

**SETTLEMENT AGREEMENT**  
**BETWEEN**  
**MISSOURI REAL ESTATE APPRAISERS COMMISSION**  
**AND**  
**CHRIS L. YACK**

Chris L. Yack (Yack) and the Missouri Real Estate Appraisers Commission (MREAC) enter into this Settlement Agreement for the purpose of resolving the question of whether Yack's license as a Real Estate Appraiser, no. 2003008888, 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. The MREAC and Yack jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo, Cum. Supp. 2006.

Yack 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

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

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 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 Yack 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, Yack 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.

Yack 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. Yack stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREAC that Yack's license as a Real Estate Appraiser, license no. 2003008888, is subject to disciplinary action by the MREAC in accordance with the relevant provisions of Chapter 621, RSMo Cum. Supp. 2006, and Chapter 339, RSMo, as amended.

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

1. The Missouri Real Estate Appraiser's Commission ("MREAC") was established pursuant to Section 339.507, RSMo, for the purpose of executing and enforcing the provisions of Sections 339.500 through 339.549, RSMo, the Missouri Certified and Licensed Real Estate Appraisers Act.

2. Chris L. Yack holds a license as a Real Estate Appraiser - Residential, license no. 2003008888. This license was issued April 21, 2003, is currently in "active" status, and expires June 30, 2010.

3. Section 339.532.2 provides 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;
- (14) Violation of any professional trust or confidence . . .

4. On April 19, 2006, Yack signed a “Uniform Residential Appraisal Report” on a property located at 10825 Hillcrest Road, Kansas City, Missouri 64134, hereinafter referred to as “the Appraisal Report.”

5. In that report, Yack stated that the value of the property, as determined by the sales comparison approach, was \$147,000.

6. The Appraisal Report was required to meet the Uniform Standards for Professional Appraisal Practice (“USPAP”), 2005 edition.

7. In preparing the Appraisal Report, Yack committed errors including the following:

- (1) Yack mischaracterized the neighborhood of the property as “upperscale,” when values in the neighborhood were below the regional average;
- (2) Yack misreported the size of the property as 70’ x 87’, although it is listed in county records as 70’ x 57’.
- (3) Yack failed to note that the space enclosed by a fence in the rear of the lot was considerably larger than his reported 87’ lot depth, meaning that either the size of the lot was misstated or there was a possible encroachment issue;
- (4) Yack chose three sales comparables which were all larger than the subject property, and one that was more than 6 times as large as the stated size of the subject property and was located three miles away, on the other side of a major highway, in a neighborhood of more expensive homes, but failed to make any adjustment for lot size or locational differences;
- (5) Yack failed to make adjustments for condition between the subject property and the comparables, although all the comparables had superior features and upgrades;

(6) Yack overstated the lot value by using a lot value more than twice that of the county's assessment, and by failing to make allowances for busy road traffic and small lot size;

(7) Yack's estimate of lot value was not supported by the data, based on a survey of listings rather than sales prices, and by including in his analysis much larger tracts of vacant land;

(8) Yack had no data or basis to support his estimates and additions used in the cost approach, and was unable to justify his additions when questioned;

(9) Yack set the effective date of his appraisal as the date of the report, and was unable to identify the date of his inspection of the property.

8. The appraisal report violated the following USPAP sections:

(1) The Competency Rule, as the appraiser made numerous errors indicating he did not have the knowledge and experience to complete the assignment properly;

(2) The Ethics Rule and Conduct section, by failing to complete the assignment in a competent manner and by communicating the results in a misleading or fraudulent manner;

(3) SR 1-1(a)(b), and (c) by numerous errors including failure to use adequate and supportable costs in the cost approach, failure to support

his lot value estimate, choice of inappropriate comparables, misreporting lot size of the subject property and characteristics of comparables and other errors;

(4) SR 1-2(e) by misreporting lot size and failing to identify physical, legal, and economic aspects of the property and a potentially significant encroachment issue;

(5) SR 1-4(a), by numerous errors including erroneously reporting lot sizes of the subject and square footages, distances, and condition of comparables, and making no or inadequate adjustment for important factors such as distance, condition, lot sizes, and garage;

(6) SR 1-4(b), for errors in a cost approach by failing to adequately develop and support his estimate of site value, and failing to use a reliable source to support his cost figures;

(7) SR 2-2(b)(iii), by misstating property size and failure to address a possible encroachment.

9. Yack is subject to discipline under the terms of Section 339.532.2(5) for demonstrating “incompetency, misconduct, gross negligence, dishonesty, fraud, or misrepresentation in the performance of the functions or duties” as an appraiser.

10. Yack is subject to discipline under the terms of Section 339.532.2(6) for “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.”

11. Yack is subject to discipline under the terms of Section 339.532.2(7) for “failure to comply with the Uniform Standards of Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation.”

12. Yack is subject to discipline under the terms of Section 339.532.2(8) for “failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal.”

13. Yack is subject to discipline under the terms of Section 339.532.2(9) for “negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal . . .”

14. Yack is subject to discipline under the terms of Section 339.532.2 (14) for “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, 621.045.3, and 621.110, RSMo.

1. **Yack's license is suspended, followed by a period of probation.** Yack's license as a Real Estate Appraiser is hereby SUSPENDED for a period of SIX MONTHS, and shall immediately thereafter be placed on PROBATION for a period of TWO YEARS. The periods of suspension and probation shall constitute the "disciplinary period." During the period of suspension, Yack shall not be entitled to practice as a Real Estate Appraiser pursuant to 339, RSMo. During the period of probation, Yack shall be entitled to practice as a Real Estate Appraiser under 339 , RSMo, provided Yack adheres to all the terms of this Settlement Agreement.

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

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

B. During the disciplinary period, Yack 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 B., above. Yack is responsible for assuring that the logs are

submitted to and received by the MREAC. Upon MREAC request, Yack shall submit copies of his work samples for MREAC review.

C. During the disciplinary period, Yack shall not serve as a supervising appraiser to trainee real estate appraisers under 20 CSR 2245-3.005. Yack shall advise each trainee real estate appraiser currently working under him that the supervisory relationship is terminated within 10 days of the effective date of this settlement agreement and comply with all other requirements of 20 CSR 2245-3.005 regarding the termination of the supervisory relationship.

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

E. Yack 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.

F. During the disciplinary period, Yack 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

Yack'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.

G. Yack 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.

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

I. If, at any time within the disciplinary period, Yack 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 Yack shall be fully restored if all requirements of law have been satisfied; provided, however, that in the event the MREAC determines that Yack 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 Yack'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 Yack of 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. Yack 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.

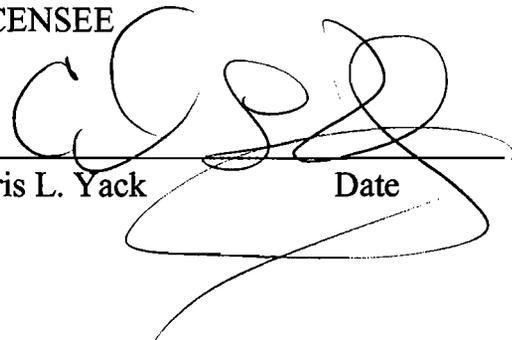
11. Yack, together with his partners, shareholders, officers, directors, heirs, assigns, agents, employees, representatives and attorneys, does hereby waive, release, acquit and forever discharge the MREAC, its respective members, employees, agents and attorneys including former members, employees, agents 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.

13. Yack 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 Yack's license. If Yack desires the Administrative Hearing Commission to review this Settlement Agreement, Yack 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 Yack 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 Yack's license. If Yack 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.

LICENSEE

  
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Chris L. Yack                      Date

Missouri Real Estate Appraisers  
Commission

  
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Vanessa Beauchamp, Executive Director  
Date: 12-29-09

CHRIS KOSTER  
Attorney General

A handwritten signature in black ink, appearing to read "Edwin R. Frownfelter", is written over a horizontal line.

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