

SETTLEMENT AGREEMENT
BETWEEN
MISSOURI REAL ESTATE APPRAISERS COMMISSION
AND
K. KELLY WALLACE

K. Kelly Wallace (“Wallace”) and the Missouri Real Estate Appraisers Commission (“MREAC”) enter into this Settlement Agreement for the purpose of resolving the question of whether Wallace’s certification as a state-certified residential real estate appraiser, certificate no. 2005038009, will be subject to discipline. Pursuant to § 536.060, RSMo,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, Cum. Supp. 2010. The MREAC and Wallace jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo, Cum. Supp. 2010.

Wallace acknowledges that she understands the various rights and privileges afforded her by law, including the right to a hearing of the charges against her; 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 her at the hearing; the right to present evidence on her 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 her; the right to a ruling on questions

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

of law by the Administrative Hearing Commission; the right to a disciplinary hearing before the MREAC at which time Wallace 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 her by law, Wallace 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 her.

Wallace acknowledges that she 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 regulations the MREAC believes were violated. Wallace stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREAC that Wallace's certification as a state-certified residential real estate appraiser, certificate no. 2005038009, is subject to disciplinary action by the MREAC in accordance with the relevant provisions of Chapter 621, RSMo, Cum. Supp. 2010, and §§ 339.500 to 339.549, RSMo, as amended.

The parties agree that this Settlement Agreement and any statements or stipulations contained herein should not be used for or constitute an admission for any purpose other than to settle the dispute between the parties, pursuant to applicable law, including *State ex rel. Melahn v. Huesemann*, 942 S.W.2d 424 (Mo. App. W.D. 1997).

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

understands that the MREAC may take further disciplinary action against her 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 Wallace herein jointly stipulate to the following:

1. The Missouri Real Estate Appraisers Commission (“MREAC”) was established pursuant to § 339.507, RSMo, Cum. Supp. 2010, for the purpose of executing and enforcing the provisions of §§ 339.500 through 339.549, RSMo, as amended.

2. Respondent K. Kelly Wallace (“Wallace”) is certified by the Commission as a state-certified residential real estate appraiser, certificate no. 2005038009.

3. Wallace’s certification was current and active at all time relevant to this settlement agreement.

4. Section 339.532.2, RSMo, Cum. Supp. 2010, 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:

....

(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 (“USPAP”) 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.

5. 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.

Count I:

1100 King Carey Drive Appraisal

6. MREAC adopts and incorporates paragraphs 1 through 5 above as though set forth fully herein.

7. On or about February 16, 2006, Wallace supervised the preparation of and signed a summary appraisal report for residential real estate located at 1100 King Carey Drive, St. Louis, Missouri 63146 (“1100 King Carey Drive property”). The effective date of the appraisal report was February 14, 2006. This appraisal valued the property at \$213,000. This appraisal shall be referred to hereinafter as the “1100 King Carey Drive Appraisal Report.”

8. Wallace was required to develop and report the results of the 1100 King Carey Drive Appraisal Report in compliance with the Uniform Standards of Professional Appraisal Practice (“USPAP”), 2005 Edition.

9. The 1100 King Carey Drive Appraisal Report was prepared for Covenant Financial, a Missouri Corporation.

10. In the preparation of the 1100 King Carey Drive Appraisal Report, Wallace made errors of omission and commission, including, but not limited to:

- a) failing to clearly and accurately describe the subject property’s neighborhood, instead broadly describing the neighborhood within a 3 to 5 mile radius, which includes several neighborhoods and market areas as well as five different school districts;
- b) failing to mention factors in the neighborhood that affect value, such as the subject location’s close proximity to public transportation, highway access and an elementary school;

- c) failing to accurately report either the range of value, or the predominate value of the neighborhood;
- d) failing to support the estimate of market rental used;
- e) failing to accurately describe the above grade living square footage of the subject property by claiming the property had 1,530 square feet when it actually contains 1,444 square feet;
- f) failing to address subject property's location abutting Interstate 270 at the rear of site, which in this area has a significant effect on value due to excessive traffic noise; and
- g) reporting that the subject property had not been offered for sale within 12 months of the effective date, but reports show a sale two weeks prior to the effective date of value.

11. In the preparation of the Sales Comparison Analysis in the 1100 King Carey Drive Appraisal Report, Wallace made errors of omission and commission, including, but not limited to:

- a) using as a comparable sale a home that was not located in the same subdivision as the subject property when two similar homes, which also abutted Interstate 270, were located very near the subject property and had sold within six months of the effective date of value;

- b) adjusting for differences in gross living area from Comparable Sale 1 when according to the county records, it is within 25 square feet of the subject property;
- c) indicating that the condition of Comparable Sale 1 was the same as the subject property when Comparable Sale 1 had superior upgrading;
- d) adjusting for differences in gross living area between the subject property and Comparable Sale 2, when according to the county records, it is larger than the subject property;
- e) indicating that the condition of the subject property and Comparable Sale 2 was the same when the comparable used had superior upgrading;
- f) failing to adjust Comparable Sale 3 for significant upgrading and for its location in a newer subdivision, abutting common ground, rather than Interstate 270;
- g) failing to adjust Comparable Sale 4 for its location because it did not abut Interstate 270;
- h) failing to adjust Comparable Sale 4 for its condition based on significant upgrading; and
- i) failing to use sales in closer proximity to the subject property, of a similar location of the subject property, which occurred within one year of the effective date of value.

12. In the preparation of the Cost Approach in the 1100 King Carey Drive Appraisal Report, Wallace made errors of omission and commission, including, but not limited to:

- a) failing to provide support for a 10-year effective age for the 39-year old subject property; and
- b) failing to provide for the site value.

13. The 1100 King Carey Drive Appraisal Report overestimates the value and was developed and reported in violation of USPAP Standards 1 and 2.

- a) USPAP Standard 1, regarding the development of an appraisal, states:

In developing a real property appraisal, an appraiser must identify the problem to be solved and the scope of work necessary to solve the problem, and correctly complete research and analysis necessary to produce a credible appraisal.

- b) USPAP Standard 2, regarding the reporting of an appraisal, states:

In reporting the results of a real property appraisal, an appraiser must communicate each analysis, opinion, and conclusion in a manner that is not misleading.

14. Based on Wallace's errors and omissions in developing and reporting the results of the 1100 King Carey Drive Appraisal, as stipulated to in this Count, Wallace failed to correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal, in violation of USPAP Standard 1 and SR 1-1(a), which states:

In developing a real property appraisal, an appraiser must:

- (a) be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal[.]

15. Based on Wallace's errors and omissions in developing and reporting the results of the 1100 King Carey Drive Appraisal, as stipulated to in this Court, Wallace committed errors of omission and commission that affected the appraisal, in violation of USPAP Standard I and SR 1-1(b), which states:

In developing a real property appraisal, an appraiser must:

- (b) not commit a substantial error of omission or commission that significantly affects an appraisal[.]

16. Based on Wallace's errors and omissions in developing and reporting the results of the 1100 King Carey Drive Appraisal, as stipulated to in this Court, Wallace rendered appraisal services in a negligent manner, in violation of USPAP Standard I and SR 1-1(c), which states:

In developing a real property appraisal, an appraiser must:

- (c) not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results.

17. Based on Wallace's errors and omissions in developing and reporting the results of the 1100 King Carey Drive Appraisal, as stipulated to in this Court, Wallace failed to 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, in violation of SR 1-2(e)(i), which states:

In developing a real property appraisal, an appraiser must:

- (e) identify the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal, including:
 - (i) its location and physical, legal, and economic attributes[.]

18. Based on Wallace's errors and omissions in developing and reporting the results of the 1100 King Carey Drive Appraisal, as stipulated to in this Count, Wallace failed to, when using a sales comparison approach, analyze such comparable sales data as are available to indicate a value conclusion, in violation of SR 1-4(a), which states:

In developing a real property appraisal, an appraiser must collect, verify, and analyze all information applicable to the appraisal problem, given the scope of work identified in accordance Standards Rule 1-2(f).

- (a) When a sales comparison approach is applicable, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

19. Based on Wallace's errors and omissions in developing and reporting the results of the 1100 King Carey Drive Appraisal, as stipulated to in this Count, Wallace failed to clearly and accurately set forth the appraisal in a manner that will not be misleading, in violation of SR 2-1(a), which states:

Each written or oral real property appraisal report must:

- (a) clearly and accurately set forth the appraisal in a manner that will not be misleading[.]

20. Based on Wallace's errors and omissions in developing and reporting the results of the 1100 King Carey Drive Appraisal, as stipulated to in this Count, Wallace failed to provide sufficient information to enable the intended users of the appraisal to understand the report properly, in violation of SR 2-1(b), which states:

Each written or oral real property appraisal report must:

- (b) contain sufficient information to enable the intended users of the appraisal to understand the report properly[.]

21. Based on Wallace's errors and omissions in developing and reporting the results of the 1100 King Carey Drive Appraisal, as stipulated to in this Count, Wallace failed to, in the summary report, summarize information sufficient to identify the real estate involved in the appraisal, including the physical and economic property characteristics relevant to the assignment, in violation of SR 2-2(b)(iii), which states:

Each written real property appraisal report must be prepared under one of the following three options and prominently state which option is used: Self-Contained Appraisal Report, Summary Appraisal Report, or Restricted Use Appraisal Report.

- (b) The content of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:

....

- (iii) summarize information sufficient to identify the real estate involved in the appraisal, including the physical and economic property characteristics relevant to the assignment[.]

22. Based on Wallace's errors and omissions in developing and reporting the results of the 1100 King Carey Drive Appraisal, as stipulated to in this Count, Wallace failed to comply with the USPAP Ethics Rule regarding Conduct, which states.

An appraiser must perform assignments ethically and competently, in accordance with USPAP and any supplemental standards agreed to by the appraiser in accepting the assignment...

....

An appraiser must not communicate assignment results in a misleading or fraudulent manner. An appraiser must not use or communicate a misleading or fraudulent report or knowingly permit an employee or other person to communicate a misleading or fraudulent report.

23. Wallace's conduct, as stipulated to in this Count, demonstrates gross negligence in the performance of the functions and duties of a real estate appraiser, providing cause to discipline her real estate appraiser certification pursuant to § 339.532.2(5), RSMo.

24. Wallace's conduct, as stipulated to in this Count, violates standards for the development and communication of real estate appraisals as provided in or pursuant to §§ 339.500 to 339.549, RSMo, providing cause to discipline her real estate appraiser certification pursuant to § 339.532.2(6), RSMo.

25. Wallace's conduct, as stipulated to in this Count, demonstrates a failure to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, and communicating an appraisal, providing cause to discipline her real estate appraiser certification pursuant to § 339.532.2(8), RSMo.

26. Wallace's conduct, as stipulated to in this Count, demonstrates negligence in developing an appraisal, in preparing an appraisal report, and in communicating an appraisal, providing cause to discipline her real estate appraiser certification pursuant to § 339.532.2(9), RSMo.

27. Each of Wallace's USPAP violations, as stipulated to in this Count, constitutes a violation of § 339.535, RSMo, providing cause to discipline her real estate appraiser certification pursuant to §§ 339.532.2(7) and (10), RSMo.

28. Wallace's conduct, as stipulated to in this Count, violates the professional trust and confidence she owed to her clients, the intended users of the appraisal report, and the public, providing cause to discipline her real estate appraiser certification pursuant to § 339.532.2(14), RSMo.

29. Wallace's conduct, as stipulated to in this Count, demonstrates that Wallace rendered appraisal services in violation of the USPAP Ethics Rule, USPAP Standards 1 and 2, the USPAP Standards Rules cited in this Count, and § 339.535, RSMo, providing cause to discipline Wallace's certification as a state certified residential real estate appraiser pursuant to §§ 339.532.2(5), (6), (7), (8), (9), (10) and (14), RSMo.

Count II
1106 King Carey Drive Appraisal

30. MREAC adopts and incorporates paragraphs 1 through 29 above as though set forth fully herein.

31. On or about February 16, 2006, Wallace supervised the preparation of and signed a summary appraisal report for residential real estate located at 1106 King Carey Drive, St. Louis, Missouri 63146 (“1106 King Carey Drive property”). The effective date of the appraisal report was February 14, 2006. This appraisal valued the property at \$213,000. This appraisal shall be referred to hereinafter as the “1106 King Carey Drive Appraisal Report.”

32. Wallace was required to develop and report the results of the 1106 King Carey Drive Appraisal Report in compliance with the Uniform Standards of Professional Appraisal Practice (“USPAP”), 2005 Edition.

33. The 1106 King Carey Drive Appraisal Report was prepared for Covenant Financial, a Missouri Corporation.

34. In the preparation of the 1106 King Carey Drive Appraisal Report, Wallace made errors of omission and commission, including, but not limited to:

- a) failing to clearly and accurately describe the subject property’s neighborhood, instead broadly describing the neighborhood within a 3 to 5 mile radius, which includes several neighborhoods and market areas as well as five different school districts;
- b) failing to mention factors in the neighborhood that affect value, such as the subject location’s close proximity to public transportation, highway access and an elementary school;

- c) failing to accurately report and overstating the range of value, and the predominant value of the neighborhood;
- d) failing to support the estimate of market rental used;
- e) failing to accurately describe the above grade living square footage of the subject property by claiming the property had 1,530 square feet when it actually contains 1,465 square feet;
- f) failing to address subject property's location abutting Interstate 270 at the rear of site, which in this area has a significant effect on value due to excessive traffic noise; and
- g) reporting that the subject property had not been offered for sale within 12 months of the effective date, but reports show a sale two weeks prior to the effective date of value.

35. In the preparation of the Sales Comparison Analysis in the 1106 King Carey Drive Appraisal Report, Wallace made errors of omission and commission, including, but not limited to:

- a) using as a comparable sale a home that was not located in the same subdivision as the subject property when two similar homes, which also abutted Interstate 270, were located very near the subject property and had sold within six months of the effective date of value;

- b) adjusting for differences in gross living area from Comparable Sale 1 when according to the county records, it is within 25 square feet of the subject property;
- c) indicating that the condition of Comparable Sale 1 was the same as the subject property when Comparable Sale 1 had superior upgrading;
- d) adjusting for differences in gross living area between the subject property and Comparable Sale 2, when according to the county records, it is larger than the subject property;
- e) indicating that the condition of the subject property and Comparable Sale 2 was the same when the comparable used had superior upgrading;
- f) failing to adjust Comparable Sale 3 for significant upgrading and for its location in a newer subdivision, abutting common ground, rather than Interstate 270;
- g) failing to adjust Comparable Sale 4 for its location because it did not abut Interstate 270;
- h) failing to adjust Comparable Sale 4 for its condition based on significant upgrading; and
- i) failing to use sales in closer proximity to the subject property, of a similar location of the subject property, which occurred within one year of the effective date of value.

36. In the preparation of the Cost Approach in the 1106 King Carey Drive Appraisal Report, Wallace made errors of omission and commission, including, but not limited to:

- a) failed to provide support for a 10-year effective age for the 39 year old subject property; and
- b) failing to provide support for the site value.

37. In her analysis of the prior transfer of the subject property, Wallace failed to support her opinion that the property sold below market value.

38. Wallace failed to indicate or discuss that the subject property was located in an appreciating market when the indicated value of the subject property two weeks prior to the effective date of the value indicated an increase in value of 6.5 percent.

39. The 1106 King Carey Drive Appraisal Report overestimates the value and was developed and reported in violation of USPAP Standards 1 and 2, both of which are set forth in Count 1.

40. Based on Wallace's errors and omissions in developing and reporting the results of the 1106 King Carey Drive Appraisal, as stipulated to in this Count, Wallace failed to correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal, in violation of USPAP Standard 1 and SR 1-1(a), which are set forth in Count I.

41. Based on Wallace's errors and omissions in developing and reporting the results of the 1106 King Carey Drive Appraisal, as stipulated to in this Count, Wallace

committed errors of omission and commission that affected the appraisal, in violation of USPAP Standard 1 and SR 1-1(b), which are set forth in Count I.

42. Based on Wallace's errors and omissions in developing and reporting the results of the 1106 King Carey Drive Appraisal, as stipulated to in this Count, Wallace rendered appraisal services in a negligent manner, in violation of USPAP Standard 1 and SR 1-1(c), which are set forth in Count I.

43. Based on Wallace's errors and omissions in developing and reporting the results of the 1106 King Carey Drive Appraisal, as stipulated to in this Count, Wallace failed to 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, in violation of SR 1-2(e)(1), which is set forth in Count I.

44. Based on Wallace's errors and omissions in developing and reporting the results of the 1106 King Carey Drive Appraisal, as stipulated to in this Count, Wallace failed to, when using a sales comparison approach, analyze such comparable sales data as are available to indicate a value conclusion, in violation of SR 1-4(a), which is set forth in Count I.

45. Based on Wallace's errors and omissions in developing and reporting the results of the 1106 King Carey Drive Appraisal, as stipulated to in this Count, Wallace failed to clearly and accurately set forth the appraisal in a manner that will not be misleading, in violation of SR 2-1(a), which are set forth in Count I.

46. Based on Wallace's errors and omissions in developing and reporting the results of the 1106 King Carey Drive Appraisal, as stipulated to in this Count, Wallace failed to provide sufficient information to enable the intended users of the appraisal to understand the report properly, in violation of SR 2-1(b), which are set forth in Count I.

47. Based on Wallace's errors and omissions in developing and reporting the results of the 1106 King Carey Drive Appraisal, as stipulated to in this Count, Wallace failed to, in the summary report, summarize information sufficient to identify the real estate involved in the appraisal, including the physical and economic property characteristics relevant to the assignment, in violation of SR 2-2(b)(iii), which are set forth in Count I.

48. Based on Wallace's errors and omissions in developing and reporting the results of the 1106 King Carey Drive Appraisal, as stipulated to in this Count, Wallace failed to comply with the USPAP Ethics Rule regarding Conduct, which is set forth in Count I.

49. Wallace's conduct, as stipulated to in this Count, demonstrates gross negligence in the performance of the functions and duties of a real estate appraiser, providing cause to discipline her real estate appraiser certification pursuant to § 339.532.2(5), RSMo.

50. Wallace's conduct, as stipulated to in this Count, violates standards for the development and communication of real estate appraisals as provided in or pursuant to §§ 339.500 to 339.549, RSMo, providing cause to discipline her real estate appraiser certification pursuant to § 339.532.2(6), RSMo.

51. Wallace's conduct, as stipulated to in this Count, demonstrates a failure to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, and

communicating an appraisal, providing cause to discipline her real estate appraiser certification pursuant to § 339.532.2(8), RSMo.

52. Wallace's conduct, as stipulated to in this Count, demonstrates negligence in developing an appraisal, in preparing an appraisal report, and in communicating an appraisal, providing cause to discipline her real estate appraiser certification pursuant to § 339.532.2(9), RSMo.

53. Each of Wallace's USPAP violations, as stipulated to in this Count, constitutes a violation of § 339.535, RSMo, providing cause to discipline her real estate appraiser certification pursuant to §§ 339.532.2(7) and (10), RSMo.

54. Wallace's conduct, as stipulated to in this Count, violates the professional trust and confidence she owed to her clients, the intended users of the appraisal report, and the public, providing cause to discipline her real estate appraiser certification pursuant to § 339.532.2(14), RSMo.

55. Wallace's conduct, as stipulated to in this Count, demonstrates that Wallace rendered appraisal services in violation of the USPAP Ethics Rule, USPAP Standards 1 and 2, the USPAP Standards Rules cited in this Count, and § 339.535, RSMo, providing cause to discipline Wallace's certification as a state certified residential real estate appraiser pursuant to §§ 339.532.2(5), (6), (7), (8), (9), (10) and (14), RSMo.

II.

Voluntary Surrender

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.

56. **Wallace voluntarily surrenders.** Effective immediately upon the signing of this settlement agreement by the MREAC's Executive Director, **WALLACE VOLUNTARILY SURRENDERS** her license as a state-certified residential real estate appraiser, certificate no. 2005038009, in lieu of the Board pursuing it further before the Administrative Hearing Commission or holding a disciplinary hearing. Wallace shall not engage in the practice of real estate appraising after the effective date of her license being surrendered. Furthermore, Wallace agrees to not apply for issuance or reinstatement of her real estate appraising certification. The parties to this settlement agreement agree that if Wallace breaches her agreement and re-applies for licensure or certification as a real estate appraiser in the state of Missouri, the MREAC may deny the application based on the MREAC's claims in the above-captioned action and/or complaints pending at the MREAC that were not referred because of this Settlement Agreement. Wallace shall return her certification and all other indicia of licensure to the MREAC within two weeks of the effective date of Wallace surrendering her license.

57. This Settlement Agreement does not bind the MREAC or restrict the remedies available to it concerning any future violations by Wallace of §§ 339.500 through 339.549,

RSMo, as amended, or the regulations promulgated thereunder, or of the terms and conditions of this Settlement Agreement.

58. 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, except the MREAC agrees not to take further action against Wallace for the pending complaints filed by Russell Schindehette, case no. 2010-004973, and Larry Handley, case no. 2010-005571.

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

60. 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.

61. 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.

62. Wallace, together with her 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.

63. Wallace understands that she 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 Wallace's certification. If Wallace desires the Administrative Hearing Commission to review this Settlement Agreement, Wallace may submit her request to: Administrative Hearing Commission, Truman State Office Building, Room 640, 301 W. High Street, P.O. Box 1557, Jefferson City, Missouri 65102.

64. If Wallace 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 Wallace's certification. If the Administrative Hearing Commission issues an order stating that the Settlement Agreement

does not set forth cause for discipline, then the MREAC may proceed to seek discipline against Wallace as allowed by law.

65. If Wallace does not request review by the Administrative Hearing Commission, this Settlement Agreement goes into effect immediately upon it being signed by the Executive Director of the MREAC.

LICENSEE

K. Kelly Wallace
K. Kelly Wallace
Date: 9/7/11

**MISSOURI REAL ESTATE
APPRAISERS COMMISSION**

Vanessa Beauchamp
Vanessa Beauchamp, Executive Director
Date: 9-13-11

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