

**SETTLEMENT AGREEMENT**  
**BETWEEN**  
**MISSOURI REAL ESTATE APPRAISERS COMMISSION**  
**AND**  
**THOMAS L. BONE**

Thomas L. Bone (Bone) and the Missouri Real Estate Appraisers Commission (MREAC) enter into this Settlement Agreement for the purpose of resolving the question of whether Bone's license as a Real Estate Appraiser, no. 2003026708, 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. 2009. The MREAC and Bone jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo Cum. Supp. 2009.

Bone 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

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<sup>1</sup> All statutory citations are to the Revised Statutes of Missouri, Cum.Supp. 2009, unless otherwise noted.

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 Bone 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, Bone 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.

Bone 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. Bone stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREAC that Bone's license as a Real Estate Appraiser, license no. 2003026708, is subject to disciplinary action by the MREAC in accordance with the relevant provisions of Chapter 621, RSMo, and Section 339.500 et seq., RSMo, as amended.

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

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 Bone herein jointly stipulate to the following:

1. Thomas L. Bone holds a license as a Real Estate Appraiser, no. 2003026708. This license expires June 30, 2012.
2. On or about March 11, 2008, Bone performed a residential appraisal on a single-occupancy residence at 2526 Norton Avenue, Kansas City, Missouri 64127.
3. Bone prepared and signed a “Uniform Residential Appraisal Report” dated March 11, 2008, hereinafter referred to as the “Appraisal Report.”
4. The Appraisal Report concluded that the value of the property was \$72,000.
5. The Appraisal Report was prepared for the purpose of evaluating a loan application for Metropolitan Mortgage Company, Overland Park, Kansas.
6. The Appraisal Report was required to meet the Uniform Standards for Professional Appraisal Practice (“USPAP”), 2008 edition.
7. In preparation of the Appraisal Report, Bone committed significant errors of omission and commission including the following:

- (1) The sales price of one of the sales comparables was misreported at a higher value than its actual selling price;
- (2) The report used older sales comparables when more recent sales comparables were available;
- (3) The report failed to make time adjustments for comparable sales removed in time in a declining market;
- (4) The report indicated that the area was a suburban area with increasing values, when in fact it is an urban area with decreasing values;
- (5) The report failed to adequately analyze site value;
- (6) The report used an outdated cost manual;
- (7) The report failed to perform and report an income approach, although the market for the area is rental-driven; and
- (8) The report failed to reconcile approaches used to arrive at value conclusions.

8. The Appraisal Report overestimates the value, is not credible, is misleading, and/or fraudulent.

9. Based on Bone's errors and/or omissions in developing and reporting the results of the Appraisal Report, Bone failed to correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal in violation of USPAP Standard 1 and Standards Rule ("SR") 1-1(a).

10. Based on Bone's errors and/or omissions in developing and reporting the results of the Appraisal Report, Bone committed substantial errors of omission and/or commission that significantly affected the appraisal in violation of USPAP Standard 1 and SR 1-1(b).

11. Based on Bone's errors and/or omissions in developing and reporting the results of the Appraisal Report, Bone rendered appraisal services in a careless and/or negligent manner in violation of USPAP Standard 1 and SR 1-1(c).

12. Bone's errors and/or omissions in the preparation of the Sales Comparison Analysis, the Cost Approach, and/or the Income Approach, constitute violations of USPAP Standard 1 and SR 1-4(a), (b), and (c), respectively.

13. Based on Bone's errors and/or omissions in developing and reporting the results of the Appraisal Report, Bone failed to reconcile the applicability or suitability of the approaches used to arrive at his value conclusion, in violation of USPAP Standard 1 and SR1-6(b).

14. Based on Bone's errors and/or omissions in developing and reporting the results of the Appraisal, Bone 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).

15. Based on Bone's errors and/or omissions in developing and reporting the results of the Appraisal, Bone 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).

16. By failing to provide adequate support for the reasoning and conclusions in the Sales Comparison Analysis and the Cost Approach in the Appraisal Report, Bone 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).

17. Based on Bone's errors and/or omissions in developing and reporting the results of the Appraisal, Bone communicated results in a misleading and/or fraudulent manner, in violation of the USPAP Ethics Rule.

18. Bone is subject to discipline under the terms of Section 339.532.2(5) for demonstrating "incompetency, misconduct, gross negligence, dishonesty, fraud, or misrepresentation in the performance of the functions or duties" as an appraiser.

19. Bone is subject to discipline under the terms of Section 339.532.2(6) for "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."

20. Bone is subject to discipline under the terms of Section 339.532.2(7) for "failure to comply with the Uniform Standards of Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation."

21. Bone is subject to discipline under the terms of Section 339.532.2(8) for “failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal.”

22. Bone is subject to discipline under the terms of Section 339.532.2(9) for “negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal . . .”

23. Bone is subject to discipline under the terms of Section 339.532.2 (14) for “violation of any professional trust or confidence . . .”

## **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 Cum. Supp. 2009.

1. **Bone’s license is on probation.** Bone’s license as a Real Estate Appraiser is hereby placed on PROBATION for a period of TWO YEARS. The period of probation shall constitute the “disciplinary period.” During the disciplinary period, Bone shall be entitled to practice as a Real Estate Appraiser under Section 339.500 et seq., RSMo, as amended, provided Bone 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. Bone shall submit written reports to the MREAC by no later than January 1 and July 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 July 1, 2011. 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. Bone is responsible for assuring that the reports are submitted to and received by the MREAC.

B. During the disciplinary period, Bone 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 January 1 and June 1 during each year of the disciplinary period. The first log shall be submitted on or before January 1, 2011. 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. Bone is responsible for assuring that the logs are submitted to and received by the MREAC. Upon MREAC request, Bone shall submit copies of his work samples for MREAC review.

C. Within six months after the effective date of this Settlement Agreement, Bone shall submit verification to the MREAC of successful

completion of 15-hour approved courses, including examination, on Cost Approach Data Analysis.

E. Bone may not apply the education required by this Settlement Agreement to satisfy the continuing education hours required for license renewal.

F. During the period of probation, Bone shall not sign appraisal reports as a supervising appraiser.

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

I. Bone 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.

J. During the disciplinary period, Bone 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 Bone'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.

K. Bone 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.

L. Bone shall appear before the MREAC or its representative for a personal interview upon the MREAC's written request.

M. If, at any time within the disciplinary period, Bone 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.

3. Upon the expiration of the disciplinary period, the license of Bone shall be fully restored if all requirements of law have been satisfied; provided, however, that in the event the MREAC determines that Bone 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 Bone'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 Bone of Section 339.500 et seq., 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. Bone 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 324, Chapter 339, and 610, RSMo, as amended.

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

13. If Bone 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 Bone's license. If Bone 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.

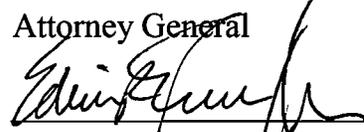
LICENSEE

  
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Thomas L. Bone                      Date      1/14/2011

Missouri Real Estate Appraisers  
Commission

  
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Vanessa Beauchamp, Executive Director  
Date: 1/24/11

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