

**SETTLEMENT AGREEMENT**  
**BETWEEN**  
**MISSOURI REAL ESTATE APPRAISERS COMMISSION**  
**AND**  
**DARIN D. ADAMSON**

Darin D. Adamson (Adamson) and the Missouri Real Estate Appraisers Commission (MREAC) enter into this Settlement Agreement for the purpose of resolving the question of whether Adamson's license as a Real Estate Appraiser - Residential, no. RA003312, 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 Adamson 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.

Adamson 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

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

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 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 Adamson 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, Adamson 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.

Adamson 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. Adamson stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREAC that Adamson's license as a Real Estate Appraiser - Residential, license no. RA003312, is subject to disciplinary action by the MREAC in accordance with the relevant provisions of Chapter 621, RSMo Cum. Supp. 2006, and 339, Real Estate Agents, Brokers, Appraisers and Escrow Agents, RSMo, as amended.

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

3. On or about October 18, 2005, Adamson performed a residential appraisal on 7.06 acres of vacant land located at Section 20, Township 58N, RNG 35W, on State Route K, St. Joseph, Andrew County, Missouri.

4. Adamson prepared and signed a “Summary Residential Appraisal Report” dated October 18, 2005, hereinafter referred to as the “Appraisal Report.”

5. The Appraisal Report concluded that the value of the property was \$30,000 per lot or \$210,000 for 7 lots.

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

7. The Appraisal Report failed to comply with USPAP standards in the following respects:

(1) The appraiser used a land appraisal form for the assignment. This form is appropriate for single lot appraisals or small tract appraisals. If the subject property is seven lots, or if it is development land that could be divided into seven lots, then the land was not adequately described as the form does not provide for much description.

(2) The description of the site is not adequate. It does not report the dimensions, length of road frontage, shape of the land, or topography. It fails to mention an overhead power line easement or a creek running through the property. It states that a power line can be moved at little or no costs, when it would be economically unfeasible to do so.

(3) The sales comparables were not adjusted for location.

(4) One of the sales comparables was adjusted upward for being on a paved road, although all three comparables were also on paved roads. That comparable was adjusted upward for development potential, although it was already developed.

(5) No adjustment of the sales comparables for gravel roads, topography, power lines, or concrete removal was made.

(6) The sales comparison approach did not include a bulk sale analysis.

(7) The selection of one acre lots was not comparable to the value of a seven acre lot in the absence of a development approach which includes sales and holding costs and discounting of lot sales.

(8) No income approach was used.

(9) No discount for sales commissions, taxes, and other expenses during the holding period prior to the sale of lots was applied.

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 failing to identify significant factors involved in developing the property for sale as lots, and appraising it as though developed and ready to build houses;

(4) SR 1-2(e) by failing to identify physical, legal, and economic aspects of the property and a potentially significant easement; SR 1-2(g) and (h), in failing to identify extraordinary assumptions and hypothetical conditions regarding layout and platting, completion of development,

timing of sales, removal of concrete, and impact of the creek and overhead power line easement;

(5) SR 1-4(a), by failing to consider similarly sized land tracts and by appraising the property as single developed lots without making appropriate adjustments for location, paved roads, development potential, and physical and locational differences;

(6) SR 1-4(e), for failing to analyze the effect on value of the assemblage of the various estates and component parts of the property, and by simply adding together the individual values of the component parts;

(7) SR 1-4(h), by failing to specify what engineering work was needed, what improvements would need to be made, or the rate at which lots would be likely to sell, if the lots were to be sold ready for houses as appraised;

(8) SR 2-2(b), in using an inadequate form for appraisal of seven lots, and failing to include enough information to allow the reader to understand the physical characteristics or the highest and best use analysis.

9. Adamson 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. Adamson 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. Adamson 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. Adamson 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. Adamson 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. Adamson 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. **Adamson's license is on probation.** Adamson's license as a Real Estate Appraiser - Residential is hereby placed on PROBATION for a period of TWO YEARS. The period of probation shall constitute the "disciplinary period." During the disciplinary period, Adamson shall be entitled to practice as a Real Estate Appraiser - Residential under 339 Real Estate Agents, Brokers, Appraisers and Escrow Agents, RSMo, as amended, provided Adamson 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. Adamson 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. Adamson is responsible for assuring that the reports are submitted to and received by the MREAC.

B. During the disciplinary period, Adamson 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. Adamson is responsible for assuring that the logs are submitted to and received by the MREAC. Upon MREAC request, Adamson shall submit copies of his work samples for MREAC review.

C. During the disciplinary period, Adamson shall not serve as a supervising appraiser to trainee real estate appraisers under 20 CSR 2245-3.005. Adamson 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, Adamson 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. Adamson shall notify the MREAC in writing of any change in address or telephone number within 15 days of a change in this information.

E. Adamson 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, Adamson 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 Adamson'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. Adamson 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. Adamson 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, Adamson 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 Adamson shall be fully restored if all requirements of law have been satisfied; provided, however, that in the event the MREAC determines that Adamson 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 Adamson'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 Adamson of 339 Real Estate Agents, Brokers, Appraisers and Escrow Agents, 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. Adamson 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. Adamson, 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.

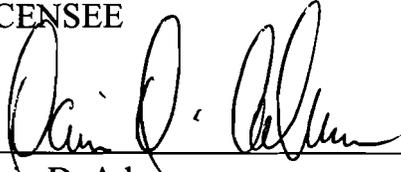
13. Adamson understands that he may, either at the time the Settlement Agreement is signed by all parties, or within fifteen days thereafter, submit the agreement to the Administrative Hearing Commission for determination that the facts agreed to by the parties constitute grounds for disciplining Adamson's license. If Adamson desires the Administrative Hearing Commission to review this Settlement Agreement, Adamson 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 Adamson 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 Adamson's license. If Adamson 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.

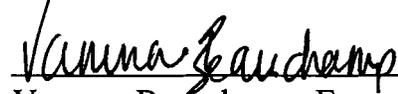
LICENSEE



Darin D. Adamson

Date: 04/11/2010

MISSOURI REAL ESTATE  
APPRAISERS COMMISSION



Vanessa Beauchamp, Executive Director

Date: 4/20/10

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