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**SETTLEMENT AGREEMENT BETWEEN**  
**MISSOURI REAL ESTATE APPRAISERS COMMISSION**  
**AND**  
**BRADLEY M. KRANTZ**

Bradley M. Krantz (“Krantz”) and the Missouri Real Estate Appraisers Commission (“MREAC”) enter into this Settlement Agreement for the purpose of resolving the question of whether Krantz’s certification as a state-certified residential real estate appraiser, no. 2005032487, 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. 2009. The MREAC and Krantz jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo Cum. Supp. 2009.

Krantz 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 administrative hearing

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<sup>1</sup> All subsequent statutory references are to the RSMo 2000 unless otherwise noted.

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 Krantz 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, Krantz 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.

Krantz 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. Krantz stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREAC that Krantz's certification as a state-certified residential real estate appraiser, no. 2005032487, is subject to disciplinary action by the MREAC in accordance with the relevant provisions of Chapter 621, RSMo, and Chapter 339, RSMo, as amended.

The parties stipulate and agree that the disciplinary order agreed to by the MREAC and Krantz in Part II herein is based only on the agreement set out in Part I herein. Krantz 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 and Conclusions of Law**

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

1. The MREAC was established pursuant to § 339.507, RSMo, for the purpose of executing and enforcing the provisions of §§ 339.500 through 339.549, RSMo.

2. Krantz is certified by the MREAC as a state-certified residential real estate appraiser, no. 2005032487.

3. The MREAC originally issued a certification to Krantz on October 5, 2005. Krantz's certification has been current and active since its issuance. Krantz's certification expires on June 30, 2010.

4. On or about January 14, 2009, Krantz prepared or supervised the preparation of a summary appraisal report for property located at 3515 Gettysburg Place, Jefferson City, Missouri 65109-6831 ("Gettysburg Appraisal Report").

5. The effective date of the Gettysburg Appraisal Report was December 17, 2008.

6. The Gettysburg Appraisal Report valued the subject property at \$329,000.

7. The Gettysburg Appraisal Report was prepared for Quicken Loans.

8. In preparation of the Gettysburg Appraisal Report, Krantz made significant or substantial errors of omission or commission, including, but not limited to:

A. Failing to adequately identify the commercial land cleared for development that adjoined the subject property;

B. Failing to adequately describe the subject property's neighborhood with sufficient particularity, instead describing the neighborhood boundaries as the entire "city limits of Jefferson City";

C. Failing to include the correct price range for the neighborhood;

D. Failing to include the correct zoning information for the subject lot.

9. In the development of the Sales Comparison Approach, Krantz made significant or substantial errors of omission or commission, including, but not limited to:

A. Using comparable sales that were outside the city limits and outside the subject property's neighborhood without proper explanation or analysis;

B. Incorrectly stating the sale price of all the comparable sales noted in the Gettysburg Appraisal Report, which includes:

a) Comparable sale #1 which sold for \$300,000 rather than \$315,000, as stated in the report;

b) Comparable sale #2 which sold for \$310,500 rather than \$329,000, as stated in the report;

c) Comparable sale #3 which sold for \$335,000 rather than \$345,000, as stated in the report;

10. In the development of the Cost Approach, Krantz made significant or substantial errors of omission or commission when he failed to provide evidence of an appropriate site valuation method.

11. In preparation of the Gettysburg Appraisal Report, Krantz did not possess the necessary knowledge or experience to competently complete the assignment, failed to disclose his lack of competency, failed to take adequate steps to assure the appraisal was completed competently, and failed to explain in the appraisal the steps that were taken.

12. Section 339.535, RSMo, provides 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.

13. In preparation or development of the Gettysburg Appraisal Report, Krantz did not comply with the Uniform Standards of Professional Appraisal Practice (“USPAP”), 2008 edition, in that he violated Standard Rule 1 and 2, and Standard Rules (“SR”) 1-1(a), (b) and (c), SR 1-2(e)(i), SR 1-4(a) and (b)(i), SR 2-1(a) and (b), SR 2-2(b)(iii) and (viii), and the USPAP Competency Rule.

14. Section 339.532.2, RSMo, provides in relevant part:

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 professional licensed or regulated by sections 339.500 to 339.549;

(6) Violation of any of the standards for development or communication of real estate appraisals as provided in or pursuant to sections 339.500 to 339.540;

(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[.]

15. Because Krantz committed significant or substantial errors of omission or commission in the development or communication of the Gettysburg Appraisal Report, as alleged above, cause exists to discipline his certification pursuant to § 339.532.2(6), RSMo.

16. Based on Krantz's conduct, as alleged above, he failed to comply with USPAP, 2009 edition, and cause exists to discipline his certification pursuant to §§ 339.532(7) and (10), RSMo.

17. Based on Krantz's conduct, as alleged above, he failed to exercise reasonable diligence in the development, preparation, or communication of the Gettysburg Appraisal Report, and cause exists to discipline his certification pursuant to § 339.532.2(8), RSMo.

18. Based on Krantz's conduct, as alleged above, he was negligent in developing, preparing, or communicating the Gettysburg Appraisal Report, and cause exists to discipline his certification pursuant to § 339.532.2(9), RSMo.

19. Therefore, cause exists to discipline the Krantz's certification pursuant to §§ 339.532.2(5), (6), (7), (8), (9) and (10), RSMo.

## **II. 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, RSMo, and §§ 621.045.3 and 621.110, RSMo Cum. Supp. 2009.

20. **Krantz's certification is on probation.** Krantz's certification as a state-certified residential real estate appraiser is hereby placed on PROBATION for a period of THREE (3) YEARS. The period of probation shall constitute the "disciplinary period." During the disciplinary period, Krantz shall be entitled to practice as a state-certified residential real estate appraiser under Chapter 339.500 to 339.549, RSMo, as amended, provided Krantz adheres to all the terms of this agreement.

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

A. Krantz shall submit written reports to the MREAC by no later than October 1 and April 1, during each year of the disciplinary period stating truthfully whether there has been compliance with all terms and conditions of this Settlement

Agreement. The first written report shall be submitted on or before October 1, 2010. The final written report shall be submitted to the MREAC 90 days prior to the end of the disciplinary period. Each written report shall be submitted no earlier than 30 days prior to the respective due date. Krantz is responsible for assuring that the reports are submitted to and received by the MREAC.

B. During the disciplinary period, Krantz shall maintain a log of all appraisal assignments as required by 20 CSR 2245-2.050. A true and accurate copy of the log shall be submitted to the MREAC by no later than October 1 and April 1 during each year of the disciplinary period. The first log shall be submitted on or before October 1, 2010. The last log shall be submitted to the MREAC 90 days prior to the end of the disciplinary period. Each log submitted shall be current to at least 30 days prior to the respective due date. Krantz is responsible for assuring that the logs are submitted to and received by the MREAC. Upon MREAC request, Krantz shall submit copies of his work samples for MREAC review.

C. During the period of probation, Krantz shall not sign appraisal reports as a supervising appraiser.

D. During the disciplinary period, Krantz 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, Krantz 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.

E. During the disciplinary period, Krantz 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. Krantz shall notify the MREAC in writing of any change in address or telephone number within 15 days of a change in this information.

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

G. During the disciplinary period, Krantz 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 Krantz's certification 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.

22. Upon the expiration of the disciplinary period, the certification of Krantz shall be fully restored if all requirements of law have been satisfied; provided, however, that in the event the MREAC determines that Krantz 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 Krantz's certification.

23. 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.

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

25. 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.

26. 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. Krantz agrees and stipulates that the MREAC has continuing jurisdiction to hold a hearing to determine if a violation of this Settlement Agreement has occurred.

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

28. 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.

29. 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 324, RSMo, as amended.

30. Krantz 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.

31. Krantz 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 Krantz's certification. If Krantz desires the Administrative Hearing Commission to review this Settlement Agreement, Krantz 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 65102.

32. If Krantz 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 Krantz's certification. If Krantz does not request review by the Administrative Hearing Commission, this Settlement Agreement goes into effect 15 days after the document is signed by the Executive Director of the MREAC.

LICENSEE

  
Bradley M. Krantz                      Date      06/01/10

MISSOURI REAL ESTATE  
APPRAISERS COMMISSION

  
Vanessa Beauchamp, Executive Director  
Date: 6-16-10

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