

**BEFORE THE MISSOURI
STATE REAL ESTATE APPRAISERS COMMISSION**

**MISSOURI REAL ESTATE APPRAISERS)
COMMISSION,)**

Petitioner,)

v.)

No. 06-0497 RA-PV 2

VIRGIL HULEN)

Respondent.)

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

At its scheduled meeting on February 28, 2012 at 9:50 a.m., and pursuant to notice described in the Findings of Fact, the Missouri State Real Estate Appraisers Commission (MREAC) took up the probation violation complaint alleging that Virgil Hulen (Hulen) has failed to comply with the terms of his probation.

The Commission appeared at the hearing through Assistant Attorney General Daniel Jacob. Hulen was not present at the hearing and was not represented by counsel. Division of Professional Registration Legal Counsel Sarah Ledgerwood served as the MREAC's legal advisor at the hearing, during deliberations, and in the preparation of this order.

Evidence was adduced, exhibits were received, and argument was heard regarding whether a default decision shall be entered pursuant to § 324.045, RSMo, without further proceedings. The MREAC took the matter under advisement to deliberate and determine an appropriate disposition. Being fully advised of the above, the MREAC now enters, by

default pursuant to § 324.045, RSMo, its findings of fact, conclusions of law and order revoking Hulen's certification as a state-certified general real estate appraiser.

FINDINGS OF FACT

1. The MREAC was established pursuant to § 339.507, RSMo Cum. Supp. 2011, for the purpose of executing and enforcing the provisions of §§ 339.500 through 339.549, RSMo, as amended, the Missouri Certified Licensed Real Estate Appraisers Act.

2. Virgil Hulen is a natural person and is licensed by the MREAC as a state certified general real estate appraiser, License No. RA002223. Hulen's certificate is, and was at all relevant times herein, current and active. Hulen's certificate is on probation.

Facts Regarding Appropriateness of Proceeding in Default

3. The MREAC filed a properly pled probation violation complaint on July 22, 2010 alleging that Hulen prepared an appraisal in violation of the Uniform Standards of Professional Appraisal Practice and the 2009 Settlement Agreement into which Hulen and the MREAC entered. Counsel for the MREAC offered and the MREAC admitted into evidence the July 22, 2010 probation violation complaint. The 2009 Settlement Agreement was attached to the July 22, 2010 probation violation complaint as Exhibit A. The complaint, and its exhibit A, were admitted into the record during the probation violation hearing as Exhibit 1.

4. The MREAC provided Hulen notice of the February 28, 2012 probation violation hearing before the MREAC via certified mail and regular US Mail on or about November 14, 2011. Hulen signed the return receipt on November 15, 2011,

acknowledging delivery of the Notice of Hearing for the probation violation hearing. The regular mail copy was not returned to the MREAC. Counsel for the MREAC offered and the MREAC admitted into evidence the November 14, 2011 Notice and November 15, 2011 “Green Card.” The hearing notice and green card were admitted into the record of the probation violation hearing as Exhibit 2.

5. Hulen failed to plead or otherwise defend against this proceeding in that Hulen failed to respond to the MREAC’s probation violation complaint; and failed to appear or otherwise respond or defend against this proceeding. Accordingly, Hulen failed to produce any evidence toward whether additional discipline against his certification is warranted. Counsel for the MREAC elicited testimony from the MREAC’s Executive Director that Hulen failed to file any pleadings or otherwise defend the proceedings with the MREAC.

Facts Regarding Level of Additional Discipline

6. On or about April 12, 2006, Hulen entered into a Joint Motion for Consent Order, Joint Stipulation of Facts and Conclusions of Law, Waiver of Hearings Before the Administrative Hearing Commission and the Missouri Real Estate Appraisers Commission and Disciplinary Order (“2006 Joint Order”) with the MREAC relative to Case No. 05-0526 RA, *MREAC v. Cissna, et al.*, before the Administrative Hearing Commission. The 2006 Joint Order placed Hulen’s certificate on probation for three years, and also set forth the terms of such probation.

7. As part of Hulen’s 2006 probation, the MREAC reviewed Hulen’s summary appraisal report for certain property commonly known as 10760 Hwy 61,

Hannibal, MO 63401, prepared on or about August 23, 2006 (“Hannibal appraisal report”), to determine Hulen’s compliance with the Uniform Standards of Professional Appraisal Practice (“USPAP”). The MREAC identified numerous violations of USPAP standards in the Hannibal appraisal report.

8. As a result of the deficiencies found in the Hannibal appraisal report prepared during Hulen’s 2006 probation, the MREAC sought to impose additional discipline against Hulen’s license by its filing of a Probation Violation Complaint, alleging that he had violated his probation by failing to meet numerous provisions in the 2006 Joint Order requiring him to follow USPAP standards and to otherwise perform work in a professional and competent manner.

9. By Probation Violation Settlement Agreement, effective August 18, 2009, (“2009 Settlement Agreement”), the MREAC and Hulen agreed that Hulen’s license was subject to additional discipline – beyond that agreed to in the 2006 Joint Order – as a result of the deficiencies discovered in the Hannibal appraisal report.

10. Based on the agreed-upon errors and omissions in the preparation of the Hannibal appraisal report, the MREAC and Hulen agreed that Hulen had violated paragraph 46 of the 2006 Joint Order, § 339.536, RSMo, the USPAP Ethics Rule, the USPAP Scope of Work Rule, and the USPAP Standards Rules 1-1(a) – (c), 1-2(e), (i), (f), (g) and (h), 1-3(b), 1-4(a) and (b), 1-5(a) and (b), 1-6(a) and (b), 2-1(a) – (c), and 2-2(b)(ii), (iii), (vii), (viii), (ix) and (x), 2006 edition, and that based on the agreed-upon facts and violations, cause existed to further discipline Hulen’s certification as a state-

certified general real estate appraiser pursuant to §§ 324.042 and 339.532.2(6), (7), (8), (10), and (14), RSMo, as amended.

11. As a result of the 2009 Settlement Agreement, the MREAC placed Hulen's license on one additional year of discipline, after the three years of probation imposed in the 2006 Joint Order.

12. Section II, paragraph 2.F. of the 2009 Settlement Agreement states:

During the disciplinary period, Hulen shall comply with all provisions of §§ 339.500 to 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 Hulen'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.

13. Section II, paragraph 3, of the 2009 Settlement Agreement states:

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

14. Section II, paragraph 4, of the 2009 Settlement Agreement states:

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.

15. Section II, paragraph 5, of the 2009 Settlement Agreement states:

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

16. Section II, paragraph 6, of the 2009 Settlement Agreement states:

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.

17. Section II, paragraph 7, of the 2009 Settlement Agreement states:

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

18. Pursuant to the terms and conditions of Hulen's probation under the 2009 Settlement Agreement, the MREAC reviewed Hulen's appraisal report for 40 acres of agricultural property located on County Road #187, Philadelphia, Missouri 63463 ("CR 187 appraisal report"), to determine Hulen's compliance with USPAP standards. Hulen certified the CR 187 appraisal report as of October 2, 2009 and communicated it to his client on October 13, 2009. The MREAC reviewed the CR 187 appraisal and identified numerous violations of USPAP standards:

- a. Failure to demonstrate that appraiser understands how to apply, and is capable of appropriately applying, the recognized methods and techniques necessary to produce a credible appraisal;
- b. Deficiencies in the analysis of agricultural land classes and development of reliable depreciation figures;
- c. Failure to provide support for income estimates in the Income approach to value;
- d. Failure to provide support for market adjustments, and failure to provide analysis of comparable sales to develop adjustments, in the Sales Comparison Approach to value;
- e. Creation of a report that is so deficient in its development that the conclusion cannot be relied upon, as a result of numerous failures in the analysis and application of the approaches;
- f. Insufficient statement regarding intended use of the appraiser's opinions and conclusions;
- g. Failure to define the source of the definition provided for "Market Value";
- h. Failure to indicate or discuss any easements, encroachments, leases, or other encumbrances upon the subject property and any potential impact on the property's value that might be caused thereby;
- i. Failure to indicate or discuss any zoning, county health ordinance, or other regulatory limitation upon use of the subject property and any potential impact on the property's value that might be caused thereby;

- j. Failure to provide analysis and development for, and discussion of, the highest and best use of the property, including the four tests necessary to determine highest and best use;
- k. In the Sales Comparison Approach, all four comparable sales were analyzed with an arbitrary, unsupported value for waste land and residual amounts of tillable land – without accounting for variances in quality of the properties, and without proper analysis of land class/land utility;
- l. In the Cost Approach, failure to develop a building site value, as only a total land value is provided, which itself was improperly drawn from the grid presented in the Sales Comparison Approach to Value;
- m. In the Cost Approach, included a grain bin, a cost per bushel, and references replacement cost from Marshall & Swift and local builders, though current cost data indicates the Replacement Cost New (“RCN”) utilized is too low for the type of grain bin at issue;
- n. In the Cost Approach, included depreciation of improvements with no development from the market of abstracted depreciation, no support for estimates, and no indication regarding what type of depreciation was employed, as none of the comparable sales contained improvements;
- o. In the Income Approach, failure to provide information as to rental income potential and possible sources, from either the comparable sales or rental rate survey information, in order to develop an income estimate for the property;

- p. In the Income Approach, failure to include information regarding expenses from comparable sales from which to develop an operating statement for the subject property;
- q. In the Income Approach, failure to provide information to determine from what type of lease or income stream this capitalization rate came, for purposes of informed analysis;
- r. In the Income Approach, failure to provide clear evidence to support stated conclusion regarding income stream;
- s. In the Market Approach, failure to provide any details regarding the then-pending sale, failure to present the property as a sale, and failure to provide analysis of the sale in relation to comparable sales;
- t. In the Market Approach, failure to provide adequate discussion of ownership history and past sales;
- u. Failure to discuss and reconcile the quality and quantity of available and/or used data;
- v. Failure to adequately reconcile indicated values, and no discussion as to how they related to one another, specifically in terms of credibility and relevance;
- w. Failure to provide adequate analysis for comparable sales;
- x. Failure to present the three approaches to value in a sufficiently clear manner as to allow the reader to recognize the source of data presented and the conclusions made there from;

- y. Failure to complete separate analyses for the Market and Cost Approaches to value; instead simply restating the same information in a modified order;
- z. Failure to adequately state the identity of the client and/or intended users in the appraisal report;
- aa. Failure to adequately state the intended use of the appraisal;
- bb. Failure to adequately state the real property interest appraised in the appraisal report, and no discussion of potential encumbrances;
- cc. Failure to provide adequate reasoning and support for the value conclusions drawn from the analysis of comparable sales or the methods utilized to determine value; and
- dd. Failure to prominently state within the appraisal report which reporting option is being used.

19. The preparation of the CR 187 appraisal report was to be in compliance with the USPAPA, 2008-2009 edition, the pertinent provisions of which are cited in the Conclusions of Law.

CONCLUSIONS OF LAW

20. The MREAC has jurisdiction in this proceeding, pursuant to the 2006 Joint Order and 2009 Settlement Agreement to determine whether Hulen has violated the terms and conditions of the 2009 Settlement Agreement.

21. The MREAC also has jurisdiction pursuant to § 324.042, RSMo to determine whether Hulen has violated the terms and conditions of the 2006 Joint Order and 2009 Settlement Agreement. Section 324.042, RSMo states:

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

22. This Findings of Fact, Conclusions of Law and Order is issued by the Board by default under § 324.045, RSMo. Section 324.045, RSMo, provides:

1. Notwithstanding any provision of chapter 536, in any proceeding initiated by the division of professional registration or any board, committee, commission, or office within the division of professional registration to determine the appropriate level of discipline or additional discipline, if any, against a licensee of the board, committee, commission, or office within the division, if the licensee against whom the proceeding has been initiated upon a properly pled writing filed to initiate the contested case and upon proper notice fails to plead or otherwise defend against the proceeding, the board, commission, committee, or office within the division shall enter a default decision against the licensee without further proceedings. The terms of the default decision shall not exceed the terms of discipline authorized by law for the division, board, commission, or committee. The division, office, board, commission, or committee shall provide the licensee notice of the default decision in writing.

2. Upon motion stating facts constituting a meritorious defense and for good cause shown, a default decision may be set aside. The motion shall be made within a reasonable time, not to exceed thirty days after entry of the default decision.

"Good cause" includes a mistake or conduct that is not intentionally or recklessly designed to impede the administrative process.

23. Section 339.532.2, RSMo, states, in relevant part:

2. The commission may cause a complaint to be filed with the administrative hearing commission as provided by chapter 621 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 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[.]

24. Section 339.535, RSMo states that 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.

25. USPAP Standards Rule 1-1 states that:

[I]n 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 result.

26. USPAP Standards Rule 1-2 states, in pertinent part:

[I]n developing a real property appraisal, an appraiser must:

...

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

...

(e) identify the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal, including:

...

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

27. USPAP Standards Rule 1-3 states that 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 probably modifications of such land use regulations, economic supply and demand, the physical adaptability of the real estate, and market area trends; and

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

28. USPAP Standards Rule 1-4 states in pertinent part that

[I]n 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 to estimate the market rental 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 the rates of capitalization and/or rates of discount; and

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

29. USPAP Standards Rule 1-5 states that:

When the value opinion to be developed is market value, an appraiser must, if such information is available to the appraiser in the normal course of business:

(a) analyze all agreements of sale, options, and listing of the subject property current as of the effective date of the appraisal; and

(b) analyze all sales of the subject property that occurred within the three (3) years prior to the effective date of the appraisal.

30. USPAP Standards Rule 1-6 states that:

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 or suitability of the approaches, methods, and techniques used to arrive at the value conclusion(s).

31. USPAP Standards Rule 2-1 states that:

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. 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; and

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

32. USPAP Standards Rule 2-2(b) states, in pertinent part, that the content of a Summary Appraisal Report must be consistent with the intended use of the appraisal and, at a minimum:

(i) [s]tate the identity of the client and any intended users, by name or type;

(ii) [s]tate the intended use of the appraisal;

...

(iv) [s]tate the real property interest appraised;

(v) [s]tate the purpose of the appraisal, including the type of definition of value and its source;

...

(viii) [s]ummarize 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;

lix) [s]tate 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[.]

33. USPAP Ethics Rule for Conduct states in pertinent part, that an appraiser must not communicate assignment results in a misleading or fraudulent manner.

34. Under the USPAP Competency Rule, prior to accepting an assignment or entering into an agreement to perform any assignment, an appraiser must properly identify the problem to be addressed and have the knowledge and experience to complete the assignment competently; or, alternatively, must:

1. disclose the lack of knowledge and/or experience to the client before accepting the assignment;
2. take all steps necessary or appropriate to complete the assignment competently; and
3. describe the lack of knowledge and/or experience and the steps taken to complete the assignment competently in the report.

35. The complaint filed with the MREAC initiating this case constitutes a properly pled writing to initiate this contested case.

36. Hulen was provided proper notice of this probation violation hearing before the MREAC.

37. Hulen failed to plead or otherwise defend against this proceeding.

38. Cause exists to further discipline Hulen's certificate because in preparing the CR 187 appraisal report, Hulen included the following deficiencies: failure to demonstrate that appraiser understands how to apply, and is capable of appropriately

applying, the recognized methods and techniques necessary to produce a credible appraisal; deficiencies in the analysis of agricultural land classes and development of reliable depreciation figures; failure to provide support for income estimates in the Income Approach to value; failure to provide support for market adjustments, and failure to provided analysis of comparable sales to develop adjustments, in the Sales Comparison Approach to value; and, creation of a report that is so deficient in its development that the conclusion cannot be relied upon, as a result of numerous failures in the analysis and application of the approaches, all in violation of the 2009 Settlement Agreement, section II, paragraph 2.F., §§ 339.532.2(5), (6), (7), (8), (9), (10), and (14), and 339.535, RSMo and USPAP S.R. 1-1(a) – (c).

39. Cause exists to further discipline Hulen’s certificate because in preparing the CR 187 appraisal report, Hulen included the following deficiencies: insufficient statement regarding intended use of the appraiser’s opinions and conclusion; failure to define the source of the definition provided for “Market Value”; failure to indicate or discuss any easements, encroachments, leases, or other encumbrances upon the subject property and any potential impact on the property’s value that might be caused thereby, all in violation of the 2009 Settlement Agreement, section II, paragraph 2.F., §§ 339.532.2(5), (6), (7), (8), (9), (10), and (14), and 339.535, RSMo and USPAP S.R.1-2(b) and (e)(iv).

40. Cause exists to further discipline Hulen’s certificate because in preparing the CR 187 appraisal report, Hulen included the following deficiencies: failure to indicate or discuss any zoning, county health ordinance, or other regulatory limitation upon use of

the subject property and any potential impact on the property's value that might be caused thereby; failure to provided analysis and development for, and discussion of, the highest and best use of the property, including the four tests necessary to determine highest and best use, all in violation of the 2009 Settlement Agreement, section II, paragraph 2.F., §§ 339.532.2(5), (6), (7), (8), (9), (10), and (14), and 339.535, RSMo and USPAP S.R.1-3(a) and (b).

41. Cause exists to further discipline Hulen's certificate because in preparing the CR 187 appraisal report, Hulen included the following deficiencies: in the Sales Comparison Approach, all four comparable sales were analyzed with an arbitrary, unsupported value for waste land and residual amounts of tillable land – without accounting for variances in quality of the properties, and without proper analysis of land class or land utility; in the Cost Approach to value, failure to develop a building site value, where only a total land value is provided, which was improperly drawn from the grid presented in the Sales Comparison Approach to value; in the Cost Approach to value, included a grain bin, a cost per bushel, and references replacement costs from Marshall & Swift and local builders, though current cost data indicates the RCN utilized is too low for the type of grain bin at issue; in the Cost Approach to value, indicated depreciation of improvements with no development or support from the market of abstracted depreciation, no support for estimates, and no indication regarding what type of depreciation was employed; in the Income Approach to value, failure to provide information as to rental income potential and possible sources, from either the comparable sales or rental rate survey information, in order to develop an income

estimate for the property; in the Income Approach to value, failure to include information regarding expenses from comparable sales from which to develop an operating statement for the property; in the Income Approach to value, failure to provide information to determine from what type of lease or income stream this capitalization came, for purposes of informed analysis; in the Income Approach to value, failure to provide clear evidence to support stated conclusion regarding income stream, in violation of the 2009 Settlement Agreement, section II, paragraph 2.F., §§ 339.532.2(5), (6), (7), (8), (9), (10), and (14), and 339.535, RSMo and USPAP S.R.1-4(a), (b) and (c).

42. Cause exists to further discipline Hulen's certificate because in preparing the CR 187 appraisal report, Hulen included the following deficiencies: in the Market Approach to value, failure to provide any details regarding the then-pending sale, failure to present the property as a sale, and failure to provide analysis of the sale in relation to comparable sales; in the Market Approach to value, failure to provide adequate discussion of ownership history and past sales, all in violation of the 2009 Settlement Agreement, section II, paragraph 2.F., §§ 339.532.2(5), (6), (7), (8), (9), (10), and (14), and 339.535, RSMo and USPAP S.R.1-5(a) and (b).

43. Cause exists to further discipline Hulen's certificate because in preparing the CR 187 appraisal report, Hulen included the following deficiencies: failure to discuss and reconcile the quality and quantity of available and/or used data; failure to provide adequate reconciliation of the indicated values, and no discussion as to how they relate to one another, specifically in terms of credibility and relevance, all in violation of the 2009

Settlement Agreement, section II, paragraph 2.F., §§ 339.532.2(5), (6), (7), (8), (9), (10), and (14), and 339.535, RSMo and USPAP S.R. 1-6(a) and (b).

44. Cause exists to further discipline Hulen's certificate because in preparing the CR 187 appraisal report, Hulen included the following deficiencies: failure to provide adequate analysis for comparable sales; failure to present the three approaches to value in a sufficiently clear manner as to allow the reader to recognize the source of data presented and the conclusions made therefrom; failure to complete separate analyses for the Market and Cost Approaches to value, instead simply restating the same information in a modified order; failure to provide support for depreciation figures; and, failure to provide support for rental income information, all in violation of the 2009 Settlement Agreement, section II, paragraph 2.F., §§ 339.532.2(5), (6), (7), (8), (9), (10), and (14), and 339.535, RSMo and USPAP S.R. 2-1(a) and (b).

45. Cause exists to further discipline Hulen's certification because in preparing the CR 187 appraisal report, Hulen included the following deficiencies: failure to adequately state the identify of the client and/or intended users in the appraisal report, failure to adequately state the intended use of the appraisal; failure to adequately state the real property interest appraised in the appraisal report, with no discussion of potential encumbrances; failure to provide a source reference for value definition; failure to provide adequate reasoning and support for the value conclusions drawn from analysis of comparable sales or the methods utilized to determine value; failure to provide support or rationale for the development of a highest and best use analysis for the subject property; and failure to use any of the four tests for determination of the subject property's highest

and best use; failure to prominently state which reporting option is being used, all in violation of the 2009 Settlement Agreement, section II, paragraph 2.F., §§ 339.532.2(5), (6), (7), (8), (9), (10), and (14), and 339.535, RSMo and USPAP S.R. 2-2(b)(i), (ii), (iv), (v), (viii) and (ix).

46. Hulen's violations of the terms and conditions of the 2009 Settlement Agreement, as detailed in paragraphs 6 through 45 above, provide cause to further discipline Hulen's general real estate appraiser certification under § 324.042, RSMo and the 2009 Settlement Agreement.

DECISION AND ORDER

It is the decision of the MREAC that Hulen has violated the terms of the 2009 Settlement Agreement, and that his certificate is, therefore, subject to further disciplinary action.

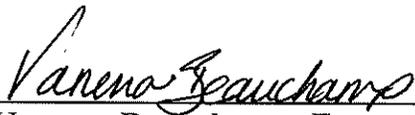
The MREAC orders that Virgil Hulen's state certification for general real estate appraiser, number RA002223, be and is hereby **REVOKED**.

Hulen shall immediately return all indicia of licensure to the Board.

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

SO ORDERED this 5th day of March, 2012.

**MISSOURI REAL ESTATE APPRAISERS
COMMISSION**



Vanessa Beauchamp, Executive Director