satisfied; provided, however, that in the event the MREAC determines that Dastrup has violated any term or condition of this Settlement Agreement, the MREAC may, in its discretion, after an evidentiary hearing, vacate and set aside the discipline imposed herein and may suspend, revoke or otherwise lawfully discipline Dastrup's license.

4. No additional discipline shall be imposed by the MREAC pursuant to the preceding paragraph of this Settlement Agreement without notice and opportunity for hearing before the MREAC as a contested case in accordance with the provisions of Chapter 536, RSMo.

5. This Settlement Agreement does not bind the MREAC or restrict the remedies available to it concerning any future violations by Dastrup of Chapter 339, RSMo, as amended, or the regulations promulgated thereunder, or of the terms and conditions of this Settlement Agreement.

6. This Settlement Agreement does not bind the MREAC or restrict the remedies available to it concerning facts or conduct not specifically mentioned in this Settlement Agreement that are either now known to the MREAC or may be discovered.

7. If any alleged violation of this Settlement Agreement occurred during the disciplinary period, the parties agree that the MREAC may choose to conduct a hearing before it either during the disciplinary period, or as soon thereafter as a hearing can be held, to determine whether a violation occurred and, if so, may impose further disciplinary action. Dastrup agrees and stipulates that the MREAC has continuing jurisdiction to hold a hearing to determine if a violation of this Settlement Agreement has occurred.

8. Each party agrees to pay all their own fees and expenses incurred as a result of this case, its litigation, and/or its settlement.

9. The terms of this Settlement Agreement are contractual, legally enforceable, and binding, not merely recital. Except as otherwise contained herein, neither this Settlement Agreement nor any of its provisions may be changed, waived, discharged, or terminated, except by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge, or termination is sought.

10. The parties to this Settlement Agreement understand that the MREAC will maintain this Settlement Agreement as an open record of the MREAC as required by Chapters 339, 610, and 620, RSMo, as amended.

11. Dastrup, together with his partners, heirs, assigns, agents, employees, representatives and attorneys, does hereby waive, release, acquit and forever discharge the MREAC, its respective members, employees, agents and attorneys including former members, employees, agents and attorneys, of, or from any liability, claim, actions, causes of action, fees, costs, expenses and compensation, including, but not limited to, any claim for attorney's fees and expenses, whether or not now known or contemplated, including, but not limited to, any claims pursuant to § 536.087, RSMo (as amended), or any claim arising under 42 U.S.C. § 1983, which now or in the future may be based upon, arise out of, or relate to any of the matters raised in this case or its litigation or from the negotiation or execution of this Settlement Agreement. The parties acknowledge that this paragraph is severable from the remaining portions of the Settlement Agreement in that it survives

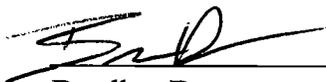
in perpetuity even in the event that any court or administrative tribunal deems this agreement or any portion thereof void or unenforceable.

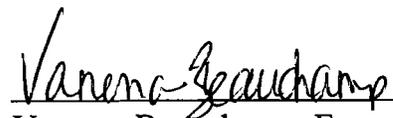
12. Dastrup understands that he may, either at the time the Settlement Agreement is signed by all parties, or within fifteen days thereafter, submit the agreement to the Administrative Hearing Commission for determination that the facts agreed to by the parties constitute grounds for disciplining Dastrup's license. If Dastrup desires the Administrative Hearing Commission to review this Settlement Agreement, Dastrup may submit his request to: Administrative Hearing Commission, Truman State Office Building, Room 640, 301 W. High Street, P.O. Box 1557, Jefferson City, Missouri 65101.

If Dastrup requests review, this Settlement Agreement shall become effective on the date the Administrative Hearing Commission issues its order finding that the Settlement Agreement sets forth cause for disciplining Dastrup's license. If Dastrup does not request review by the Administrative Hearing Commission, the Settlement Agreement goes into effect 15 days after the document is signed by the Executive Director of the MREAC.

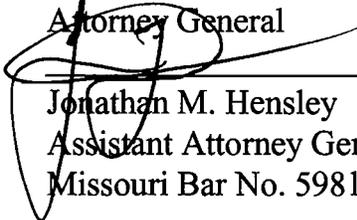
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Missouri Real Estate Appraisers  
Commission

  
Bradley Dastrup      2/1/09  
Date

  
Vanessa Beauchamp, Executive Director  
Date: 2-23-09

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