

BEFORE THE MISSOURI
STATE REAL ESTATE APPRAISERS COMMISSION

MISSOURI REAL ESTATE APPRAISERS))	
COMMISSION,)	
)	
Petitioner,)	
)	
v.)	No. 12-0280 RA
)	
MICHAEL ISOM,)	
)	
Respondent.)	

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

I.

Statement of the Case

On or about July 24, 2012, the Administrative Hearing Commission entered its Default Decision in the case of *Missouri Real Estate Appraisers Commission v. Michael Isom*, Case No. 12-0280 RA. In this Default Decision, the Administrative Hearing Commission entered a default decision against Respondent establishing that the Real Estate Appraisers Commission (“MREAC”) has cause to discipline Respondent under § 339.532.2(5), (6), (7), (10), (14) and (15), RSMo. On or about September 10, 2012, the Administrative Hearing Commission certified the records of its proceedings, its July 24, 2012 Default Decision and the complaint on which the Default Decision was based, to the MREAC.

The MREAC has received and reviewed the record of the proceedings before the Administrative Hearing Commission, its Default Decision and the complaint on which the Default Decision was based, and such records are hereby adopted and incorporated herein by reference.

Pursuant to notice and § 621.110 and § 339.532.3, RSMo, the MREAC held a hearing on October 23, 2012, at approximately 8:50 a.m., at the Missouri Council of School Administrators Building, 3530 Amazonas Drive, Jefferson City, Missouri, for the purpose of determining the appropriate disciplinary action against Respondent's certificate. The MREAC was represented by Assistant Attorney General Megan Fewell. Respondent was not present for the hearing and was not represented by legal counsel. After being present and considering all of the evidence presented during the hearing, the MREAC issues the following Findings of Facts, Conclusions of Law and Order.

II.

Findings of Fact

1. Respondent, Michael Isom, is certified by the MREAC as a state-certified residential real estate appraiser, certificate no. 2005006899. Such certification is currently expired.

2. The MREAC hereby adopts and incorporates herein the Findings of Fact contained in the July 24, 2012 Default Decision of the Administrative Hearing Commission and the complaint on which it was based in *Missouri Real Estate Appraisers Commission v. Michael Isom*, Case No. 12-0280 RA.

3. In its July 24, 2012 Default Decision, the Administrative Hearing Commission found the MREAC had grounds to discipline Respondent's certificate pursuant to § 339.532.2(5), (6), (7), (10), (14) and (15), RSMo.

4. The MREAC set this matter for disciplinary hearing and served notice of the disciplinary hearing upon Respondent in a proper and timely fashion.

III.

CONCLUSIONS OF LAW

5. The MREAC has jurisdiction over this proceeding pursuant to § 621.110 and § 339.532.3, RSMo.

6. The MREAC expressly adopts and incorporates by reference the Conclusions of Law in the July 24, 2012 Default Decision of the Administrative Hearing Commission and the complaint on which it was based in *Missouri Real Estate Appraisers Commission v. Michael Isom*, Case No. 12-0280 RA, finding cause to discipline Respondent's certificate as a state-certified residential real estate appraiser pursuant to § 339.532.2(5), (6), (7), (10), (14) and (15), RSMo.

7. As a result of the foregoing, and as identified in the July 24, 2012 Default Decision of the Administrative Hearing Commission, Respondent's certificate as a state-certified residential real estate appraiser is subject to disciplinary action by the MREAC, pursuant to § 339.532.2(5), (6), (7), (10), (14) and (15), RSMo.

8. The MREAC has determined that this Order is necessary to ensure the protection of the public.

IV.

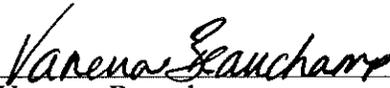
Order

A. Having fully considered all the evidence before the MREAC, and giving full weight to the Default Decision of the Administrative Hearing Commission, it is the **ORDER** of the MREAC, that Respondent's certificate as a state-certified residential real estate appraiser, certificate 20005006899, is hereby **REVOKED** from the effective date of this Order. Upon receipt of this Order, Respondent shall immediately return all evidence of licensure to the MREAC.

B. The MREAC will maintain this Order as an open record of the MREAC as provided in Chapters 324, 339, and 610, RSMo, as amended.

SO ORDERED, THIS 25th day of October, 2012.

**MISSOURI REAL ESTATE
APPRAISERS COMMISSION**



Vanessa Beauchamp,
Executive Director,
Missouri Real Estate Appraisers Commission

BEFORE THE
ADMINISTRATIVE HEARING COMMISSION
STATE OF MISSOURI

FILED

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ADMINISTRATIVE HEARING
COMMISSION

MISSOURI REAL ESTATE)
APPRAISERS COMMISSION,)
3605 Missouri Boulevard)
P.O. Box 1335)
Jefferson City, MO 65102,)

Petitioner,)

v.)

MICHAEL ISOM)
287 Maywood Drive)
East Alton, IL 62024)
(618) 250-2026)

Respondent.)

Case No. 12-0780 RA

COMPLAINT

Petitioner, the Missouri Real Estate Appraisers Commission, by and through its counsel, the Attorney General of the State of Missouri, states as follows for its cause of action against Respondent, Michael Isom:

ALLEGATIONS COMMON TO ALL COUNTS

1. The Missouri Real Estate Appraisers Commission ("MREAC") was established pursuant to § 339.507, RSMo¹, for the purpose of executing and enforcing the provisions of §§ 339.500 through 339.549, RSMo.

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

2. Respondent Michael Isom (“Isom”) is certified by the MREAC as a state-certified residential real estate appraiser, certificate no. 2005006899. Such certification is and was at all times relevant to this action current and active.

3. Jurisdiction and venue are proper before the Administrative Hearing Commission pursuant to § 621.045, RSMo Supp. 2011 and § 339.532.2, RSMo Supp. 2011.

4. 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:

* * *

(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;

* * *

(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;

(15) Obtaining or attempting to obtain any fee, charge, tuition or other compensation by fraud, deception or misrepresentation[.]

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.

6. In June of 2009, Isom contacted Racine Leahy ("Leahy") by telephone and attempted to induce her into refinancing her home mortgage. Isom stated that he had completed an appraisal on Leahy's home two years prior when Leahy refinanced with Golden Oak Lending.

7. Isom stated that he was now working with Creative Mortgage Concepts ("Creative") and Leahy should consider refinancing her loan again with Creative since the interest rates were so low.

8. Subsequently, Leahy completed Isom's application for a refinanced loan and faxed it to him on or about July 13, 2009.

9. Within hours of the receipt of Leahy's application, Isom contacted Leahy and stated he would be by later that day to appraise the house.

10. Leahy expressed her belief that Isom was acting as a mortgage broker and asked how he could complete the appraisal of her house.

11. Isom replied that he would appraise her house and that Mark Johnson, Isom's partner, would handle the loan.

12. Isom requested that Leahy make a check payable to him in the amount \$350.00 for his appraisal services and that such check should be tendered upon Isom's appraisal of the property.

13. Isom told Leahy if her house did not appraise for a conventional loan that he would personally reimburse Leahy the \$350.00.

14. Isom came to Leahy's residence, completed his appraisal in less than five minutes and collected a check for the amount of \$350 payable to himself from Leahy's husband, Richard Leahy.

15. After not hearing from Isom for a couple of weeks, Leahy contacted Isom to check the status of her application.

16. Isom stated that everything looked good, however, Leahy's residence only appraised for \$260,000 and that he could only get Leahy an FHA loan at 5.37 percent.

17. Leahy told Isom that she was not interested in the refinance and that she would like her \$350 back as Isom had promised.

18. On or about July 29, 2009, Leahy mailed Isom and Johnson a letter stating that she would come by in order to receive the return of her \$350.

19. On or about August 7, 2009, Leahy drove to Isom's office and found Isom sitting behind a desk.

20. Upon Leahy's request, Isom was unable to present Leahy with any documentation and admitted that he knew he did not do things as he should and that he was just trying to make a living.

21. Isom told Leahy that he felt bad about what had happened and that he would reimburse her the \$350 within two weeks. Isom also asked Leahy not to return to his office.

22. After multiple failed attempts to collect the money from Isom, on or about August 26, 2009, Leahy retained an attorney who sent Isom a letter demanding the money.

23. As of today, Leahy has still not received her money.

24. On or about September 21, 2009, Leahy filed a complaint with Respondent in regards to Isom's conduct as alleged above.

25. On or about October 1, 2009, Respondent mailed a copy of Leahy's complaint to Isom's address as registered with the MREAC, by certified mail, and requested Isom to respond in writing to the allegations in the complaint and within the limits of the law provide all pertinent documents including a full copy of the appraisal, work file, and the appraisal request no later than November 1, 2009.

26. Isom failed to respond to Respondent's October 1, 2009 letter in violation of § 339.537, RSMo Supp. 2011, which states:

State-certified real estate appraisers and state licensed real estate appraisers shall retain originals or true copies of contracts engaging an appraiser's services for appraisal assignments, specialized appraisal services, appraisal reports, and supporting data assembled and formulated in preparing appraisal reports, for five years. The period for retention of the records applicable to each engagement of the services of the state-certified real estate appraiser or state-licensed real estate appraiser shall run from the date of the submission of the appraisal report to the client. Upon requests by the commission, these records shall be made available by the state-certified real estate appraiser or state-licensed real estate appraiser for inspection and copying at his or her expense, by the commission on reasonable notice to the state-certified real estate appraiser or state-licensed real estate appraiser. When litigation is contemplated at any time, reports and records shall be retained for two years after the final disposition.

27. Isom's completion of the appraisal, as described above, is in violation of the USPAP Ethics Rule, 2008-2009 edition, which states:

An appraiser must not misrepresent his or her role when providing valuation services that are outside of appraisal practice.

28. Isom's completion of the appraisal, as described above, is in violation of the USPAP Ethics Rule, 2008-2009 edition, regarding conduct, which states in part:

An appraiser must perform assignments ethically and competently, in accordance with USPAP.

An appraiser must perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interests.

An appraiser must not advocate the cause or interest of any party or issue.

29. Isom's conduct, as alleged above, constitutes incompetency, misconduct, gross negligence, dishonesty, fraud, or misrepresentation in the performance of the functions or duties of a licensed real estate appraiser.

30. Isom's conduct, as alleged above, constitutes a violation of the professional trust and/or confidence he owed to Leahy.

31. Isom's conduct, as alleged above, constitutes obtaining a fee, charge, tuition or other compensation by fraud, deception or misrepresentation.

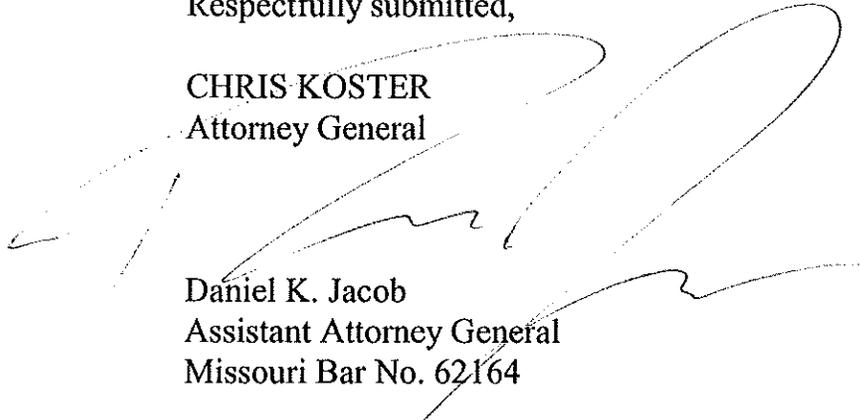
32. Isom's conduct, as alleged above, provides cause to discipline his license pursuant to § 339.532.2(5), (6), (7), (10), (14) and (15), RSMo Supp. 2011.

CONCLUSION

WHEREFORE, MREAC respectfully prays this Commission conduct a hearing in this cause pursuant to Chapter 621, RSMo, and thereafter issue its Findings of Fact and Conclusions of Law that Isom's real estate appraiser's certification is subject to disciplinary action by MREAC for violations of §§ 339.500 through 399.549, RSMo, as amended, and MREAC's regulations promulgated thereunder, and for such other relief as the Commission deems appropriate.

Respectfully submitted,

CHRIS KOSTER
Attorney General



Daniel K. Jacob
Assistant Attorney General
Missouri Bar No. 62164

6th Floor, Broadway State Office
Building
221 West High Street
P.O. Box 899
Jefferson City, MO 65102
Telephone: 573-751-7728
Telefax: 573-751-5660

Attorneys for Petitioner

Before the
Administrative Hearing Commission
State of Missouri



MISSOURI REAL ESTATE)
APPRAISERS COMMISSION,)

Petitioner,)

vs.)

MICHAEL ISOM,)

Respondent.)

No. 12-0280 RA

DEFAULT DECISION

On February 21, 2012, Petitioner filed a properly pled complaint seeking to discipline Respondent. Respondent was served with a copy of the complaint and our notice of complaint/notice of hearing by personal service on April 18, 2012.

More than thirty days have elapsed since Respondent was served. Respondent has not filed an answer or otherwise responded to the complaint. On June 4, 2012, Petitioner filed a motion to enter a default decision. We gave Respondent until June 25, 2012, to respond, but he did not respond.

In accordance with § 621.100.2,¹ we enter a default decision against Respondent establishing that Petitioner has cause to discipline Respondent under § 339.532.2(5), (6), (7), (10), (14) and (15). This default decision shall become final and will not be set aside unless a motion is filed with this Commission within thirty days of the date of this order establishing good cause for not responding to the complaint and stating facts constituting a meritorious defense.

SO ORDERED on July 24, 2012.



MARY E. NELSON
Commissioner

¹Statutory references are to RSMo Supp. 2011.