BEFORE THE
ADMINISTRATIVE HEARING COMMISSION
STATE OF MISSOURI

FILED
APR 18 2013
ADMINISTRATIVE HEARING COMMISSION

Missouri Real Estate Appraisers Commission,	)	
	)	
Petitioner,	)	
v.	)	
	)	Case No. 12-1340 RA
Jeffrey S. King,	)	
	)	
Respondent.	)	

JOINT MOTION FOR CONSENT ORDER,
JOINT STIPULATION OF FACTS AND CONCLUSIONS OF LAW,
WAIVER OF HEARINGS
BEFORE THE ADMINISTRATIVE HEARING COMMISSION
AND THE MISSOURI REAL ESTATE APPRAISERS COMMISSION,
AND DISCIPLINARY ORDER

Respondent Jeffrey S. King ("King") and Petitioner Missouri Real Estate Appraisers Commission ("MREAC") enter into this *Joint Motion for Consent Order, Joint Stipulation of Facts and Conclusions of Law, Waiver of Hearings Before the Administrative Hearing Commission and Missouri Real Estate Appraisers Commission, and Disciplinary Order* ("Joint Stipulation") for the purpose of resolving the Complaint filed against Respondent. Pursuant to the rules governing practice and procedure before the Administrative Hearing Commission ("Commission") (1 CSR 15-3.440(3)) and

pursuant to the terms of § 536.060, RSMo[1], as it is made applicable to the Commission by § 621.135, RSMo, the parties move for a consent order and waive the right to a hearing and decision in the above-styled case by the Commission, and, additionally, the right to a disciplinary hearing before the MREAC pursuant to § 621.110, RSMo, and jointly stipulate and agree that a final disposition of this matter may be effectuated as described below.

Respondent acknowledges that he is aware of and understands the various rights and privileges afforded him by law, including: 1) the right to a hearing of the charges against him; 2) the right to appear and be represented by legal counsel; 3) the right to have all charges against him proven upon the record by competent and substantial evidence; 4) the right to cross-examine any witness appearing at the hearing against him; 5) the right to present evidence on his behalf at the hearing; 6) the right to a decision upon the record of the hearing by a fair and impartial administrative hearing commissioner concerning the complaint pending against him; 7) the right to a ruling on questions of law by the Commission; 8) the right to a disciplinary hearing before the MREAC at which time Respondent could present evidence in mitigation of discipline; 9) the right to a claim for attorneys' fees and expenses, and 10) the right to obtain judicial review of the decisions of the

[1]All references are to the Revised Statutes of Missouri, Supp. 2012, unless otherwise noted.

Commission and the MREAC. Being aware of these rights provided Respondent by operation of law, Respondent knowingly and voluntarily waives each and every one of these rights and freely enters into this Joint Stipulation. Respondent further agrees to abide by the terms of this document as they pertain to Respondent.

Respondent acknowledges that he received a copy of the Complaint in this case, which was filed with the Commission on July 27, 2012. Respondent stipulates that the factual allegations contained in this Joint Stipulation are true and stipulates with the MREAC that King's certification as a State Certified Residential Real Estate Appraiser, certificate no. RA002245, is subject to disciplinary action by the MREAC in accordance with the provisions of Chapter 621, RSMo, and §§ 339.500 through 339.549, RSMo.

I. JOINT STIPULATION

Based upon the foregoing, the MREAC and Respondent jointly stipulate to the following findings of fact and conclusions of law in lieu of the facts and conclusions of law as alleged in the Complaint filed in this case, and request that the Commission adopt the Joint Proposed Findings of Fact and the Joint Proposed Conclusions of Law as the Commission's Findings of Fact and Conclusions of Law.

JOINT PROPOSED FINDINGS OF FACT

1. The Missouri Real Estate Appraisers Commission ("MREAC") is an agency of the State of Missouri, created and established pursuant to Section 339.507, RSMo, for the purpose of executing and enforcing the provisions of Sections 339.500 through 339.549, RSMo.

2. Respondent, Jeffrey S. King (King), is an adult individual whose registered address is 620 Francis Street, Suite 224, Saint Joseph, MO 64501, and who holds a Missouri license as Real Estate Appraiser - Residential, License No. RA002245, which is active, and which expires June 30, 2014.

3. Jurisdiction and venue are proper before the Administrative Hearing Commission pursuant to § 621.045, RSMo, and § 339.532.2, RSMo.

4. Prior to July 19, 2007, Jeffrey S. King performed a real estate appraisal on a property owned by Rick, Mary, and Teresa Stanton located at 305 South Second Street, Maitland, Holt County, Missouri 64487.

5. The building was built in 1970, and served as a medical clinic until 2000, when the clinic was closed. It was vacant until 2007. It was listed on county tax rolls as commercial property until 2006.

6. After they purchased the property in 2006, the Stantons changed the assessment status of the property to residential and planned to convert it into a duplex apartment unit.

7. The building is a rectangular structure the dimensions of which are 77 feet in length and 20 feet in width.

8. King was provided with leases for the two units dated July 1, 2007.

9. The Stantons applied for financing to Premiere Mortgage Funding, Inc., backed by the Federal National Mortgage Association (FNMA or "Fannie Mae").

10. Premiere Mortgage Funding, Inc., made the assignment for appraisal to King, and was his client in the appraisal.

11. On July 19, 2007, King signed a Small Residential Income Property Appraisal Report ("the Appraisal Report"), setting forth an appraised value conclusion of $72,500. A copy of the Appraisal Report is attached to this Stipulation as "Exhibit A."

12. At all times relevant to this Complaint, King was required to develop and report the results of the Appraisal Report in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), 2006 Edition. A copy of the USPAP, 2006 Edition, is attached to this Stipulation as "Exhibit B."

13. King made the following errors in the preparation of the Appraisal Report:

A. King failed to report the terms of sales of the property which occurred in 2005 and 2006;

B. King measured the building in error and used a width of 25 feet, which resulted in floor space calculations 20% greater than the actual floor space;

C. As a result of the error in measurement and calculation of floor space, King made adjustments for floor space in the comparable sales he reported which were not supported;

D. The Appraisal Report did not discuss the recent conversion of the property from commercial to residential use or report the cost and status of that conversion, which should have been included since the residential use was new and not established;

E. The Appraisal Report did not set forth an analysis of highest and best use which addressed the possibility of commercial uses, which would have been appropriate given its past commercial use and recent conversion;

F. King chose as comparable sales buildings which were originally constructed for residential purposes, and did not discuss the extent to which the converted nature of the property

affected the validity of comparison to buildings designed for residential use.

14. As a result of these errors, the Appraisal Report prepared by King violated USPAP standards in the following respects:

A. The failure to report prior sales violate Standard 1 and Standard rule 1-5(b);

B. The error in reporting the dimensions of the building violated Standards 1 and 2 and Standard Rules 1-1(b) and 2-1(a);

C. The adjustments made to comparable sales based on erroneous floor space measurements violated Standard 1 and Standard Rules 1-1(b) and 1-4(a);

D. The failure to discuss the historic use and conversion of the property violated Standard 2 and Standard Rules 2-1(a) and (b);

E. The failure to include a highest and best use analysis violated Standard 1 and Standard Rule 1-3(b);

F. The failure to analyze the difference between originally residential comparable sales and the converted subject violated Standard 1 and Standard Rule 1-4(a).

JOINT PROPOSED CONCLUSIONS OF LAW

1. Section 339.532.2, RSMo, states in part:

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

2. Due to the violation of USPAP provisions in the Appraisal Report, there is cause for discipline of King's certification under the terms of Section 339.532.2(7), RSMo.

II. JOINT DISCIPLINARY ORDER

Based on the foregoing, the parties hereby mutually agree and stipulate that the following shall constitute the order regarding discipline of King's certification as a State Certified Residential Real Estate Appraiser, subject to the following terms and conditions, and entered by the MREAC in this matter under the authority of §§ 536.060 and 621.110, RSMo. This disciplinary order shall become effective immediately upon the issuance of the consent order of the Commission without further action by either party:

1. Probation. King's certification as a State Certified Residential Real Estate Appraiser, no. RA002245, is hereby placed on PROBATION for TWO (2) YEARS. The period of probation is referred to hereinafter as either "the probationary period" or "the disciplinary period". During the probationary period, King shall be entitled to practice as a State Certified Residential Real Estate Appraiser provided he pays all required fees, has maintained his certification current and active, and adheres to all the terms stated herein.

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

A. King shall submit written reports to the MREAC by no later than November 1 and May 1, during each year of the disciplinary period stating truthfully whether there has been compliance with all terms and conditions of this Joint Stipulation. The first written report shall be submitted on or before November 1, 2013. The final written report shall be submitted to the MREAC 90 days prior to the end of the disciplinary period. Each written report shall be submitted no earlier than 30 days prior to the respective due date. King is responsible for assuring that the reports are submitted to and received by the MREAC.

B. During the disciplinary period, King shall maintain a log of all appraisal assignments as required by 20 CSR 2245-2.050. A true and accurate copy of the log shall be submitted to the MREAC by no later than November 1 and May 1 during each year of the disciplinary period. The first log shall be submitted on or before November 1, 2103. The last log shall be submitted to the MREAC 90 days prior to the end of the disciplinary period. Each log submitted shall be current to at least 30 days prior to the respective due date. King is responsible for assuring that the logs are submitted to and received by the MREAC. Upon MREAC request, King shall submit copies of his work samples for MREAC review.

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

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

E. King shall timely renew his certification and timely pay all fees required for certification renewal and comply with all other MREAC requirements necessary to maintain his certification in a current and active state.

F. During the disciplinary period, King 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 or subdivisions thereof. Any cause to discipline King's certification 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 Joint Stipulation.

G. King 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. King 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, King removes himself from the state of Missouri, ceases to be currently certified 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, uncertified 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 certificate of King shall be fully restored if all requirements of law have been satisfied; provided, however, that in the event the MREAC determines that King has violated any term or condition of this Joint Stipulation, the MREAC may, in its discretion, vacate and set aside the discipline imposed herein and impose such further discipline as it shall deem appropriate.

4. No additional discipline shall be imposed by the MREAC pursuant to the preceding paragraph of this Joint Stipulation without notice and opportunity for hearing before the MREAC as a contested case in accordance with the provisions of Chapter 536, RSMo. If any alleged violation of this Joint Stipulation occurred during the disciplinary period, the MREAC may

choose to conduct a hearing before it to determine whether a violation occurred and may impose further discipline.

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

4. This Joint Stipulation does not bind the MREAC or restrict the remedies available to it concerning facts or conduct not specifically mentioned in this Joint Stipulation that are either now known to the MREAC or may be discovered.

5. If any alleged violation of this Joint Stipulation 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. King agrees and stipulates that the MREAC has continuing jurisdiction to hold a hearing to determine if a violation of this Joint Stipulation has occurred.

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

7. The terms of this Joint Stipulation are contractual, legally enforceable, and binding, not merely recital. Except as otherwise contained

herein, neither this Joint Stipulation 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.

8. The parties to this Joint Stipulation understand that the MREAC will maintain this Joint Stipulation as an open record as required by Chapters 339, 610, and 620, RSMo, as amended.

9. Respondent, together with his heirs, assigns, agents, partners, 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 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 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 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 Joint Stipulation. The parties acknowledge that this paragraph is severable from the remaining portions of the Joint Stipulation in that it survives in perpetuity even in the event that any court of law or administrative tribunal deems this agreement or any portion thereof void or unenforceable.

III. CONCLUSION

In consideration of the foregoing, the parties consent to the entry of record and approval of this Joint Stipulation and to the termination of any further proceedings before the Commission based upon the complaint filed by the MREAC in the above-captioned cause.

RESPONDENT

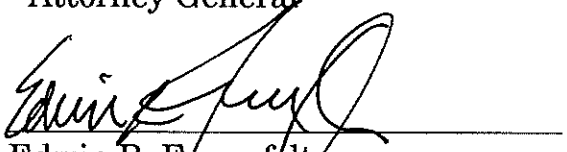
04/16/2013

Jeffrey S. Ring MBE Date

PETITIONER
Missouri Real Estate Appraisers Commission

By: Vanessa Beauchamp 4-18-13
Vanessa Beauchamp Date
Executive Director

CHRISTOPHER A. KOSTER
Attorney General



Edwin R. Frownfelter
Assistant Attorney General
Missouri Bar No. 59477
615 East 13th St., Suite 401
Kansas City, MO 64106
Telephone (816) 889-5019
Facsimile (816) 889-5006
Email: edwin.frownfelter@ago.mo.gov
Attorneys for Petitioner

Before the
Administrative Hearing Commission
State of Missouri

MISSOURI REAL ESTATE APPRAISERS COMMISSION	)	
	)	
Petitioner,	)	
	)	No. 12-1340 RA
vs.	)	
	)	
JEFFREY S. KING,	)	
	)	
Respondent.	)	
	)	

CONSENT ORDER

The licensing authority filed a complaint. Section 621.045[1] gives us jurisdiction.

On April 18, 2013, the parties filed a Joint Motion for Consent Order, Joint Stipulation of Facts and Conclusions of Law, Waiver of Hearings, and Disciplinary Order. Our review of the document shows that the parties have stipulated to certain facts and waived their right to a hearing before us. Because the parties have agreed to these facts, we incorporate them into this order and adopt them as stipulated. ***Buckner v. Buckner***, 912 S.W. 2d 65, 70 (Mo. App., W.D. 1995). We conclude that the licensee is subject to discipline under § 339.532.2(7). We incorporate the parties' proposed findings of fact and conclusions of law into this Consent Order. We certify the record to the licensing agency under § 621.110.

The only issue before this Commission is whether the stipulated conduct constitutes cause to discipline the license. The appropriate disciplinary action is not within our power to decide; that is subject to the licensing authority's decision or the parties' agreement. Section 621.110.

No statute authorizes us to determine whether the agency has complied with the provisions of § 621.045.4. We have no power to superintend agency compliance with statutory procedures. ***Missouri Health Facilities Review Comm. v. Administrative Hearing Comm'n***, 700 S.W. 2d 445, 450 (Mo. banc 1985). Therefore, we do not determine whether the agency complied with such procedures.

SO ORDERED on April 19, 2013.

KAREN A. WINN
Commissioner

[1]Statutory references are to RSMo Supp. 2012 unless otherwise noted.