

**SETTLEMENT AGREEMENT**  
**BETWEEN**  
**MISSOURI REAL ESTATE APPRAISERS COMMISSION**  
**AND**  
**EDWARD L. NEPTUNE**

Edward L. Neptune (Neptune) and the Missouri Real Estate Appraisers Commission (MREAC) enter into this Settlement Agreement for the purpose of resolving the question of whether Neptune's certification as a state-certified residential real estate appraiser, no. RA001641, 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 Supp. 2011. The MREAC and Neptune jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo Supp. 2011.

Neptune 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

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

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 Neptune 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, Neptune 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.

Neptune 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. Neptune stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREAC that Neptune's certification as a state-certified residential real estate appraiser, certificate no. RA001641, is subject to disciplinary action by the MREAC in accordance with the relevant provisions of Chapter 621, RSMo Supp. 2011, and §§ 339.500 through 339.549, RSMo, as amended.

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

Neptune 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 Neptune herein jointly stipulate to the following:

1. Each appraisal described in this Settlement Agreement was to be prepared in compliance with the Uniform Standards of Professional Appraisal Practice, 2008-2009 edition.

**Dorney Drive Appraisal Reports**

2. On May 28, 2008, Neptune prepared appraisal reports for 1316 Dorney Drive, Chillicothe, Missouri and 1310-1312 Dorney Drive, Chillicothe, Missouri (the First Dorney Drive Appraisal Reports). The First Dorney Drive Appraisal Reports were prepared “subject to...repairs” and valued the real property at \$94,400 and \$88,000, respectively. Subsequently, in response to the lender’s requests, Neptune revised the First Dorney Drive Appraisal Reports by issuing a second appraisal report for each prepared “As Is” and valued the real property at \$92,400 and \$81,500, respectively..

3. Each of the Dorney Drive Appraisal Reports were summary appraisal reports with an effective date of May 28, 2008.

4. Section 339.535, RSMo, 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.

5. Based on the following errors and admissions in the preparation of the Dorney Drive Appraisal Reports, Neptune is in violation of Section 339.535, RSMo, USPAP Standards 1 and 2, and USPAP Standards Rules 1-1(a) and (c), 1-4(a), (b)(iii), and (c)(i), 1-6(a) and (b), 2-1(a) and (b), and 2-2(b)(iii) and (viii), 2008-2009 edition:
  - a. Neptune failed in the Sales Comparison and Income Approaches to adjust for differences between the subject property and the comparable sales, such as basement vs. no basement, differences in the number of bedrooms, and built-in garage vs. attached garage;
  - b. In the Cost Approach, Neptune does not provide support for the functional depreciation based on a single-car garage;
  - c. In the First 1316 Dorney Drive Appraisal Report, Neptune provides inadequate support and analysis of the costs to cure for repair items;
  - d. Neptune failed to provide an adequate reconciliation of the data available for each approach to value, such as cost to cure and necessary adjustments; and
  - e. Neptune provided no reconciliation of the approaches used.

## Greenwood Farm Appraisal Report

6. On or about December 15, 2008, Neptune prepared an Appraisal Report and Valuation Analysis for real property commonly known as the David E. Greenwood Farm Property located in Caldwell County, Missouri (the Greenwood Farm Appraisal Report) to establish the value of an estate for estate taxes. The Greenwood Farm Appraisal Report had an effective date of December 15, 2008 and valued the real property at \$351,000.

7. Based on the following errors and admissions in the preparation of the Greenwood Farm Appraisal Report, Neptune is in violation of Section 339.535, RSMo, USPAP Standards 1 and 2, and USPAP Standards Rules 1-1(a), (b) and (c), 1-2(b), (e) and (h), 1-4(a) and (e), 2-1(a) and (b), and 2-2(b)(vi), (vii), and (viii), 2008-2009 edition:

- a. Inadequately analyzes the fractional interest;
- b. Inadequately addresses the complexity of the valuation of an undivided one-half interest;
- c. In the sales comparison approach, no sales of a fractional interest were considered, and the adjustments for location and productivity are not supported; and
- d. In the cost approach, Neptune uses the term “Reproduction Cost Approach”, but does the Replacement Cost Approach.

8. Based on the facts and violations set forth above regarding the Dorney Drive appraisals and the Greenwood Farm appraisal, cause exists to discipline Neptune's certification as a state-certified residential real estate appraiser pursuant to § 339.532.2(6), (7), and (8), 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:

.....

(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[.]

## **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, as amended.

1. **Neptune's certification is surrendered and all indicia of certification shall be surrendered effective January 1, 2013.** Neptune's certification as a state-certified residential real estate appraiser is hereby VOLUNTARILY SURRENDERED effective January 1, 2013 and ALL INDICIA OF CERTIFICATION SHALL BE SURRENDERED IMMEDIATELY upon Neptune's surrender becoming effective. By the terms of this Settlement Agreement and his voluntary surrender of his certification, Neptune surrenders all rights and privileges provided to him through his certification as a state-certified residential real estate appraiser under §§ 339.500 through 339.549, RSMo.

2. This Settlement Agreement does not bind the MREAC or restrict the remedies available to it concerning any future violations by Neptune 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

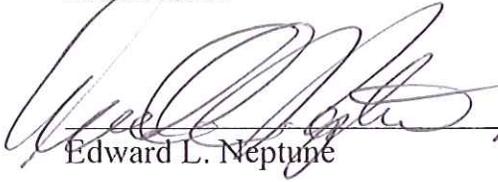
Settlement Agreement nor any of its provisions may be changed, waived, discharged, or terminated, except by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge, or termination is sought.

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. Neptune, 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.

8. This Settlement Agreement goes into effect immediately upon the document beings signed by the Executive Director of the MREAC.

LICENSEE

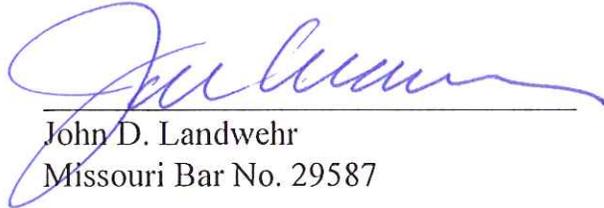
  
Edward L. Neptune

Date

MISSOURI REAL ESTATE  
APPRAISERS COMMISSION

  
Vanessa Beauchamp, Executive Director  
Date: 7-18-12

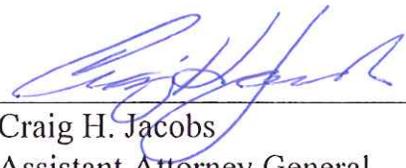
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