

SETTLEMENT AGREEMENT
BETWEEN
MISSOURI REAL ESTATE COMMISSION
AND
AUDREY N. PYLES

Audrey N. Pyles (hereinafter "Pyles") and the Missouri Real Estate Commission (hereinafter "MREC") enter into this Settlement Agreement for the purpose of resolving the question of whether Pyles's license as a real estate broker, no. 2001017639, will be subject to discipline. Pursuant to § 536.060, RSMo, 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 MREC under § 621.110, RSMo. The MREC and Pyles jointly stipulate and agree that a final disposition of this matter may be effectuated as described below pursuant to § 621.045, RSMo.

Pyles acknowledges that she understands the various rights and privileges afforded her by law, including the right to a hearing of the charges against her; 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 her at the hearing; the right to present evidence on her 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 her; the right to a ruling on questions of law by the Administrative Hearing Commission; the right to a disciplinary hearing before the MREC at which time Pyles 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 MREC.

Being aware of these rights provided to her by law, Pyles 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 her.

Pyles acknowledges that she has received a copy of documents that were the basis upon which the MREC determined there was cause for discipline, along with citations to law and/or regulations the MREC believes were violated. Pyles stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREC that Pyles's license as a real estate broker, license no. 2001017639, is subject to disciplinary action by the MREC in accordance with the relevant provisions of Chapter 621, RSMo, and §§ 339.010 to 339.205 and 339.710 to 339.855, RSMo.

The parties stipulate and agree that the disciplinary order agreed to by the MREC and Pyles in Part II herein is based only on the agreement set out in Part I herein. Pyles understands that the MREC may take further disciplinary action against her based on facts or conduct not specifically mentioned in this document that are either now known to the MREC or may be discovered.

I.
Joint Stipulation of Facts and Conclusions of Law

Based upon the foregoing, the MREC and Pyles herein jointly stipulate to the following:

1. Pyles was licensed by the MREC as a real estate broker, license no. 2001017639, from October 3, 2002, to June 21, 2011, when it was cancelled upon return by her affiliated brokerage. Pyles's license was current and active at all times relevant herein. Pyles also held a broker associate license, license no. 2004033618 which expired on June 30, 2010.

2. Beginning in 2005, and for all times thereafter pertinent to this case, Pyles owned the residence at 6140 NW Union Chapel Road, Parkville, MO (hereinafter "Union Chapel"), along with her husband Charles Pyles (hereinafter "Charles").

3. From June 2005 until August 12, 2005, Charles's construction company, Tegan Properties (hereinafter "Tegan"), owned certain real property known as 14435 NW 63rd Street, Platte County, MO (hereinafter "63rd Street").

4. On or before June 2005, Tegan sought to refinance its then-existing mortgage on 63rd Street.

5. On or before June 2005, and in furtherance of Tegan's efforts to qualify for the refinancing of the 63rd Street mortgage, Pyles took actions to create the appearance that she had sold Union Chapel to N.P.

6. N.P. is Pyles's daughter.

7. N.P. was born on August 25, 1990.

8. At the time Pyles fabricated the sale of Union Chapel to N.P., N.P. was fourteen years old. Pyles and N.P. do not have the same last name.

9. In furtherance of this effort, Pyles created a "Contract for Deed," which purported to document Pyles's sale of Union Chapel to N.P. No sale of Union Chapel to N.P. ever occurred, and N.P. was unaware of Pyles's actions in this regard. Union Chapel was at all times relevant to this matter the residence for Pyles and her family.

10. In furtherance of this effort, Pyles manipulated checks from a bank account held by Pyles and/or N.P. Specifically, Pyles cut and pasted information onto said checks, including N.P.'s signature, to create the appearance that N.P. – then fourteen – was making monthly payments of at least \$2,800 to Pyles.

11. Neither the sale to N.P. nor the payments to Pyles ever occurred.

12. In furtherance of this effort, Pyles made copies of these manipulated checks and submitted them—along with the fraudulent "Contract for Deed"—to Accredited Home Lenders, Inc. Pyles did this in order to create the appearance that she sold Union Chapel to N.P., and that N.P. was making monthly payments to Pyles related to that sale.

13. Pyles's fraudulent checks were never presented to any bank for honoring, though Pyles submitted copies of these checks to the lender as proof of income in the course of Tegan's pursuit of refinancing its 63rd Street mortgage.

14. As a result of Pyles's actions described above, and in reliance on those actions, the lender extended refinancing terms for 63rd Street to Tegan.

15. The closing of Tegan's refinancing of the mortgage on 63rd Street occurred on or about 10 June 2005.

16. Based on the foregoing, cause exists to discipline Pyles's license pursuant to §§ 339.100.2(2), (4), (16), (19), and (26), RSMo, which state as follows:

The commission may cause a complaint to be filed with the administrative hearing commission as provided by the provisions of chapter 621 against any person or entity licensed under this chapter or any licensee who has failed to renew or has surrendered his or her individual or entity license for any one or any combination of the following acts:

...

(2) Making substantial misrepresentations or false promises or suppression, concealment or omission of material facts in the conduct of his or her business or pursuing a flagrant and continued course of misrepresentation through agents, salespersons, advertising or otherwise in any transaction;

...

(4) Representing to any lender, guaranteeing agency, or any other interested party, either verbally or through the preparation of false documents, an amount in excess of the true and actual sale price of the real estate or terms differing from those actually agreed upon;

...

(16) Committing any act which would otherwise be grounds for the commission to refuse to issue a license under section 339.040;

(19) Any other conduct which constitutes untrustworthy, improper or fraudulent business dealings, demonstrates bad faith or incompetence, misconduct, or gross negligence;

(26) Engaging in, committing, or assisting any person in engaging in or committing mortgage fraud, as defined in section 443.930.

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 MREC in this matter under the authority of § 536.060, RSMo, and §§ 621.045.3 and 621.110, RSMo.

1. Pyles's license(s) is/are suspended for three years. Following this suspension period, Pyles's license will be probated for five years. The periods of suspension and probation shall constitute the "disciplinary period." During the period of suspension, Pyles shall not be entitled to practice as a real estate broker pursuant to §§ 339.010 through 339.205 and 339.710 through 339.855, RSMo. During the period of probation, Pyles shall be entitled to practice as a real estate broker under §§ 339.010 through 339.205 and 339.710 through 339.855, RSMo, provided Pyles adheres to all the terms of this Settlement Agreement.

2. At this time Pyles does not hold an active license to practice real estate in Missouri. In the future, should she seek to re-activate or re-apply for a license to practice real estate in Missouri, and should the MREC determine to issue her the

requested license, then the disciplinary period herein will go into effect immediately upon that license being re-activated or issued.

3. Terms and conditions of the disciplinary period. Terms and conditions of the disciplinary period are as follows:

A. Pyles shall keep the MREC apprised at all times of her current address and telephone number at each place of residence and business. Pyles shall notify the MREC in writing within ten (10) days of any change in this information.

B. During the probationary period, Pyles shall timely renew her real estate license(s), timely pay all fees required for license renewal, and shall comply with all other requirements necessary to maintain her license(s) in a current and active status. During the disciplinary period, Pyles shall not place her real estate license(s) on inactive status as would otherwise be allowed under 20 CSR 2250-4.040. Alternatively, without violating the terms and conditions of this Settlement Agreement, Pyles may surrender her real estate license(s) by submitting a letter to the MREC and complying with 20 CSR 2250-8.155. If Pyles applies for a real estate license after such surrender, she shall be required to re-qualify as if an original applicant and the MREC will not be precluded from basing its decision, wholly or partially, on the findings of fact, conclusions of law, and discipline set forth in this Settlement Agreement.

C. Pyles shall meet in person with the MREC or its representative at any such time or place as required by the MREC or its designee upon notification

from the MREC or its designee. Said meetings will be at the MREC's discretion and may occur periodically during the probation period.

D. Pyles shall immediately submit documents showing compliance with the requirements of this settlement agreement to the MREC when requested by the MREC or its designee.

E. During the probationary period, Pyles shall accept and comply with unannounced visits from the MREC's representative to monitor compliance with the terms and conditions of this settlement agreement.

F. Pyles shall comply with all relevant provisions of Chapter 339, RSMo, as amended, all rules and regulations duly promulgated thereunder, all local, state, and federal laws. "State" as used herein includes the State of Missouri and all other states and territories of the United States. Any cause to discipline Pyles's license as a real estate broker under § 339.100.2, RSMo, as amended, that accrues during the disciplinary period shall also constitute a violation of this settlement agreement, including but not limited to Pyles pleading guilty to or being found guilty of any offense based on the facts set forth herein.

4. This Settlement Agreement does not bind the MREC or restrict the remedies available to it concerning any future violations by Pyles of §§ 339.010 to 339.205 and 339.710 to 339.855, RSMo, as amended, or the regulations promulgated thereunder, or of the terms and conditions of this Settlement Agreement.

5. This Settlement Agreement does not bind the MREC 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 MREC or may be discovered.

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

7. 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.

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

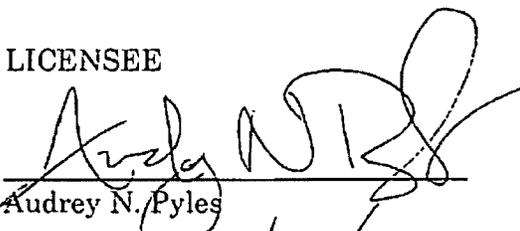
9. Pyles, together with her partners, heirs, assigns, agents, employees, representatives and attorneys, does hereby waive, release, acquit, and forever discharge the MREC, its respective members, employees, agents and attorneys including former members, employees, agents and attorneys, of, or from any 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.

10. Pyles understands that she 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 Pyles's license. If Pyles desires the Administrative Hearing Commission to review this Settlement Agreement; Pyles may submit her request to: Administrative Hearing Commission, Truman State Office Building, Room 640, 301 W. High Street, P.O. Box 1557, Jefferson City, Missouri 65102.

11. If Pyles 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 Pyles's license. If Pyles does not request review by the Administrative Hearing Commission, the Settlement Agreement goes into effect fifteen (15) days after the document is signed by the Executive Director of the MREC.

LICENSEE

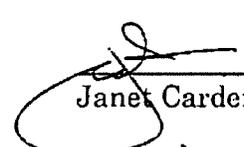


Audrey N. Pyles

Date: _____

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Mo. REAL ESTATE COMMISSION

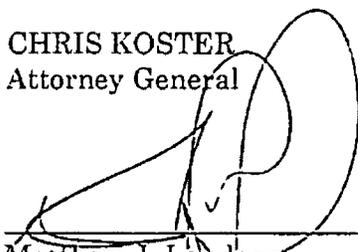


Janet Carder, Executive Director

Date: _____

August 13, 2012

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