

SETTLEMENT AGREEMENT
BETWEEN
MISSOURI REAL ESTATE APPRAISERS COMMISSION
AND
ROBERT B. STOLTZ

Robert B. Stoltz (“Stoltz”) and the Missouri Real Estate Appraisers Commission (“MREAC”) enter into this Settlement Agreement for the purpose of resolving the question of whether Stoltz’s certification as a state-certified general real estate appraiser, no. RA001157, will be subject to discipline. Pursuant to § 536.060, RSMo 2000, 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. 2010. The MREAC and Stoltz jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo Supp. 2010.

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Stoltz 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 Stoltz 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, Stoltz 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.

Stoltz 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 regulations the MREAC believes were violated. Stoltz stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREAC that Stoltz's certification as a state-certified general real estate appraiser, certificate no. RA001157, is subject to disciplinary action by the MREAC in accordance with the relevant provisions of Chapter 621, RSMo, and §§ 339.500 through 339.549, RSMo, as amended.

Stoltz relies upon legal precedent from the Appellate Courts of the State of Missouri, specifically, State ex rel. Mallan v. Huesemann, 942 S.W.2d 424 (Mo.App. 1997), for judicial precedent that the fact of his entering into the Settlement Agreement and Joint Stipulation is inadmissible in any civil action relating to the facts and circumstances as set forth in the Complaint of the MREAC. The parties stipulate and agree that the disciplinary order agreed to by the MREAC and Stoltz in Part II herein is based only on the agreement set out in Part I herein. Stoltz 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 Stoltz herein jointly stipulate to

the following:

1. The Missouri Real Estate Appraisers Commission (“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:

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

[.]

3. Respondent Robert B. Stoltz (“Stoltz”) is certified by the Commission as a state-certified general real estate appraiser, certificate no. RA001157. Such certification 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. USPAP Standard Rule 1 States:

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

6. USPAP Standard Rule 2 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.

Main Appraisal Report

7. On or about April 3, 2009, Stoltz completed and signed a summary appraisal report for commercial real estate located at 366 Main St., Gerald, MO 63037 (“the Main property”). The effective date of the appraisal report was April 2, 2009. This appraisal valued the property at \$137,000. This appraisal shall be referred to hereinafter as the “Main Appraisal Report.”

8. Stoltz was required to develop and report the results of the Main Appraisal in compliance with the Uniform Standards of Professional Appraisal Practice (“USPAP”), 2008 Edition. A copy of the provisions of USPAP cited in this Count are attached as Exhibit 1 and incorporated herein by reference.

9. The Main Appraisal Report was prepared for Community Bank, a Missouri bank.

10. In preparation of the Main Appraisal Report, Stoltz made significant and substantial errors of omission and commission, including, but not limited to:

- a. improperly uses the departure rule which is outdated and no longer recognized;
- b. the written appraisal report included inconsistencies in the development of the appraisal;
- c. failed to state the real estate taxes for the subject property;
- d. failed to identify and describe physical, legal and economic attributes for the subject property;

- e. failed to provide data relative to market trends within the city of Gerald, Missouri;
- f. failed to explain whether the subject's current use is or is not a grandfathered legal non-conforming use;
- g. improperly stated the zoning as "generally commercial, by the city of Gerald," when the correct zoning is B-1 Commercial;
- h. failed to provide reconciliation that would support the appraiser's quality and quantity of data; and
- i. failed to reconcile the applicability and relevance of the approaches, methods and techniques used to arrive at the value conclusions.

11. In the preparation of the Sales Comparison Analysis in the Main Appraisal Report, Stoltz made significant and substantial errors of omission and commission, including, but not limited to:

- j. failed to collect, verify, analyze, summarize, and explain the information available for credible assignment results regarding comparable sale one, including but not limited to:
 - i. failed to collect, verify, and analyze data that would support the gross building area of comparable sale one;
 - ii. failed to collect, verify, and analyze data that would support whether the second floor of comparable sale one was finished or unfinished;

- iii. failed to collect, verify, and analyze data regarding the age and condition within comparable sale one's written description;
 - iv. failed to collect, verify, and analyze data necessary to support whether any business assets or personal property transferred when the MLS listing noted the possibility that business interest and personal property may be included in the sale;
 - v. failed to collect, verify, and analyze data necessary to support comparable sale one's similar occupancy or use to the subject property; and
 - vi. failed to collect, verify, and analyze data necessary to support comparable sale one's square foot adjustment.
- k. Failed to collect, verify, analyze, summarize, and explain the information available for credible assignment results regarding comparable sale two, including but not limited to:
- i. failed to collect, verify, and analyze data necessary to support comparable sale two's age and condition;
 - ii. failed to collect, verify, and analyze data necessary to support comparable sale two's gross building area;
 - iii. failed to collect, verify, and analyze data necessary to

support comparable sale two's days on the market;

iv. failed to collect, verify, and analyze data necessary to support the division of the property's rental offices and

residential apartments;

v. failed to collect, verify, and analyze data necessary to support the property's income;

vi. failed to collect, verify, and analyze data necessary to support comparable sale two's square foot adjustment; and

vii. failed to collect, verify, and analyze data necessary to support the development of a gross annual rent multiplier, as data was available in the MLS file to support it.

1. failed to collect, verify, analyze, summarize, and explain the information available for credible assignment results regarding comparable sale three, including but not limited to:

i. failed to collect, verify, and analyze data necessary to support an auxiliary single family residence that transferred with comparable sale three;

ii. failed to collect, verify, and analyze data necessary to support comparable sale three's age and condition;

iii. failed to collect, verify, and analyze data necessary to support comparable sale three's gross building area; and

- iv. failed to collect, verify, and analyze data necessary to support comparable sale three's days on the market.

12. In the preparation of the Cost Approach in the Main Appraisal Report, Stoltz made significant and substantial errors of omission and commission, including, but not limited to:

- m. failed to collect, verify, analyze, summarize, and explain the data necessary to support whether comparable sale 1 was located in a commercial zoned location or not;
- n. failed to collect, verify, analyze, summarize, and explain the data necessary to support the cost approach;
- o. failed to collect, verify, analyze, summarize, and explain the data necessary to support the methodology utilized to form an opinion of physical depreciation based on any acceptable appraisal method;
- p. failed to collect, verify, and analyze data necessary to support an effective age estimate of 20 years for a 109 year old improvement;
and
- q. failed to collect, verify, analyze, summarize, and explain the data necessary to support accrued depreciation by sales abstraction or other appraisal methods.

13. In the preparation of the Income Approach in the Main Appraisal Report, Stoltz made significant and substantial errors of omission and commission,

including, but not limited to:

- r. failed to collect, verify, analyze, summarize, and explain the data that would support comparable market rent, net or gross income potential or expense;
- s. improperly contained unsupported information provided by a real estate broker;
- t. failed to collect, verify, analyze, summarize, and explain the data necessary to support current income and expenses;
- u. failed to collect, verify, analyze data necessary to support market derived expenses;
- v. failed to collect, verify, analyze, summarize, and explain the data necessary to support rates of capitalization and rates of discount; and
- w. failed to collect, verify, analyze, summarize, and explain the data necessary to support the equity dividend rate.

14. The Main Appraisal Report is not credible and is misleading, in violation of USPAP Standards 1 and 2.

15. Stoltz errors and omissions in the preparation of the Sales Comparison Analysis, the Cost Approach, and the Income Approach, as stipulated above, constitute violations of USPAP Standard 1 and Standards Rule (“SR”) 1-4 (a), (b), and (c), respectively, which states:

In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results.

(a) When a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

(b) When a cost approach is necessary for credible assignment results, an appraiser must:

(i) develop an opinion of site value by an appropriate appraisal method or technique;

(ii) analyze such comparable cost data as are available to estimate the cost new of the improvements (if any); and

(iii) analyze such comparable data as are available to estimate the difference between the cost new and the present worth of the improvements (accrued depreciation).

(c) When an income approach is necessary for credible assignment results, an appraiser must:

(i) analyze such comparable rental data as are available and/or the potential earnings capacity of the property to estimate the gross income potential of the property;

(ii) analyze such comparable operating expense data as are available to estimate the operating expenses of the property;

(iii) analyze such comparable data as are available to estimate rates of capitalization and/or rates of discount; and

(iv) base projections of future rent and/or income potential and expenses on reasonably clear and appropriate evidence.

2)

16. Based on Stoltz's errors and omissions in developing and reporting

the results of the Main Appraisal, as stipulated above, Stoltz 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),(b) and (c), which state:

2) 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;

(b) not commit a substantial error of omission or commission that significantly affects an appraisal; and

(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 Stoltz's errors and omissions in developing and reporting the results of the Main Appraisal, as stipulated above, Stoltz failed to identify the intended use of the appraiser's opinions and conclusions and identify the characteristics of the property that are relevant to the purpose and intended use in violation of USPAP Standard 1 and SR 1-2(b) and (e), which state:

2) In developing a real property appraisal, an appraiser must:

3)

4) . . .

5)

6) (b) identify the intended use of the appraiser's opinions and conclusions;

7)

8) . . .

9)

(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;

(ii) the real property interest to be valued;

(iii) any personal property, trade fixtures, or intangible items that are not real property but are included in the appraisal;

(iv) any known easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of a similar nature; and

(v) whether the subject property is a fractional interest, physical segment, or partial holding;

18. Based on Stoltz's errors and omissions in developing and reporting the results of the Main Appraisal, as stipulated above, Stoltz failed to identify and analyze certain attributes of the property and failed to develop an opinion of the highest and best use in violation of USPAP Standard 1 and SR 1-3(a) and (b), which states:

When necessary for credible assignment results in developing a market value opinion, an appraiser must:

(a) identify and analyze the effect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic supply and demand, the physical adaptability of the real estate, and market area trends; and

2)

3) (b) develop an opinion of the highest and best use of the real estate.

4)

19. Based on Stoltz's errors and omissions in developing and reporting the results of the Main Appraisal, as stipulated above, Stoltz failed to reconcile his data in violation of USPAP Standard 1 and SR 1-6(a) and (b), which state:

In developing a real property appraisal, an appraiser must:

(a) reconcile the quality and quantity of data available and analyzed within the approaches used; and

(b) reconcile the applicability and relevance of the approaches, methods and techniques used to

2) arrive at the value conclusion(s).

20. Based on Stoltz's errors and omissions in developing and reporting the results of the Main Appraisal, as stipulated above, Stoltz failed to clearly and accurately set forth the appraisal in a manner that would not be misleading and violated USPAP Standard 2 and SR 2-1(a), (b) and (c), which state:

2) 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;

(b) contain sufficient information to enable the intended users of the appraisal to understand the report properly; and

(c) clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment.

21. By failing to provide adequate support for the reasoning and conclusions in the Sales Comparison Analysis, the Cost Approach, and the Income Approach in the Main Appraisal Report, as stipulated above, Stoltz failed to summarize the information analyzed, the appraisal procedures followed, and the reasoning that supports the analysis, opinions, and conclusions, in violation of USPAP SR 2-2(b)(ii), (iii), (vii), (viii) and (ix), which state:

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

...

(ii) state the intended use of the appraisal;

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

...

(vii) summarize the scope of work used to develop the appraisal;

(viii) summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;

(ix) state the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal; and, when an opinion of highest and best use was developed by the appraiser, summarize the support and rationale for that opinion;

22. Based on Stoltz's errors and omissions in developing and reporting the results of the Main Appraisal, as stipulated above, Stoltz communicated results in a misleading and fraudulent manner, in violation of the Conduct section of the USPAP Ethics Rule, which states in pertinent part:

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

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. Stoltz's conduct, as stipulated above, demonstrates incompetency and gross negligence in the performance of the functions and duties of a real estate appraiser, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(5), RSMo.

24. Stoltz's conduct, as stipulated 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 certification pursuant to § 339.532.2(6), RSMo.

25. Stoltz's conduct, as stipulated above, demonstrates a failure and refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, and communicating an appraisal, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(8), RSMo.

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

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

28. Stoltz's conduct, as stipulated above, violates the professional trust and confidence he owed to his clients, the intended users of the appraisal report, and the public, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(14), RSMo.

29. Stoltz's conduct, as stipulated above, demonstrates that Stoltz 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 Stoltz's certification as a certified general real estate appraiser real estate appraiser pursuant to §§ 339.532.2(5), (6), (7), (8), (9), (10) and (14), RSMo.

State Route DD Appraisal Report

30. On or about September 16, 2009, Stoltz completed and signed a summary appraisal report for residential real estate located at 303 State Route DD, St. James, MO ("the State Route DD property"). The effective date of the

appraisal report was September 10, 2009. This appraisal valued the property at \$120,000. This appraisal shall be referred to hereinafter as the “State Route DD Appraisal Report.”

31. The State Route DD Appraisal Report was prepared for Metlife Home Loans Reverse Mortgage.

32. Stoltz was required to develop and report the results of the State Route DD Appraisal in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), 2008 Edition.

33. In preparation of the State Route DD Appraisal Report, Stoltz made significant and substantial errors of omission and commission and failed to correctly employ those techniques necessary to produce a credible appraisal, including, but not limited to:

- a. failed to explain or analyze the 5-10 year effective age estimate when the property is reported to be 79 years old;
- b. failed to adequately support the conclusion of value for the subject site, to include any specific site sales information or to utilize a recognized method for arriving at a value for the subject site; and
- c. failed to provide comments regarding the quality and quantity of data available and analyzed within the approaches.

34. In the preparation of the Sales Comparison Analysis in the State Route DD Appraisal Report, Stoltz made significant and substantial errors of

omission and commission and failed to collect, verify, and analyze all information available for a credible assignment results, including, but not limited to:

- a. failed to identify and analyze Comparable Sale 1's newer dwelling construction in 1997 which upgraded the property to a "near new" status with a newer roof, a fenced yard, a 12' x 20' shed with shelving and work bench, and a new deck with a pull-down awning;
- b. failed to identify and analyze Comparable Sale 2's newer dwelling constructed in 2001, with a Jacuzzi tub and wood fence;
- c. failed to identify and analyze Comparable Sale 3's value influencing factors such as the all brick construction, a partially finished basement, a fireplace and a 10' x 20' storage shed;
- d. failed to identify and analyze Comparable Sale 4's fenced yard; and
- e. failed to identify and analyze Comparable Sale 5's 24' x 40' detached garage/shop building.

35. In the preparation of the Cost Approach in the State Route DD Appraisal Report, Stoltz made significant and substantial errors of omission and commission, including, but not limited to:

- a. failed to provide adequate support for the cost approach;
- b. failed to substantiate the source of the cost data; and
- c. failed to support the Average quality rating in the Improvements sections of the appraisal report.

36. The State Route DD Appraisal is not credible and is misleading.

37. Stoltz errors and omissions in the preparation of the Sales Comparison Analysis, the Cost Approach, and the Income Approach, as stipulated above, constitute violations of USPAP Standard 1 and Standards Rule (“SR”) 1-4 (a) and (b)(ii), as stated above.

38. Based on Stoltz’s errors and omissions in developing and reporting the results of the State Route DD Appraisal, as stipulated above, Stoltz 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) and (b), as stated above.

39. Based on Stoltz’s errors and omissions in developing and reporting the results of the State Route DD Appraisal, as stipulated above, Stoltz failed to identify the intended use of the appraiser’s opinions and conclusions and identify the characteristics of the property that are relevant to the purpose and intended use in violation of USPAP Standard 1 and SR 1-2(e)(iv), as stated above.

40. Based on Stoltz’s errors and omissions in developing and reporting the results of the State Route DD Appraisal, as stipulated above, Stoltz failed to reconcile his data in violation of USPAP Standard 1 and SR 1-6(a) and (b), as stated above.

41. Based on Stoltz’s errors and omissions in developing and reporting the results of the State Route DD Appraisal, as stipulated above, Stoltz failed to

clearly and accurately set forth the appraisal in a manner that would not be misleading and violated USPAP Standard 2 and SR 2-1(a), as stated above.

42. Based on Stoltz's errors and omissions in developing and reporting the results of the State Route DD Appraisal, as stipulated above, Stoltz 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 SR 2-1(b), as stated above.

43. By failing to provide adequate support for the reasoning and conclusions in the State Route DD Appraisal, as stipulated above, Stoltz failed to summarize the information analyzed, the appraisal procedures followed, and the reasoning that supports the analysis, opinions, and conclusions, in violation of USPAP SR 2-2(b)(vii), as stated above.

44. Based on Stoltz's errors and omissions in developing and reporting the results of the State Route DD Appraisal, as stipulated above, Stoltz communicated results in a misleading manner in violation of the USPAP Ethics Rule.

45. Stoltz's conduct, as stipulated above, demonstrates incompetency and gross negligence in the performance of the functions and duties of a real estate appraiser, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(5), RSMo.

46. Stoltz's conduct, as stipulated 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 certification pursuant to § 339.532.2(6), RSMo.

47. Stoltz's conduct, as stipulated above, demonstrates a failure and refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, and communicating an appraisal, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(8), RSMo.

48. Stoltz's conduct, as stipulated above, demonstrates negligence and incompetence in developing an appraisal, in preparing an appraisal report, and in communicating an appraisal, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(9), RSMo.

49. Each of Stoltz's USPAP violations, as stipulated above, constitutes a violation of § 339.535, RSMo, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(7) and (10), RSMo.

50. Stoltz's conduct, as stipulated above, violates the professional trust and confidence he owed to his clients, the intended users of the appraisal report, and the public, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(14), RSMo.

51. Stoltz's conduct, as stipulated above, demonstrates that Stoltz 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 Stoltz's certification as a certified general real estate appraiser real estate appraiser pursuant to §§ 339.532.2(5), (6), (7), (8), (9), (10) and (14), RSMo.

Lakeside Drive Appraisal Report

52. On or about September 21, 2009, Stoltz completed and signed a summary appraisal report for residential real estate located at 16837 Lakeside Drive, Newburg, MO 65550 ("the Lakeside Drive property"). The effective date of the appraisal report was September 9, 2009. This appraisal valued the property at \$155,000. This appraisal shall be referred to hereinafter as the "Lakeside Drive Appraisal Report."

53. The Lakeside Drive Appraisal Report was prepared for New Day Financial, LLC, a Delaware limited liability company.

54. Stoltz was required to develop and report the results of the Lakeside Drive Appraisal in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), 2008 Edition.

55. In preparation of the Lakeside Drive Appraisal Report, Stoltz made significant and substantial errors of omission and commission and failed to correctly employ those techniques necessary to produce a credible appraisal,

including, but not limited to:

- a. failed to include a reference or analyze the support for comparative locational characteristics of the comparable sales to the subject;
- b. failed to analyze comparable sales that are closer in proximity and have similar locational characteristics to the subject that were available;
- c. failed to adequately support the conclusion of value for the subject site;
- d. failed to include any specific site sales information or to utilize a recognized method for arriving at a value for the subject site; and
- e. failed to reconcile the quality and quantity of data available and analyzed within the approaches used.

56. In the preparation of the Sales Comparison Analysis in the Lakeside Drive Appraisal Report, Stoltz made significant and substantial errors of omission and commission, including, but not limited to:

- a. failed to identify and analyze comparable sale 1's fireplace;
- b. failed to identify and analyze comparable sale 2's barn and fireplace;
and
- c. failed to identify and analyze comparable sale 3's several buildings and geothermal heat source.

57. In the preparation of the Cost Approach in the Lakeside Drive

Appraisal Report, Stoltz made significant and substantial errors of omission and commission, including, but not limited to:

- a. failed to provide adequate support for the cost approach; and
- b. failed to substantiate the source of cost data.

58. The Lakeside Drive Appraisal Report is not credible and is misleading and in violation of USPAP Standards 1 and 2.

59. Stoltz errors and omissions in the preparation of the Sales Comparison Analysis, the Cost Approach, and the Income Approach, as stipulated above, constitute violations of USPAP Standard 1 and SR 1-4(a) and (b)(ii), as stated above.

60. Based on Stoltz's errors and omissions in preparing the Lakeside Drive Appraisal Report, as stipulated above, Stoltz 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), (b) and (c), as stated above.

61. Based on Stoltz's errors and omissions in developing and reporting the results of the Lakeside Drive Appraisal, as stipulated above, Stoltz failed to identify the intended use of the appraiser's opinions and conclusions and identify the characteristics of the property that are relevant to the purpose and intended use in violation of USPAP Standard 1 and SR 1-2(e)(iv), as stated above.

62. Based on Stoltz's errors and omissions in developing and reporting

the results of the Lakeside Drive Appraisal, as stipulated above, Stoltz failed to reconcile his data in violation of USPAP Standard 1 and SR 1-6(a) and (b), as stated above.

63. Based on Stoltz's errors and omissions in preparing the Lakeside Drive Appraisal Report, as stipulated above, Stoltz failed to clearly and accurately set forth the appraisal in a manner that would not be misleading and violated USPAP Standard 2 and SR 2-1(a), as stated above.

64. Based on Stoltz's errors and omissions in preparing the Lakeside Drive Appraisal Report, as stipulated above, Stoltz 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 SR 2-1(b), as stated above.

65. By failing to provide adequate support for the reasoning and conclusions in the Sales Comparison Analysis, the Cost Approach, and the Income Approach in the Lakeside Drive Appraisal Report, as stipulated above, Stoltz failed to summarize the information analyzed, the appraisal procedures followed, and the reasoning that supports the analysis, opinions, and conclusions, in violation of USPAP SR 2-2(b)(viii), as stated above.

66. Based on Stoltz's errors and omissions in preparing the Lakeside Drive Appraisal Report, as stipulated above, Stoltz communicated results in a misleading manner in violation of the Conduct section of the USPAP Ethics Rule,

as stated above.

67. Stoltz's conduct, as stipulated above, demonstrates incompetency and gross negligence in the performance of the functions and duties of a real estate appraiser, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(5), RSMo.

68. Stoltz's conduct, as stipulated 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 certification pursuant to § 339.532.2(6), RSMo.

69. Stoltz's conduct, as stipulated above, demonstrates a failure and refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, and communicating an appraisal, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(8), RSMo.

70. Stoltz's conduct, as stipulated above, demonstrates negligence and incompetence in developing an appraisal, in preparing an appraisal report, and in communicating an appraisal, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(9), RSMo.

71. Each of Stoltz's USPAP violations, as stipulated above, constitutes a violation of § 339.535, RSMo, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(7) and (10), RSMo.

72. Stoltz's conduct, as stipulated above, violates the professional trust and confidence he owed to his clients, the intended users of the appraisal report, and the public, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(14), RSMo.

73. Stoltz's conduct, as stipulated above, demonstrates that Stoltz 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 Stoltz's certification as a certified general real estate appraiser pursuant to §§ 339.532.2(5), (6), (7), (8), (9), (10) and (14), RSMo.

2) West 8th Street

3)

74. On or about April 13, 2009, Stoltz completed and signed a summary appraisal report for residential real estate located at 606 West 8th Street, Rolla, MO 65401 ("the West 8th property"). The effective date of the appraisal report was April 4, 2009. This appraisal valued the property at \$165,000. This appraisal shall be referred to hereinafter as the "West 8th Appraisal Report."

75. The West 8th Street Appraisal Report was prepared for First Community National Bank, a Missouri bank.

76. Stoltz was required to develop and report the results of the West 8th Appraisal in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), 2008 Edition.

77. In preparation of the West 8th Appraisal Report, Stoltz made significant and substantial errors of omission and commission and failed to correctly employ those techniques necessary to produce a credible appraisal, including, but not limited to:

- a. failed to value the site and improvements under a consistent use;
- b. failed to develop the income approach which is necessary for credible assignment results;
- c. failed to state the real estate taxes for the subject;
- d. failed to properly describe the neighborhood;
- e. improperly states the specific zoning classification;
- f. failed to properly identify the subject property's characteristics that are relevant to the intended use of the appraisal and failed to identify and describe the uses allowable under area zoning regulations;
- g. failed to develop and support an opinion of highest and best use of the subject property;
- h. failed to reconcile the quality and quantity of data available and analyzed within the approaches used; and
- i. failed to reconcile the applicability and relevance of the approaches, methods and techniques used to arrive at the value conclusion.

78. In the preparation of the Sales Comparison Analysis in the West 8th Appraisal Report, Stoltz made significant and substantial errors of omission and

commission, including, but not limited to:

- a. failed to explain the use of comparable sales that are located in areas predominated by single family residential uses; and
- b. failed to use comparable sales of similar age, design and functionality.

79. In the preparation of the Cost Approach in the West 8th Appraisal Report, Stoltz made significant and substantial errors of omission and commission, including, but not limited to:

- a. failed to provide adequate support for the cost data; and
- b. failed to provide adequate support for the average to good quality rating of the subject property.

80. The West 8th Appraisal Report is not credible and is misleading in violation of USPAP Standards 1 and 2.

81. Stoltz's errors and omissions in the preparation of the Sales Comparison Analysis, the Cost Approach, and the Income Approach, as stipulated above, constitute violations of USPAP Standard 1 and SR 1-4(a), (b) and (c), as stated above.

82. Based on Stoltz's errors and omissions in preparing the West 8th Appraisal Report, as stipulated above, Stoltz 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) and (c), as stated above.

83. Based on Stoltz's errors and omissions in developing and reporting the results of the West 8th Appraisal Report, as stipulated above, Stoltz failed to identify the intended use of the appraiser's opinions and conclusions and identify the characteristics of the property that are relevant to the purpose and intended use in violation of USPAP Standard 1 and SR 1-2(e)(i) and (iv), as stated above.

84. Based on Stoltz's errors and omissions in developing and reporting the results of the West 8th Appraisal Report, as stipulated above, Stoltz failed to identify and analyze certain attributes of the property and failed to develop an opinion of the highest and best use in violation of USPAP Standard 1 and SR 1-3 (a) and (b), as stated above.

85. Based on Stoltz's errors and omissions in developing and reporting the results of the West 8th Appraisal Report, as stipulated above, Stoltz failed to reconcile his data in violation of USPAP Standard 1 and SR 1-6(a) and (b), as stated above.

86. Based on Stoltz's errors and omissions in preparing the West 8th Appraisal Report, as stipulated above, Stoltz failed to clearly and accurately set forth the appraisal in a manner that would not be misleading and violated USPAP Standard 2 and SR 2-1(a), as stated above.

87. Based on Stoltz's errors and omissions in preparing the West 8th Appraisal Report, as stipulated above, Stoltz 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 SR 2-1(b), as stated above.

88. By failing to provide adequate support for the reasoning and conclusions in the Sales Comparison Analysis, the Cost Approach, and the Income Approach in the West 8th Appraisal Report, as stipulated above, Stoltz failed to summarize the information analyzed, the appraisal procedures followed, and the reasoning that supports the analysis, opinions, and conclusions, in violation of USPAP SR 2-2(b)(viii) and (ix), as stated above.

89. Based on Stoltz's errors and omissions in preparing the West 8th Appraisal Report, as stipulated above, Stoltz communicated results in a misleading manner in violation of the Conduct section of the USPAP Ethics Rule, as stated above.

90. Stoltz's conduct, as stipulated above, demonstrates incompetency and gross negligence in the performance of the functions and duties of a real estate appraiser, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(5), RSMo.

91. Stoltz's conduct, as stipulated 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 certification pursuant to § 339.532.2(6), RSMo.

92. Stoltz's conduct, as stipulated above, demonstrates a failure and

refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, and communicating an appraisal, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(8), RSMo.

93. Stoltz's conduct, as stipulated above, demonstrates negligence and incompetence in developing an appraisal, in preparing an appraisal report, and in communicating an appraisal, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(9), RSMo.

94. Each of Stoltz's USPAP violations, as stipulated above, constitutes a violation of § 339.535, RSMo, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(7) and (10), RSMo.

95. Stoltz's conduct, as stipulated above, violates the professional trust and confidence he owed to his clients, the intended users of the appraisal report, and the public, providing cause to discipline his real estate appraiser certification pursuant to § 339.532.2(14), RSMo.

96. Stoltz's conduct, as stipulated above, demonstrates that Stoltz 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 Stoltz's certification as a certified general real estate appraiser real estate appraiser pursuant to §§ 339.532.2(5), (6), (7), (8), (9), (10) and (14), 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, RSMo, and §§ 621.045.3 and 621.110, RSMo Supp. 2010.

1. **Stoltz's certification is on probation.** Stoltz's certification as a certified general real estate appraiser is hereby placed on PROBATION for a period of TWO (2) YEARS. The period of probation shall constitute the "disciplinary period." During the disciplinary period, Stoltz shall be entitled to practice as a certified general real estate appraiser under §§ 339.500 through 339.549, RSMo, as amended, provided Stoltz 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. Stoltz shall submit written reports to the MREAC by no later than April 1 and October 1, during each year of the disciplinary period stating truthfully whether there has been compliance with all terms and conditions of this Settlement Agreement. The first written report shall be submitted on or before April 1, 2012. The final written report shall be submitted to the MREAC 90 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. Stoltz is responsible for assuring that the reports are submitted to and received by the MREAC.

B. During the disciplinary period, Stoltz 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 April 1 and October 1 during each year of the disciplinary period. The first log shall be submitted on or before April 1, 2012. The last log shall be submitted to the MREAC 90 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. Stoltz is responsible for assuring that the logs are submitted to and received by the MREAC. Upon MREAC request, Stoltz shall submit copies of his work samples for MREAC review.

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

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

F. During the disciplinary period, Stoltz 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 Stoltz's certification 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. Stoltz 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. Stoltz 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, Stoltz removes himself from the state of Missouri, ceases to be currently certified 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, uncertified status or

unknown whereabouts shall not be deemed or taken as any part of the disciplinary period.

3. Upon the expiration of the disciplinary period, the certification of Stoltz shall be fully restored if all requirements of law have been satisfied; provided, however, that in the event the MREAC determines that Stoltz 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 Stoltz's certification.

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 Stoltz of §§ 339.500 through 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. Stoltz 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 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.

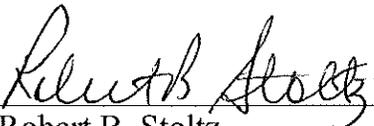
10. The parties to this Settlement Agreement understand that the MREAC will maintain this Settlement Agreement as an open record of the MREAC as required by Chapters 339, 610, and 324, RSMo, as amended.

11. Stoltz, together with his 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.

12. This Settlement Agreement goes into effect 15 days after the document is signed by the Executive Director of the MREAC.

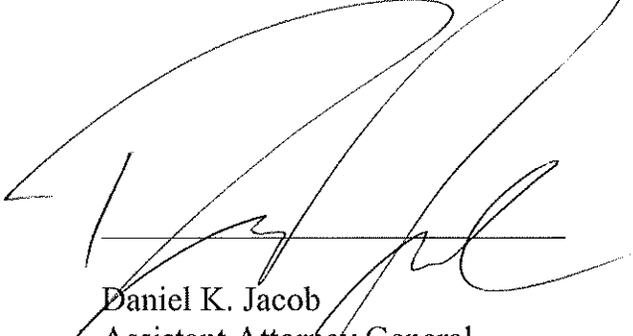
LICENSEE


Robert B. Stoltz
Date: 12/13/2012

MISSOURI REAL ESTATE APPRAISERS COMMISSION


Vanessa Beauchamp, Executive Director
Date: 12-18-12

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