

**BEFORE THE MISSOURI
REAL ESTATE APPRAISERS COMMISSION**

MISSOURI REAL ESTATE)	
APPRAISERS COMMISSION,)	
)	
Petitioner,)	
)	
v.)	No. 2007-000946
)	
MICHAEL FITCH,)	
)	
Respondent.)	

**FINDINGS OF FACT, CONCLUSIONS OF LAW
AND DISCIPLINARY ORDER**

Pursuant to § 620.153, the Missouri Real Estate Appraisers Commission (the “MREAC”) hereby issues this **ORDER REVOKING** the state residential real estate appraiser certification of Michael Fitch.

I.

In support of the foregoing, the MREAC hereby states:

FACTUAL BASIS

1. The MREAC is an agency of the state of Missouri created and established pursuant to § 339.507, RSMo, for the purpose of executing and enforcing the provisions of § 339.500 to § 339.549, RSMo (as amended).
2. Respondent Michael Fitch is a Missouri certified residential real estate appraiser with a probated Missouri Certificate (Certificate #2007000946).
3. On November 28, 2006, the MREAC issued its Order of the Missouri Real Estate Appraisers Commission Issuing a Probated Certification to Michael Fitch (the “Order”). In the Order, the

MREAC granted a probated certification to Fitch as a state-certified residential real estate appraiser.

4. The terms of the probationary period in the Order are stated, in pertinent part, as follows:

7. During the probationary period, Fitch shall comply with all applicable provisions of Chapter 339, RSMo, as amended, all applicable MREAC regulations and all applicable federal and state laws. "State" includes the state of Missouri, all other states and territories of the United States, and the ordinances of their political subdivisions.

5. Section 339.535, RSMo, which requires compliance with the Uniform Standards of Professional Appraisal Practice, 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

6. On or about September 4, 2007, Fitch completed and signed a Summary Appraisal Report for residential real estate located at 8200 East 107th Street, Kansas City, Missouri 64134 (the "East 107th Street property"). The effective date of the appraisal report was August 30, 2007. This appraisal valued the property at \$115,000. This appraisal shall be referred to hereinafter as the "East 107th Street Appraisal Report."

7. Pursuant to § 339.535, RSMo, and the terms and conditions of the Order, Fitch was required to develop and report the results of the East 107th Street Appraisal in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), 2006 Edition.

8. The East 107th Street Appraisal Report was prepared for Lender One.

9. In the preparation of the East 107th Street Appraisal Report, Fitch made the following errors and/or omissions:

- a. Incorrectly reported property features by identifying the residence as having a full basement, two bathrooms, and on public sewers when it actually had no basement, one-and-a-half bathrooms, and on a septic system;
- b. Used all superior comparables in features and location without adjustments and made unsupported, overly low adjustments for the subject property that created an inflated value for that property;
- c. Used cost figures that are extremely high for the marketplace and stated condition of the subject property;
- d. The cost figures cannot be replicated by referencing the Marshall and Swift Handbook cited in the appraisal report;
- e. Misrepresented that that the sale of the subject property was a “standard sale between two parties with no adverse stress involved,” when, according to the seller, the subject property was a distressed sale;
- f. In the Repair and Maintenance Addendum, after identifying an “Estimated Value of the Subject Property ‘As Is’ \$72,000,” failed to provide support or analysis regarding the \$72,000 estimate; and

g. Failed to explain an estimated value of \$115,000 under the sales comparison approach, which was the top of the range given, despite stating that “(a)ll comparables were given equal consideration in determining a value.”

12. As a result of the foregoing, Assistant Attorney General Kevin Hall filed a complaint with the MREAC requesting that a probation violation hearing be held by the MREAC to determine whether further disciplinary action was warranted.

14. Pursuant to § 620.153, RSMo 2000, the MREAC set this matter for a probation violation hearing on February 4, 2009, at 9:45 a.m., and served notice of said hearing upon Respondent Fitch in a proper and timely fashion.

15. The MREAC subsequently held the probation violation hearing on February 4, 2009, as scheduled. The MREAC was represented by Assistant Attorney General Kevin Hall. Respondent Fitch was present at the hearing and was not represented by counsel.

16. During the probation violation hearing, Respondent Fitch admitted that he committed violations of Chapter 339 in completing the appraisal at the East 107th Street as alleged in the probation violation complaint.

II.

CONCLUSIONS OF LAW

17. Pursuant to § 620.153, RSMo, 2000, and page 7, paragraph 10 of the Order, the MREAC has authority to impose additional discipline against Respondent Fitch for

violating any disciplinary terms previously imposed or agreed to pursuant to settlement against a licensee.

18. Section 620.153, RSMo 2000, provides:

Any board, commission or committee within the division of professional registration may impose additional discipline when it finds after hearing that a licensee, registrant or permittee has violated any disciplinary terms previously imposed or agreed to pursuant to settlement. *The board, commission or committee may impose as additional discipline, any discipline it would be authorized to impose in an initial disciplinary hearing.*

19. Page 7, paragraph 10 of the Order states, in pertinent part:

If Fitch fails to comply with the terms of this order during the probationary period, in any respect, the MREAC may choose to conduct a hearing before it either during the probationary period, or as soon thereafter as a hearing can be held, to determine whether a violation occurred. In the event MREAC determines that Fitch has violated any term or condition of this Order, the MREAC may, in its discretion, vacate this Order and may impose additional discipline as deemed appropriate by the MREAC, including revocation of the certificate, pursuant to § 620.153, RSMo. The MREAC has continuing jurisdiction to hold a hearing to determine if a violation of this Order has occurred.

20. The MREAC finds Respondent has violated the terms and conditions of his disciplinary probation because in the preparation of the East 107th Street Appraisal Report, Fitch violated USPAP Standards 1 and 2, Standard Rules 1-1(a), (b), and (c), 1-2(e) and (e)(i), 1-4(a), (b)(i), (ii), and (iii), 1-5(a), 2-1(a), (b), and (c), and/or 2-2(b)(iii) and (x).

21. By failing to comply with USPAP in the preparation of the East 107th Street Appraisal Report, the MREAC finds that Respondent Fitch violated § 339.535,

RSMo, and the terms of his probation, providing cause to further discipline his certification under § 620.153, RSMo.

22. Respondent was initially placed on probation for numerous failures to comply with Chapter 339 similar to those at issue in this probation violation matter. Respondent's ability to follow Missouri law and the rules of the MREAC are crucial. Respondent admits that he has failed to comply with the requirements of Chapter 339.

23. Accordingly, Respondent Fitch's state residential real estate appraiser certification is subject to further disciplinary action by the MREAC pursuant to § 620.153, RSMo 2000.

24. In light of the foregoing, the MREAC has determined that this Order is necessary to ensure the protection of the public.

III.

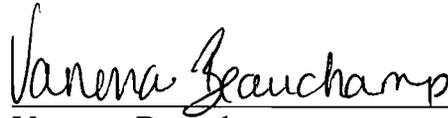
ORDER

25. Based on the foregoing, and after having fully considered all the evidence, it is the **ORDER** of the MREAC that Respondent's state residential real estate appraiser certification (Certificate #2007000946) is hereby **REVOKED**, as of effective date of this Order. Upon receipt of this Order, Respondent shall immediately return all evidence of licensure to the Commission.

26. The MREAC will maintain this Order as an open record as provided in Chapters 339, 610 and 620, RSMo, as amended.

SO ORDERED EFFECTIVE, THIS 10th day of February, 2009.

**MISSOURI REAL ESTATE
APPRAISERS COMMISSION**



Vanessa Beauchamp,
Executive Director
Missouri Real Estate Appraisers Commission