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**SETTLEMENT AGREEMENT BETWEEN MISSOURI REAL ESTATE APPRAISERS COMMISSION  
AND DANA DUNGAN**

Come now Dana Dungan ("Licensee") and the Missouri Real Estate Appraisers Commission ("Commission") and enter into this settlement agreement for the purpose of resolving the question of whether Licensee's certification as a certified residential real estate appraiser will be subject to discipline.

Pursuant to the terms of § 536.060, RSMo,<sup>1</sup> the parties hereto waive the right to a hearing by the Administrative Hearing Commission of the State of Missouri ("AHC") regarding cause to discipline the Licensee's certification, and, additionally, the right to a disciplinary hearing before the Commission under § 621.110, RSMo.

Licensee acknowledges that Licensee understands the various rights and privileges afforded Licensee by law, including the right to a hearing of the charges against Licensee; the right to appear and be represented by legal counsel; the right to have all charges against Licensee proven upon the record by competent and substantial evidence; the right to cross-examine any witnesses appearing at the hearing against Licensee; the right to present evidence on Licensee's own behalf at the hearing; the right to a decision upon the record by a fair and impartial administrative hearing commissioner concerning the charges pending against Licensee and, subsequently, the right to a disciplinary hearing before the Commission at which time Licensee may present evidence in mitigation of discipline; and the right to recover attorney's fees incurred in defending this action against Licensee's certification. Being aware of these rights provided her by operation of law, Licensee 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 Licensee.

Licensee acknowledges that Licensee has received a copy of the complaint and other non-confidential documents relied upon by the Commission in determining there was cause to discipline Licensee's certification, along with citations to law and/or regulations the Commission believes was violated.

For the purpose of settling this dispute, Licensee stipulates that the factual allegations contained in this settlement agreement are true and stipulates with the Commission that Licensee's certification, numbered 2003024081 is subject to disciplinary action by the Commission in accordance with the provisions of Chapter 621 and §§ 339.500 to 339.549, RSMo.

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<sup>1</sup> All statutory references are to Missouri Revised Statutes 2000, as amended, unless otherwise indicated.

Joint Stipulation of Fact and Conclusions of Law

1. The Commission is an agency of the state of Missouri created and established pursuant to § 339.507, RSMo, for the purpose of licensing all persons engaged in the practice of real estate appraisal in this state. The Commission has control and supervision of the licensed occupations and enforcement of the terms and provisions of Sections 339.500 to 339.549, RSMo.

2. Licensee, Dana Dungan, holds a certification from the Commission as a certified residential real estate appraiser, license number 2003024081. The Commission issued Licensee's certification on August 23, 2003. Licensee's certification expires June 30, 2016. Licensee's Missouri certification was at all times relevant herein, and is now, current and active.

3. In or around January 2014, the Commission received a complaint regarding Licensee from J.M. regarding Licensee's appraisal of his home at 1214 Biscayne Road (Biscayne Property), Jefferson City, Missouri. J.M. stated that he was with her during the entire inspection of his home. He stated she did not write anything down and stated she "had a great memory." J.M. stated she also did not use a tape measure and stated "I am a professional and can tell room sizes because of [her] experience." J.M. stated that she wrote nothing down the entire time and was there less than 20 minutes. He stated when he asked her about the completed appraisal she informed him that he was breaking the law and refused to talk to him. J.M. stated he should be entitled to a refund for the cost of the appraisal. And alleged she failed to complete a "prudent, precise, professional and honest appraisal of his home." He also stated that the legal description was incomplete, the neighborhood build-up statement was inconsistent with present land use, the site dimensions were incomplete, the zoning was inaccurate because the property was outside city limits, the bathroom count was wrong, the property condition included no updates, and the comparable sales selected were not appropriate.

4. On or about February 10, 2014, Licensee provided her response to the Commission. Licensee stated she used the following methods of communication in completing the appraisal: telephone, email, internet and personal interview. She stated that her husband, Jeff Dungan, helped her during the inspection. She stated he is a trainee under Kathy Kronk but was there "solely as my husband" as she was eight months pregnant at the time and it was raining. She stated she performed the inspection of the Biscayne Property,

gathered information through public records, inspection and interviewing the borrower and externally viewed subject market area properties. She stated that due to the subject property's age, the cost approach to value was not reliable. Further, she stated that because the subject property was owner occupied, the income approach was not reliable and could be misleading. She stated she performed the sales comparison approach and used the most similar comparable sales related to condition, age, square footage, design, garage, amenities and quality of construction. She stated she used the most recent sales. She stated there were no comparable sales in the area so she narrowed the comparable sales to include those "most comparable." She stated they were adjusted for differences to the subject property. She stated J.M. was not with her during the entire inspection of his home. She stated she did not tell J.M. that "I am a professional and can tell room sizes because of experience." She stated J.M. is correct that she did not use a tape measure in the living room area. She stated she asked J.M. about recent updates to the home. She stated that after turning in the appraisal, J.M. was unhappy with the value. She informed him she was not allowed to speak with him about it due to Uniform Standards of Professional Appraisal Practice requirements. She stated she made an error on the sketch of the home, reflecting an extra bathroom on the main floor and related to zoning. She resubmitted the report. She stated J.M. was still unhappy and again tried to contact her, requesting a refund. Licensee also included detailed information regarding the comparable sales. Licensee's appraisal resulted in a value for the Biscayne Property of \$77,000.

5. On or about March 21, 2014, the Commission sought a review appraisal of the Biscayne Property.

6. On or about May 23, 2014, Missouri Certified Residential Real Estate Appraiser David R. Doering completed a review appraisal of the Biscayne Property. The Appraisal was completed with an effective date of value of May 3, 2013. Doering's review appraisal identified numerous violations of the Uniform Standards of Professional Appraisal Practice (USPAP).

7. Licensee's appraisal of the Biscayne Property did not comply with several provisions of USPAP:
- a. Licensee's appraisal of the Biscayne Property did not comply with USPAP Rule 1-1(b) in that Licensee committed a substantial error of omission or commission that significantly affected the appraisal and did not use sufficient care to avoid errors that significantly affected conclusions or opinions because the comparable sales Licensee used came from a nearby neighborhood

comprised mainly of tenant occupancy rather than owner occupancy. Additionally, there were homes in an adjoining area that is typified by homes more similar to the subject property. Moreover, none of the comparable sales in Licensee's appraisal were in the subject property's immediate subdivision when there were other proximate sales of more similar age and lot size, as well as appeal, than those chosen by Licensee. The comparable sales selected by Licensee reflected sales and listings within a small price range (\$70,000 to \$115,000). Two sales, more comparable in age to the subject and within a half-block of the subject property were excluded from the analysis (with values of \$116,000 and \$128,000). One home was within 34 square feet of the subject property in gross living area. Licensee's failure to consider, identify and analyze the factors, conditions, data and other information impacted the credibility of the assignment.

- b. Licensee's appraisal of the Biscayne Property did not comply with USPAP Rule 1-3(a) in that in developing a market value of opinion for a credible assignment, Licensee did not identify and analyze the effect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic supply and demand, the physical adaptability of the real estate and market trends because Licensee's original appraisal incorrectly reported the zoning classification as R-1 single family when the subject is actually located in an unincorporated area of Cole County outside its municipal boundaries. Cole County does not have a restrictive zoning or ordinance or use regulations. The comparable sales recited in the appraisal report were similarly located in an area not subject to zoning. Licensee did correct this in her revision of the original appraisal report.
- c. Licensee's appraisal of the Biscayne Property did not comply with USPAP Rule 1-4(a) in that in developing a real property appraisal, Licensee, in conducting the sales comparison approach to value, necessary for a credible assignment result, did not collect, verify and analyze such comparable sales data available to indicate a value conclusion because Licensee failed to collect, verify and analyze all the information available and necessary for credible assignment results. Specifically, Licensee failed to collect, verify and analyze sales of homes in the immediate area to the subject property that were more similar in age and lot sizes than those

chosen. Additionally, it appears from the report the comparable sales chosen were chosen to fit into a specific value range.

- d. Licensee's appraisal of the Biscayne Property did not comply with USPAP Rule 1-6(a) in that Licensee did not reconcile the quality and quantity of data available and did not analyze it within the approaches used. Licensee failed to adequately reconcile the quality and quantity of data available because the appraisal provided no comments regarding the quality and quantity of data available and analyzed within the sales comparison approach. Licensee's reconciliation statement said "the range of sold adjusted comparables \$73,000 - \$80,324. Call \$77,000." There was no comment regarding the relevance and reliability relating to the sales arrayed and analyzed in support of the value conclusion.
- e. Licensee's appraisals of the Properties did not comply with USPAP Rule 2-2 in that Licensee did not prepare a summary appraisal report. The only reference to the type of report is found in the reconciliation section relating to additional conditions of the appraisal wherein Licensee states "this appraisal is being done as is and is done in a summary form."
- f. Licensee's appraisals of the Properties did not comply with USPAP Rule 2-2(b)(viii) in that Licensee's summary appraisal report was not consistent with the intended use of the appraisal and did not summarize the information analyzed, the appraisal methods and techniques employed and the reasoning that supports the analyses, opinions and conclusions. Moreover the exclusion of the sales comparison, cost or income approach was not explained. Licensee did not summarize her reasoning as required because the appraisal contains only limited descriptive or supportive comments regarding the condition of the subject and the sales and listing comparables. Licensee's failure to include sufficient reasoning precludes the reader and intended user from understanding the basis for adjustments made or not made and the comparative differences between the subject property and comparable sales. The appraisal also did not contain sufficient comments or reconciliation of the adjusted sales and listing comparable sales to allow the user to understand the basis and rationale to support Licensee's value opinion.

g. Licensee's appraisals of the Properties did not comply with USPAP Ethics rule because an appraiser must not perform an appraisal assignment with bias, but rather must perform appraisal assignments with impartiality, objectivity, independence and without accommodation of personal interests. It appears from Licensee's appraisal report that the search parameters for comparable sales were constrained to reflect sales and listings of properties with a predetermined price range which is supported by the absorption information on page 2 of the report. The result, as discussed above, excluded more appropriate comparable sales closer and more similar to the subject property.

8. Licensee's conduct, as described in paragraphs 3 through 7 above constitutes misconduct in the performance of the duties of a certified residential real estate appraiser for which the Commission has cause to discipline Licensee's certification.

9. Licensee's conduct, as described in paragraphs 3 through 7 above constitutes failure to comply with the requirements of USPAP for which the Commission has cause to discipline Licensee's certification.

10. Licensee's conduct, as described in paragraphs 3 through 7 above, constitutes violation of a professional trust or confidence for which the Commission has cause to discipline Licensee's certification.

11. Cause exists for the Commission to take disciplinary action against Licensee's certification under § 337.532.2(5), (7), and (14), RSMo, which states in pertinent part:

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;

...

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

...

(14) Violation of any professional trust or confidence[.]

Joint Agreed Disciplinary Order

12. Based upon the foregoing, the parties mutually agree and stipulate that the following shall constitute the disciplinary order entered by the Commission in this matter under the authority of § 621.045.3, RSMo.

13. The terms of discipline shall include that Licensee's certification shall be placed on **PROBATION** for a period of two (2) years ("disciplinary period"). During Licensee's probation, Licensee shall be entitled to engage as a certified residential real estate appraiser under Sections 339.500 to 339.549, RSMo, provided Licensee adheres to all of the terms of this Settlement Agreement.

I. EDUCATIONAL REQUIREMENTS

- A. Within nine months after the effective date of this Settlement Agreement, Licensee shall submit verification to the Commission of successful completion of a fifteen hour approved qualifying education course, including examination, on Market Data and Analysis and Highest and Best Use.
- B. Licensee shall not apply the education required by this Settlement Agreement to satisfy the continuing education hours required for license renewal.

II. GENERAL REQUIREMENTS

- A. During the probationary period, Licensee shall not supervise any real estate appraisal, as defined by § 339.503(1), RSMo, of property located in the state of Missouri nor sign any appraisal for property located in Missouri as an appraisal supervisor.
- B. During the probationary period, Licensee shall maintain a log of all appraisal assignments completed, including appraisal values. Licensee shall submit a true and accurate copy of his log to the MREAC every three (3) months after the effective date of this Order. Each log, except for the final log, shall be submitted within 15 days after the end of the respective three month period. Licensee shall submit the final log 30 days prior to the end of the probationary period. All logs shall comply with rule 20 CSR 2245-2.050.
- C. During the disciplinary period, Licensee shall keep the Commission informed of Licensee's current work and home telephone numbers. Licensee shall notify the Commission in writing within ten days (10) of any change in this information.
- D. During the probationary period, Licensee shall timely renew Licensee's certification granted hereby and shall timely pay all fees required for certification and comply with all other Commission requirements necessary to maintain said certification in a current and active state.
- E. During the probationary period, Licensee shall accept and comply with unannounced visits from the Commission's representatives to monitor compliance with the terms and conditions of this Agreement.
- F. During the disciplinary period, Licensee shall appear in person for interviews with the Commission or its designee upon request.

- G. Licensee shall submit written reports to the Commission every six (6) months during the probationary period stating truthfully whether there has been compliance with all terms and conditions of this Agreement. The first such report shall be received by the Commission on or before July 1, 2015.
- H. Licensee shall execute any release or provide any other authorization necessary for the Commission to obtain records of Licensee's employment during the terms of the permit.
- I. Licensee shall comply with all provisions of §§ 339.500 to 339.549, RSMo; all federal and state drug laws, rules, and regulations; and all federal and state criminal laws. "State" here includes the state of Missouri, all other states and territories of the United States, and the ordinances of political subdivisions of any state or territory. Licensee shall immediately report any violation of this provision to the Commission in writing. Licensee shall also immediately report any allegation that Licensee has violated this provision to the Commission, in writing. Examples of allegations of such a violation include, but are not limited to, any arrest, summons, inquiry by any law enforcement official into these topics, or inquiry into these topics by a health oversight agency. Licensee shall sign releases or other documents authorizing and requesting the holder of any closed record related to this paragraph to release such records to the Commission.
- J. Licensee shall immediately submit documents showing compliance with the requirements of this Order to the Commission when requested.
- K. In the event the Commission determines that Licensee has violated any term or condition of this Order, the Commission may, in its discretion, after an evidentiary hearing, suspend, revoke, or otherwise lawfully discipline Licensee's certification.
- L. No Order shall be entered by the Commission pursuant to the preceding paragraph of this Order without notice and an opportunity for hearing before the Commission in accordance with the provisions of Chapter 536, RSMo.
- M. If, at any time during the probationary period, Licensee changes Licensee's address from the state of Missouri, or ceases to maintain Licensee's certification current or active under the provisions of §§ 339.500 to 339.549, RSMo, or fails to keep the Commission advised of all current places of residence, the time of such absence, unlicensed or inactive status, or unknown whereabouts shall not be deemed or taken to satisfy any part of the probationary period.
- N. Unless otherwise specified by the Commission, all reports, documentation, notices, or other materials required to be submitted to the Commission shall be forwarded to: Missouri Real Estate Appraisers Commission, P.O. Box 1335, Jefferson City, Missouri 65102.
- O. Any failure by Licensee to comply with any condition of discipline set forth herein constitutes a violation of this Order.

14. The parties to this Agreement understand that the Missouri Real Estate Appraisers Commission will maintain this Agreement as an open record of the Commission as provided in Chapters 339, 610 and 324, RSMo.

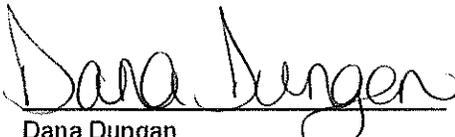
15. The terms of this settlement agreement are contractual, legally enforceable, and binding, not merely recital. Except as otherwise provided herein, neither this settlement agreement nor any of its provisions may be changed, waived, discharged, or terminated, except by an instrument in writing signed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

16. Licensee, together with Licensee's heirs and assigns, and Licensee's attorneys, do hereby waive, release, acquit and forever discharge the Commission, its respective members and any of its employees, agents, or attorneys, including any former Commission members, employees, agents, and attorneys, of, or from, any liability, claim, actions, causes of action, fees, costs and expenses, and compensation, including but not limited to, any claims for attorney's fees and expenses, including any claims pursuant to § 536.087, RSMo, or any claim arising under 42 U.S.C. § 1983, which may be based upon, arise out of, or relate to any of the matters raised in this case, its settlement, or from the negotiation or execution of this settlement agreement. The parties acknowledge that this paragraph is severable from the remaining portions of this settlement agreement in that it survives in perpetuity even in the event that any court of law deems this settlement agreement or any portion thereof to be void or unenforceable.

17. If no contested case has been filed against Licensee, Licensee has the right, either at the time the settlement agreement is signed by all parties or within fifteen days thereafter, to submit the agreement to the Administrative Hearing Commission for determination that the facts agreed to by the parties to the settlement agreement constitute grounds for denying or disciplining the certification of Licensee. If Licensee desires the Administrative Hearing Commission to review this Agreement, Licensee may submit this request to:  
**Administrative Hearing Commission, Truman State Office Building, Room 640, 301 W. High Street, P.O. Box 1557, Jefferson City, Missouri 65101.**

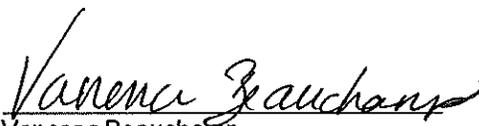
18. If Licensee has requested review, Licensee and Commission jointly request that the Administrative Hearing Commission determine whether the facts set forth herein are grounds for disciplining Licensee's certification and issue findings of act and conclusions of law stating that the facts agreed to by the parties are grounds for disciplining Licensee's certification. Effective the date the Administrative Hearing Commission determines that the agreement sets forth cause for disciplining Licensee's certification, the agreed upon discipline set forth herein shall go into effect.

**LICENSEE**

  
Dana Dungan

Date 12/29/14

**COMMISSION**

  
Vanessa Beauchamp  
Executive Director  
Missouri Real Estate Appraisers Commission

Date 12-29-14