

SETTLEMENT AGREEMENT
BETWEEN
MISSOURI REAL ESTATE APPRAISERS COMMISSION
AND
BRANDACE L. HAYWORTH

Brandace L. Hayworth (Hayworth) and the Missouri Real Estate Appraisers Commission (MREAC) enter into this Settlement Agreement for the purpose of resolving the question of whether Hayworth's certification as a state-certified residential real estate appraiser, no. 2001025431, will be subject to discipline. Pursuant to § 536.060, RSMo 2000,¹ 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 Supp. 2011. The MREAC and Hayworth jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo Supp. 2011.

Hayworth acknowledges that she understands the various rights and privileges afforded her by law, including the right to a hearing of the charges against her; 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 her at the hearing; the right to present evidence on her behalf at the hearing; the right to a decision upon the record of the hearing by a fair and impartial

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

administrative hearing commissioner concerning the charges pending against her; 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 Hayworth 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 her by law, Hayworth 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 her.

Hayworth acknowledges that she 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. Hayworth stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREAC that Hayworth's certification as a state-certified residential real estate appraiser, certificate no. 2001025431, is subject to disciplinary action by the MREAC in accordance with the relevant provisions of Chapter 621, RSMo, and §§ 339.500 through 339.549, RSMo, as amended.

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

Hayworth understands that the MREAC may take further disciplinary action against her 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 Hayworth herein jointly stipulate to the following:

1. Section 339.535, RSMo, requiring appraisals to be prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), states:

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.

2. The preparation of the appraisal reports described herein were to be prepared in compliance with the USPAP, 2005 edition. As stipulated below, Hayworth prepared seven appraisal reports in violation of USPAP, 2005.

Count I
North Handy Appraisal Report

3. On July 5, 2005, Hayworth supervised the preparation and/or prepared an appraisal report for 221 North Handy Street, Sikeston, Missouri (the North Handy Appraisal Report). Hayworth made the following errors and omissions in the preparation of the North Handy Appraisal Report:

- a. Indicated the sales price to be \$52,000, but failed to include a description, reference or analysis of the contract and sales concessions;
- b. The identified neighborhood is excessively large;
- c. The price range for single-family housing in the neighbor is overstated as \$30,000 to \$350,000, when the range was from \$15,000 to less than \$100,000;
- d. The predominant value for single-family housing in the neighbor is overstated as \$90,000 plus, when the predominant value was under \$50,000;
- e. The condition of the home was overstated as being in average condition when it was in poor condition;
- f. The effective age of the home was understated as 25 years old when it was in such poor condition that it has now been torn down;
- g. In the Sales Comparison Analysis, Hayworth made the following significant and substantial errors of omission and commission;
 - i. Using comparable sales that were not independently verifiable;
 - ii. Using comparable sales that were false and not arm's length transactions; and

- iii. Using comparable sales that had not been exposed to the open market through the Sikeston multi-listing service;
- h. In the Cost Approach, Hayworth made the following significant and substantial errors of omission and commission:
 - i. The cost per square foot for the improvements was excessive due, wholly or in part, to the misrepresentation of the condition of the subject property as average; and
 - ii. The depreciation was understated due, wholly or in part, to the misrepresentation of the effective age as 25 years old; and
- i. The North Handy Street Appraisal Report overestimated the value, was not credible, was misleading, and was fraudulent.

Count II
851 Agnes Street Appraisal Report

4. On November 30, 2005, Hayworth supervised the preparation and/or prepared an appraisal report for 851 Agnes Street, Sikeston, Missouri (the 851 Agnes Street Appraisal Report). Hayworth made the following errors and omissions in the preparation of the 851 Agnes Street Appraisal Report:

- a. Did not attach the sales contract or provide an adequate description of the sales contract and its analysis;
- b. Made inconsistent statements regarding the existence of sales concessions by stating that there was no financial assistance between

the seller and the buyer, there was a three percent concession, and there was a six percent concession;

- c. The identified neighborhood was excessively large;
- d. The price range for single-family housing in the neighbor was overstated as \$30,000 to \$350,000, when the range was from \$15,000 to less than \$100,000;
- e. The predominant value for single-family housing in the neighbor was overstated as \$90,000 plus, when the predominant value was under \$50,000;
- f. The condition of the home was overstated as being in average condition when it was in poor condition;
- g. The effective age of the home was understated as 25 years old when it was in such poor condition that it has now been torn down;
- h. In the Sales Comparison Analysis, Hayworth made the following significant and substantial errors of omission and commission:
 - i. Used comparable sales that were not independently verifiable;
 - ii. Used comparable sales that were false and not arm's length transactions;
 - iii. Used comparable sales that had not been exposed to the open market through the Sikeston multi-listing service;

- iv. Used comparable sale no. 1 which would not be a good indication of the market, because it involved the same purchaser; and/or
- v. Inaccurately stated that comparable sale no. 2 sold in September 2005, when it did not.
- i. In the Cost Approach, Hayworth made the following significant and substantial errors of omission and commission:
 - i. The cost per square foot for the improvements was excessive due, wholly or in part, to the misrepresentation of the condition of the subject property as average; and
 - ii. The depreciation was understated due, wholly or in part, to the misrepresentation of the effective age as 25 years old; and
- j. The 851 Agnes Street Appraisal Report overestimated the value, was not credible, was misleading, and was fraudulent,

Count III
William Street Appraisal Report

5. On December 5, 2005, Hayworth supervised the preparation and/or prepared an appraisal report for 834 Williams Street, Sikeston, Missouri (the William Street Appraisal Report). Hayworth made the following errors and omissions in the preparation of the William Street Appraisal Report:

- a. Inaccurately stated the legal description for the subject property.

- b. Inaccurately stated a lot size of 75 feet by 100 feet, instead of the 50 feet by 104.5 feet shown in the county records;
- c. Did not attach the sales contract or provide an adequate description of the sales contract and its analysis;
- d. Made inconsistent statements regarding the existence of sales concessions by stating that there was no financial assistance between the seller and the buyer, there was a three percent concession, and there was a six percent concession;
- e. The identified neighborhood is excessively large;
- f. The price range for single-family housing in the neighbor was overstated as \$30,000 to \$350,000, when the range was from \$15,000 to less than \$100,000;
- g. The predominant value for single-family housing in the neighbor was overstated as \$90,000 plus, when the predominant value was under \$50,000;
- h. The condition of the home was overstated as being in average condition when it was in poor condition;
- i. The effective age of the home was understated as 25 years old;
- j. In the Sales Comparison Analysis, Hayworth made the following significant and substantial errors of omission and commission:

- i. Used comparable sales that were not independently verifiable;
 - ii. Used comparable sales that were false and not arm's length transactions;
 - iii. Used comparable sales that had not been exposed to the open market through the Sikeston multi-listing service;
 - iv. Used comparable sale no. 1 which would not be a good indication of the market, because it involved the same purchaser; and
 - v. Inaccurately stated that comparable sale no. 2 sold in September 2005, when it did not.
- k. In the Cost Approach, Hayworth made the following significant and substantial errors of omission and commission:
- i. The cost per square foot for the improvements was excessive due, wholly or in part, to the misrepresentation of the condition of the subject property as average; and
 - ii. The depreciation was understated due, wholly or in part, to the misrepresentation of the effective age as 25 years old; and
- l. The William Street Appraisal Report overestimated the value, was not credible, was misleading, and was fraudulent.

Count IV
Dorothy Street Appraisal Report

6. On December 5, 2005, Hayworth supervised the preparation and/or prepared an appraisal report for 617 Dorothy, Sikeston, Missouri (the Dorothy Street Appraisal Report). Hayworth made the following errors and omissions in the preparation of the Dorothy Street Appraisal Report:

- a. Did not attach the sales contract nor provide an adequate description of the sales contract and its analysis;
- b. Made inconsistent statements regarding the existence of sales concessions by stating that there was no financial assistance between the seller and the buyer, there was a three percent concession, and there was a six percent concession;
- c. The identified neighborhood was excessively large;
- d. The price range for single-family housing in the neighbor is overstated as \$30,000 to \$350,000, when the range was from \$15,000 to less than \$100,000;
- e. The predominant value for single-family housing in the neighbor was overstated as \$90,000 plus, when the predominant value was under \$50,000;
- f. The condition of the home was overstated as being in average condition when it was in poor condition;

- g. The effective age of the home was understated as 25 years old when it was in such poor condition that it has now been torn down;
- h. In the Sales Comparison Analysis, Hayworth made the following significant and substantial errors of omission and commission:
 - i. Using comparable sales that were not independently verifiable;
 - ii. Using comparable sales that were false and not arm's length transactions;
 - iii. Used comparable sales that had not been exposed to the open market through the Sikeston multi-listing service;
 - iv. Used comparable sale no. 1 which would not be a good indication of the market, because it involved the same purchaser; and
 - v. Inaccurately stated that comparable sale no. 2 sold in September 2005, when it did not.
- i. In the Cost Approach, Hayworth made the following significant and substantial errors of omission and commission:
 - i. The cost per square foot for the improvements was excessive due, wholly or in part, to the misrepresentation of the condition of the subject property as average; and

- ii. The depreciation was understated due, wholly or in part, to the misrepresentation of the effective age as 25 years old.
- j. The Dorothy Street Appraisal Report overestimated the value, was not credible, was misleading, and was fraudulent.

Count V
203 Adams Street Appraisal Report

7. On January 31, 2006, Hayworth supervised the preparation and/or prepared an appraisal report for 203 Adams Street, Sikeston, Missouri (the 203 Adams Street Appraisal Report). Hayworth made the following errors and omissions in the preparation of the 203 Adams Street Appraisal Report:

- a. Did not attach the sales contract or provide an adequate description of the sales contract and its analysis;
- b. The identified neighborhood was excessively large;
- c. The price range for single-family housing in the neighbor was overstated as \$30,000 to \$350,000, when the range was from \$15,000 to less than \$100,000;
- d. The predominant value for single-family housing in the neighbor was overstated as \$90,000 plus, when the predominant value was under \$50,000;
- e. The condition of the home was overstated as being in average condition when it was in poor condition; and

- f. The effective age of the home was understated as 25 years old when it was in such poor condition that it has now been torn down.
- g. In the Sales Comparison Analysis, Hayworth made the following significant and substantial errors of omission and commission:
 - i. Used comparable sales that were not independently verifiable;
 - ii. Used comparable sales that were false and not arm's length transactions; and
 - iii. Used comparable sales that had not been exposed to the open market through the Sikeston multi-listing service.
- h. In the Cost Approach, Hayworth made the following significant and substantial errors of omission and commission:
 - i. The cost per square foot for the improvements was excessive due, wholly or in part, to the misrepresentation of the condition of the subject property as average; and
 - ii. The depreciation was understated due, wholly or in part, to the misrepresentation of the effective age as 25 years old; and
 - i. The 203 Adams Street Appraisal Report overestimated the value, was not credible, was misleading, and was fraudulent.

Count VI
209 Adams Street Appraisal Report

8. On February 7, 2006, Hayworth supervised the preparation and/or prepared an appraisal report for 209 Adams Street, Sikeston, Missouri (the 209 Adams Street Appraisal Report). Hayworth made the following errors and omissions in the preparation of the 209 Adams Street Appraisal Report:

- a. The identified neighborhood was excessively large;
- b. The price range for single-family housing in the neighbor was overstated as \$30,000 to \$350,000, when the range was from \$15,000 to less than \$100,000;
- c. The predominant value for single-family housing in the neighbor is overstated as \$90,000 plus, when the predominant value was under \$50,000;
- d. The improvements were stated to have vinyl siding when it was fiberglass siding;
- e. The condition of the home was overstated as being in average condition when it was in poor condition;
- f. The effective age of the home was understated as 25 years old.
- g. In the Sales Comparison Analysis, Hayworth made the following significant and/or substantial errors of omission and/or commission:
 - i. Used comparable sales that were not independently verifiable;

- ii. Used comparable sales that were false and not arm's length transactions; and
- iii. Used comparable sales that had not been exposed to the open market through the Sikeston multi-listing service.
- h. In the Cost Approach, Hayworth made the following significant and substantial errors of omission and commission:
 - i. The cost per square foot for the improvements was excessive due, wholly or in part, to the misrepresentation of the condition of the subject property as average; and
 - ii. The depreciation was understated due, wholly or in part, to the misrepresentation of the effective age as 25 years old; and
- i. The 209 Adams Street Appraisal Report overestimated the value, was not credible, was misleading, and was fraudulent.

Count VII
811 Agnes Street Appraisal Report

9. On April 19, 2006, Hayworth supervised the preparation and/or prepared an appraisal report for 811 Agnes Street, Sikeston, Missouri (the 811 Agnes Street Appraisal Report). Hayworth made the following errors and omissions in the preparation of the 811 Agnes Street Appraisal Report:

- a. Indicated the sales price to be \$54,000, but failed to conduct an analysis of the contract or to attach the sales contract to the appraisal;

- b. The identified neighborhood was excessively large;
- c. The price range for single-family housing in the neighbor was overstated as \$30,000 to \$350,000, when the range was from \$15,000 to less than \$100,000;
- d. The predominant value for single-family housing in the neighbor was overstated as \$90,000 plus, when the predominant value was under \$50,000;
- e. The condition of the home was overstated as being in average condition when it was in poor condition;
- f. The effective age of the home was understated as 25 years old when it was in such poor condition that it has now been torn down.
- g. In the Sales Comparison Analysis, Hayworth made the following significant and substantial errors of omission and commission:
 - i. Used comparable sales that were not independently verifiable;
 - ii. Used comparable sales that were false and not arm's length transactions; and
 - iii. Used comparable sales that had not been exposed to the open market through the Sikeston multi-listing service.
- h. In the Cost Approach, Hayworth made the following significant and substantial errors of omission and commission:

- i. The cost per square foot for the improvements was excessive due, wholly or in part, to the misrepresentation of the condition of the subject property as average; and
 - ii. The depreciation was understated due, wholly or in part, to the misrepresentation of the effective age as 25 years old; and
- i. The 811 Agnes Street Appraisal Report overestimated the value, was not credible, was misleading, and was fraudulent.

10. Based on the facts and violations set forth above, individually and collectively, Hayworth is in violation of Section 339.535, RSMo, the USPAP Ethics Rule, USPAP Standards 1 and 2, and USPAP Standards Rules 1-1(a), (b) and (c), 1-2(e)(i), 1-2(f), 1-4(a) and (b)(ii) and (iii), 1-5(a), 1-6(a) and (b), 2-1(a) and (b), and 2-2(b)(iii), (vii), and (ix), 2005 Edition.

11. Based on the facts and violations set forth above, cause exists to discipline Hayworth's certification as a state-certified residential real estate appraiser pursuant to § 339.532.2(5), (6), (7), (8), (9), (10), and (14), RSMo, which states:

2. 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[.]

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 Supp. 2011.

1. **Hayworth's certification is revoked and all indicia of certification shall be surrendered immediately.** Hayworth's certification as a state-certified residential real estate appraiser is hereby REVOKED and ALL INDICIA OF CERTIFICATION SHALL BE SURRENDERED IMMEDIATELY upon this Settlement Agreement becoming effective.

2. This Settlement Agreement does not bind the MREAC or restrict the remedies available to it concerning any future violations by Hayworth of §§ 339.500 through 339.549, RSMo, as amended, or the regulations promulgated thereunder, or of the terms and conditions of this Settlement Agreement.

3. 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.

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

5. 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.

6. 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.

7. Hayworth, together with her 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.

8. This Settlement Agreement goes into effect 15 days after the document is signed by the Executive Director of the MREAC.

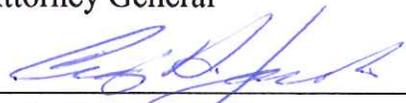
LICENSEE

MISSOURI REAL ESTATE
APPRAISERS COMMISSION

Brandace L. Hayworth 5/3/2012
Brandace L. Hayworth Date

Vanessa Beauchamp
Vanessa Beauchamp, Executive Director
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