

SETTLEMENT AGREEMENT BETWEEN MISSOURI REAL ESTATE  
APPRAISERS COMMISSION AND PAUL LEVOTA

Paul LeVota (“LeVota”) and the Missouri Real Estate Appraisers Commission (“MREAC”) enter into this Settlement Agreement for the purpose of resolving the question of whether LeVota’s license as a real estate appraiser, No. 2005009891, will be subject to discipline. Pursuant to § 536.060, RSMo 2000,<sup>1</sup> 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. 2008. The MREAC and LeVota jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo Cum. Supp. 2008.

LeVota 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 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 LeVota may present evidence in mitigation of discipline; the right

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

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, LeVota 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.

LeVota 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. LeVota stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREAC that LeVota's license as a real estate appraiser, No. 2005009891, is subject to disciplinary action by the MREAC in accordance with the relevant provisions of Chapter 621, RSMo Cum. Supp. 2008, and §§ 339.500 to 339.549, RSMo, as amended.

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

1. The MREAC was established pursuant to § 339.507, RSMo, for the purpose of executing and enforcing the provisions of §§ 339.500 through 339.549, RSMo.

2. Section 339.532.2, RSMo, states in part:

2. 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:

....

(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[.]

3. LeVota is licensed by the MREAC as a state-licensed real estate appraiser, No. 2005009891. Such license is and was at all times relevant to this action current and active.

4. 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.”

5. On or about July 21, 2006, LeVota completed and signed a summary appraisal report for residential real estate located at 5505 NW 90th Street, Kansas City, Missouri 64154 (“the NW 90th Street property”). The effective date of the appraisal report was July 21, 2006. This appraisal valued the property at \$251,000.

6. LeVota was required to develop and report the results of the NW 90th Street Appraisal in compliance with the USPAP, 2006 Edition.

7. The NW 90th Street Appraisal Report was prepared for Assured Mortgage LLC, a Missouri limited liability corporation.

8. In the preparation of the NW 90th Street Appraisal Report, LeVota failed to sufficiently adjust for the age of the comparable sales and failed to support his adjustments with comparable data in violation of USPAP Standard Rule (“S-R”) 1-4(a).

9. By failing to sufficiently adjust for the age of the comparable sales, LeVota reported a value opinion that was not reasonable in violation of S-R 1-1(a).

10. In the preparation of the NW 90th Street Appraisal Report, LeVota incorrectly reported the value range in the neighborhood in violation of USPAP S-R 1-1(a).

11. In the preparation of the NW 90th Street Appraisal Report, LeVota reported that according to MLS records, there had been no previous sales of the subject property in the prior three years.

12. A prior sale of the subject property occurred on July 28, 2003, and that sale was reported in MLS as MLS No.1102021.

13. By failing to report and analyze the prior sale of the subject property, LeVota violated S-R 1-5(b) and 2-2(b)(viii).

14. In the preparation of the NW 90th Street Appraisal Report, LeVota added a \$10,000 “lump sum adjustment” to the estimated construction costs without any explanation and no apparent reason for the additional cost in violation of S-R 1-4(b).

15. Based on LeVota’s errors and omissions in developing and reporting the results of the NW 90th Street Appraisal, as stated above, LeVota failed to correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal in violation of USPAP Standard 1 and S-R 1-1(a).

16. Based on LeVota’s errors and omissions in developing and reporting the results of the NW 90th Street Appraisal, as stated above, LeVota committed substantial errors of omission and commission that significantly affected the appraisal in violation of USPAP Standard 1 and S-R 1-1(b).

17. Based on LeVota's errors and omissions in developing and reporting the results of the NW 90th Street Appraisal , as described above, LeVota failed to prepare a report that contained sufficient information to enable the intended users of the appraisal to understand the report properly and violated USPAP Standard 2 and S-R 2-1(b).

18. By failing to provide adequate support for the reasoning and conclusions in the Sales Comparison Analysis and the Cost Approach in the NW 90th Street Appraisal Report, as described above, LeVota failed to summarize the information analyzed; the appraisal procedures followed; and the reasoning that supports the analysis, opinions, and conclusions, in violation of USPAP S-R 2-2(b)(ix).

19. LeVota's conduct, as described above, 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 his real estate appraiser license pursuant to § 339.532.2(6), RSMo.

20. Each of LeVota's USPAP violations, as described above, constitutes a violation of § 339.535, RSMo, providing cause to discipline his real estate appraiser license pursuant to § 339.532.2(7) and (10), RSMo.

21. LeVota's conduct, as described above, demonstrates that LeVota rendered appraisal services in violation of USPAP Standards 1 and 2, the USPAP Standard Rules cited above, and § 339.535, RSMo, providing cause to discipline LeVota's license as a state-licensed real estate appraiser pursuant to § 339.532.2 (6), (7), and (10), RSMo.

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, 621.045.3, and 621.110, RSMo.

1. **LeVota's license is on probation.** LeVota's license as a real estate appraiser is hereby placed on PROBATION for a period of SIX MONTHS. The period of probation shall constitute the "disciplinary period." During the disciplinary period, LeVota shall be entitled to practice as a real estate appraiser under §§ 339.500 to 339.549, RSMo, as amended, provided LeVota adheres to all the terms of this agreement.

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

A. LeVota shall submit a written report to the MREAC by no later than August 1, 2009, stating truthfully whether there has been compliance with all terms and conditions of this Settlement Agreement. LeVota shall submit a final written report to the MREAC 30 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. LeVota is responsible for assuring that the reports are submitted to and received by the MREAC.

B. During the disciplinary period, LeVota 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 July 1, 2009. A final log shall be submitted to the MREAC 30 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. LeVota is responsible for assuring that the logs are submitted to and received by the MREAC. Upon MREAC request, LeVota shall submit copies of his work samples for MREAC review.

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

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

F. During the disciplinary period, LeVota 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. Any cause to discipline LeVota's license 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 Settlement Agreement.

G. LeVota 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. LeVota 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, LeVota removes himself from the State of Missouri, ceases to be currently licensed 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, unlicensed status, or unknown whereabouts shall not be deemed or taken as any part of the disciplinary period.

J. Conviction of a crime during the disciplinary period will be considered a violation of discipline.

3. Upon the expiration of the disciplinary period, the license of LeVota shall be fully restored if all requirements of law have been satisfied; provided, however, that in the event the MREAC determines that LeVota has violated any term or condition of this Settlement Agreement, the MREAC may, in its discretion, after an evidentiary hearing,

vacate and set aside the discipline imposed herein and may suspend, revoke, or otherwise lawfully discipline LeVota's license.

4. No additional discipline shall be imposed by the MREAC pursuant to the preceding paragraph of this Settlement Agreement without notice and opportunity for hearing before the MREAC as a contested case in accordance with the provisions of Chapter 536, RSMo.

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

6. 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.

7. If any alleged violation of this Settlement Agreement 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.

LeVota agrees and stipulates that the MREAC has continuing jurisdiction to hold a hearing to determine if a violation of this Settlement Agreement has occurred.

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

9. 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.

10. 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.

11. LeVota, together with his partners, shareholders, officers, directors, 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.

12. LeVota understands that he may, either at the time the Settlement Agreement is signed by all parties, or within 15 days thereafter, submit the agreement to the Administrative Hearing Commission for determination that the facts agreed to by the parties constitute grounds for disciplining LeVota's license. If LeVota desires the Administrative Hearing Commission to review this Settlement Agreement, LeVota may submit his request to: Administrative Hearing Commission, Truman State Office Building, Room 640, 301 West High Street, P.O. Box 1557, Jefferson City, Missouri 65102.

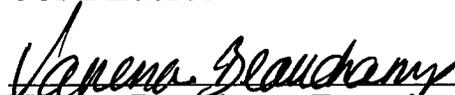
If LeVota requests review, this Settlement Agreement shall become effective on the date the Administrative Hearing Commission issues its order finding that the Settlement Agreement sets forth cause for disciplining LeVota's license. If LeVota does not request review by the Administrative Hearing Commission, the Settlement Agreement goes into effect 15 days after the document is signed by the Executive Director of the MREAC.

LICENSEE

  
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Paul LeVota

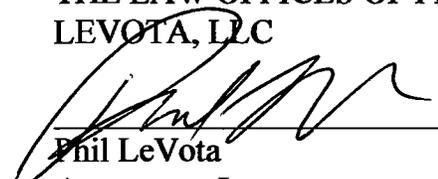
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MISSOURI REAL ESTATE APPRAISERS  
COMMISSION

  
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Vanessa Beauchamp, Executive Director

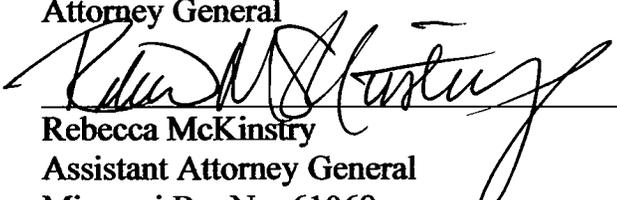
Date 6-30-09

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Attorneys for Missouri Real Estate  
Appraisers Commission

**ADDENDUM TO SETTLEMENT AGREEMENT BETWEEN MISSOURI REAL ESTATE APPRAISERS COMMISSION AND PAUL LEVOTA, SIGNED BY PAUL LEVOTA ON JUNE 15, 2009**

1. LeVota waives his right to submit the attached settlement agreement to the administrative hearing commission for determination that the facts agreed to by the parties to the settlement constitute grounds for denying or disciplining the license of the licensee pursuant to §621.045.4(3).

2. LeVota and the Missouri Real Estate Appraisers Commission agree that the effective date of the attached settlement agreement shall be June 30, 2009.

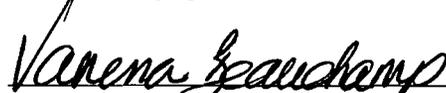
3. It is understood by all parties that all other terms and conditions of the attached settlement agreement remain unchanged.

LICENSEE

  
\_\_\_\_\_  
Paul LeVota

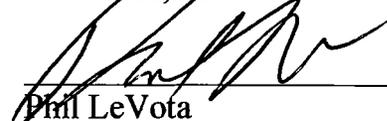
Date 6-15-09

MISSOURI REAL ESTATE APPRAISERS COMMISSION

  
\_\_\_\_\_  
Vanessa Beauchamp, Executive Director

Date 6-30-09

THE LAW OFFICES OF PHIL LEVOTA, LLC

  
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