

SETTLEMENT AGREEMENT
BETWEEN
MISSOURI REAL ESTATE APPRAISERS COMMISSION
AND
JEFFREY SHAWAN

Jeffrey Shawan (Shawan) and the Missouri Real Estate Appraisers Commission (MREAC) enter into this Settlement Agreement for the purpose of resolving the question of whether Shawan's certification as a state-certified residential real estate appraiser, no. 2005029179, will be subject to discipline. Pursuant to § 536.060, RSMo 2000,¹ 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. 2012. The MREAC and Shawan jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo Supp. 2012.

Shawan 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

¹ 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 Shawan 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, Shawan 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.

Shawan 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. Shawan stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREAC that Shawan's certification as a state-certified residential real estate appraiser, certificate no. 2005029179, is subject to disciplinary action by the MREAC in accordance with the relevant provisions of Chapter 621, RSMo, and Chapter 339, RSMo, as amended.

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

Shawan 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 Shawan herein jointly stipulate to the following:

1. Section 339.535, RSMo, which requires real estate appraisers to comply with the Uniform Standards of Professional Appraisal Practice (USPAP), 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.

2. On June 14, 2009, Shawan completed and signed summary appraisal reports for sixteen mobile homes located at 850 South Rd., Ellington, Missouri 63638 (the "850 South Road Appraisal Reports.").

3. The preparation of the 850 South Road Appraisal Report was to be prepared in compliance with the Uniform Standards of Professional Appraisal Practice, 2008-2009 edition.

4. The use of hypothetical conditions is permitted by USPAP Standard Rule 1-2(g) under the conditions set forth therein.

5. Based on the following errors and omissions in the preparation of the 850 South Road Appraisal Reports, Shawan is in violation of Section 339.535, RSMo, the USPAP Ethics Rule, USPAP Standards 1 and 2, and USPAP Standards Rules 1-1(a), (b), and (c), 1-2(e)(i) and (iii), 1-2(g), 1-2(h), 1-3(b), 1-4(a), 1-6(a) and (b), 2-1(a) and (b), and 2-2(b)(iii), (vii), (viii), (ix), and (x), 2008-2009 edition:

- a. Improperly and arbitrarily subdivided a mobile home park for purposes of valuation without completing or determining through a highest and best use analysis that the parcel would or could be divided economically, physically, or legally;
- b. Improperly performed multiple appraisals and provided multiple reports that conclude an opinion of market value for individual mobile homes, unidentified personal property and an arbitrary area surrounding the mobile home within the legal and physical boundaries, of a small mobile home park;
- c. Improperly characterized the mobile homes as real property when it is actually personal property;
- d. Improperly combined real and personal property (the mobile homes) values;
- e. Improperly used the hypothetical condition that the mobile homes and an area surrounding the mobile homes are appraised as independent single family units, instead of together as a mobile home park;

- f. Failed to correctly identify the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal, including its location, the physical, legal and economic attributes, any personal property or intangible items that are not real property but are included in the appraisal;
- g. Improperly, arbitrarily and incorrectly identified the dimensions of individual sites within the mobile home park which had not been legally subdivided and failed to provide any legal description or other means of specifically identifying the smaller sites;
- h. Improperly identified the mobile home improvements as ranch design/styled dwellings;
- i. Failed to discuss the subject property's current use;
- j. Failed to collect, verify, and analyze all information necessary for credible assignment results;
- k. Failed to include a clear and accurate disclosure of all assumptions, extraordinary assumptions, hypothetical conditions and limiting conditions used in the assignment;
- l. Failed to explain whether the use of the hypothetical condition might have affected the assignment results;

- m. Failed to report and reconcile the quality and quantity of data available and analyzed within his sales comparison approach; and
- n. Improperly utilized comparable sales that were not sufficiently similar to the subject property.

6. On June 14, 2009, Shawan completed and signed a summary appraisal report of property located at 295 Main Unit B, Ellington, Missouri 63638 (the “295 Main St. B Property.”).

7. The preparation of the 295 Main St. B Property Appraisal Report was to be prepared in compliance with the Uniform Standards of Professional Appraisal Practice, 2008-2009 edition.

8. The use of hypothetical conditions is permitted by USPAP Standard Rule 1-2(g) under the conditions set forth therein.

9. Based on the following errors and omissions in the preparation of the 295 Main St. B Property Appraisal Reports, Shawan is in violation of Section 339.535, RSMo, the USPAP Ethics Rule, USPAP Standards 1 and 2, and USPAP Standards Rules 1-1(a), (b), and (c), 1-2(e)(i), 1-2(h), 1-3(b), 1-4(a), 2-1(a) and (b), and 2-2(b)(iii), (vii), (viii), and (ix), 2008-2009 edition:

- a. Failed to identify the entire property;

- b. Failed to provide an accurate property description by identifying the property as a one unit detached ranch style structure, when it was initially constructed as a store;
- c. Failed to identify a correct and credible site size and dimensions;
- d. Failed to develop a highest and best use analysis or report the use at the time of the appraisal;
- e. Inaccurately stated the subject property is an average built home when the original design was a store; and
- f. Used single family dwellings as comparable sales but failed to include analysis or make an adequate adjustment for the subject property's original use as a store.

10. On June 14, 2009, Shawan completed and signed summary appraisal reports for residential units located at 205 Main St., Ellington, Missouri 63638 (the "205 Main St. Units.").

11. The preparation of the 205 Main St. Units Appraisal Report was to be prepared in compliance with the Uniform Standards of Professional Appraisal Practice, 2008-2009 edition.

12. The use of hypothetical conditions is permitted by USPAP Standard Rule 1-2(g) under the conditions set forth therein.

13. Based on the following errors and omissions in the preparation of the 205 Main St. Units Appraisal Reports, Shawan is in violation of Section 339.535, RSMo, the USPAP Ethics Rule, USPAP Standards 1 and 2, and USPAP Standards Rules 1-1(a), (b), and (c), 1-2(e)(i), 1-2(g), 1-2(h), 1-3(b), 1-4(a), 1-6(a) and (b), 2-1(a) and (b), and 2-2(b)(iii), (vii), (viii), (ix), and (x) 2008-2009 edition:

- a. Failed to accurately identify the legal and physical characteristics for the whole property, which is a single multi-unit income producing property of one owner (i.e., a motel);
- b. Incorrectly identified the improvements as ranch design (style) dwellings;
- c. Inaccurately and arbitrarily subdivided a motel parcel for purposes of valuation without completing or determining through a highest and best analysis that the parcel would or could be divided economically, physical or legally;
- d. Improperly, arbitrarily and incorrectly identified the dimensions of the individual sites within the motel property without providing any legal description, or other reliable and credible means of identifying the smaller sites;
- e. Improperly used a hypothetical condition that identified each unit as a single family residence;

- f. Failed to correctly identify the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal, including its location and physical legal, and economic attributes, any personal property, or intangible items that are not real property are included in the appraisal;
- g. Failed to provide support for valuing the subject as smaller independent units, or parts of the whole;
- h. Failed to reconcile the quality and quantity of data available and analyzed within the approach utilized;
- i. Improperly used, and failed to identify the hypothetical condition regarding the nature of the property;
- j. Failed to explain whether the use of the hypothetical condition might have affected the assignment results.

14. Based on the facts and violations set forth above, cause exists to discipline Shawan's certification as a state-certified residential real estate appraiser pursuant to § 339.532.2(6), (7), (8), (9), (10), and (14)], RSMo, which states:

The commission may cause a complaint to be filed with the administrative hearing commission as provided by chapter 621 against any state-certified real estate appraiser, state-certificated real estate appraiser, or any person who has failed to renew or has surrendered his or his certificate or certificate 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;
- (9) Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal;
- (10) Violating, assisting or enabling any person to willfully disregard any of the provisions of sections 339.500 to 339.549 or the regulations of the commission for the administration and enforcement of the provisions of sections 339.500 to 339.549;

.....

- (14) 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, RSMo, and §§ 621.045.3 and 621.110, RSMo Supp. 2012.

1. **Shawan's certification is surrendered and all indicia of licensure shall be surrendered immediately.** Shawan's certification as state certified residential real

estate appraiser, certificate no. 2005029179, is hereby VOLUNTARILY SURRENDERED and ALL INDICIA OF LICENSURE SHALL BE SURRENDERED IMMEDIATELY upon this Settlement Agreement becoming effective. By the terms of this Settlement Agreement and his voluntary surrender of his certificate, Shawan surrenders all rights and privileges provided to him through his state certified residential real estate appraiser certificate under Chapter 339, RSMo.

2. This Settlement Agreement does not bind the MREC or restrict the remedies available to it concerning any future violations by Shawan of Chapter 339, 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 MREC 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 MREC 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.

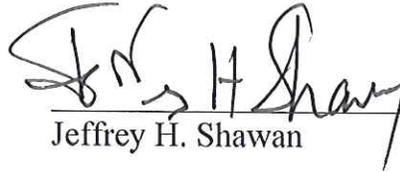
5. The terms of this Settlement Agreement are contractual, legally enforceable, and binding, not merely recital. Except as otherwise contained herein, neither this Settlement Agreement nor any of its provisions may be changed, waived, discharged, or terminated, except by an instrument in writing signed 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 MREC will maintain this Settlement Agreement as an open record of the MREC as required by Chapters 339, 610, and 324, RSMo, as amended.

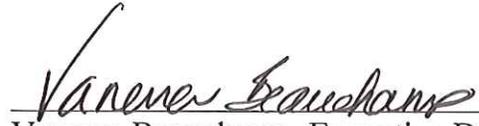
7. Shawan, together with his partners, heirs, assigns, agents, employees, representatives and attorneys, does hereby waive, release, acquit and forever discharge the MREC, its respective members, employees, agents and attorneys including former members, employees, agents and attorneys, of, or from any 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 15 days after the document is signed by the Executive Director of the MREC.

LICENSEE

 5-30-13
Jeffrey H. Shawan Date

MISSOURI REAL ESTATE
APPRAISERS COMMISSION

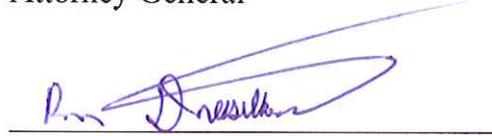

Vanessa Beauchamp, Executive Director
Date: 6-5-13

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