

**SETTLEMENT AGREEMENT**  
**BETWEEN**  
**MISSOURI REAL ESTATE APPRAISERS COMMISSION**  
**AND**  
**DONALD G. DANNAR**

Donald G. Dannar (Dannar) and the Missouri Real Estate Appraisers Commission (MREAC) enter into this Settlement Agreement for the purpose of resolving the question of whether Dannar's license as a Real Estate Appraiser — General, no. RA002603, will be subject to discipline. Pursuant to § 536.060, RSMo,<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 Dannar 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.

Dannar 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

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

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 Dannar 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, Dannar 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.

Dannar 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. Dannar stipulates that the factual allegations contained in this Settlement Agreement are true and stipulates with the MREAC that Dannar's license as a Real Estate Appraiser – General, license no. RA002603, 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 Dannar in Part II herein is based only on the agreement set out in Part I herein.

Dannar 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 Dannar herein jointly stipulate to the following:

1. Thomas L. Dannar holds a license as a Real Estate Appraiser – General, no. RA002603. This license was issued September 29, 1997, and expires June 30, 2012.

**Tract 1 – 211<sup>th</sup> Street, Belton, MO**

2. On or about November 18, 2005, Dannar performed an appraisal on a vacant tract of land containing 100 acres, located at 211<sup>th</sup> Street and Y Highway, Belton, Missouri 64012.

3. Dannar prepared and signed a “Summary Appraisal Report” dated March 11, 2008, hereinafter referred to as the “211<sup>th</sup> Appraisal Report.”

4. The 211<sup>th</sup> Appraisal Report concluded that the value of the property was \$12,000 per acre, or \$1,200,000 for the entire tract.

5. The Appraisal Report was prepared on behalf of the Columbian Bank and Trust Company, Overland Park, Kansas.

6. The Appraisal Report was required to meet the Uniform Standards for Professional Appraisal Practice (“USPAP”), 2005 edition.

7. In preparation of the 211<sup>th</sup> Appraisal Report, Dannar committed significant errors of omission and commission including the following:

(1) Three sales comparables were chosen, all of which were located in developed areas within the Belton City limits, while the subject property was more than 3 miles outside the city in a rural setting with agricultural zoning;

(2) All three of the comparables were served by public sanitary sewers, while the nearest sewer service for the subject property was a considerable distance away, requiring an expensive extension project to connect. The Appraisal Report incorrectly states that sanitary sewer service is available, when in fact the nearest sewer connection is some distance away and would require an extension project to connect;

(3) The Appraisal Report makes a 10% adjustment for the availability of sewer service, which is inadequate in light of the need for an extension project to connect to the service.

(4) The Appraisal Report did not include a subdivision analysis describing development which would be required before lots on the property could be placed on the market.

8. The 211<sup>th</sup> Appraisal Report overestimates the value, is not credible, is misleading, and/or fraudulent.

9. Based on Dannar's errors and/or omissions in developing and reporting the results of the 211<sup>th</sup> Appraisal Report, Dannar 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 Dannar's errors and/or omissions in developing and reporting the results of the 211<sup>th</sup> Appraisal Report, Dannar 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 Dannar's errors and/or omissions in developing and reporting the results of the 211<sup>th</sup> Appraisal Report, Dannar failed to identify the purpose of the assignment and the definition of the value to be developed in violation of USPAP Standard 1 and SR 1-2(c).

12. Based on Dannar's errors and/or omissions in developing and reporting the results of the 211<sup>th</sup> Appraisal Report, Dannar failed to identify the characteristics of the property that are relevant to the purpose and intended use of the appraisal, in violation of USPAP Standard 1 and SR 1-2(e).

13. Based on Dannar's errors and/or omissions in developing and reporting the results of the 211<sup>th</sup> Appraisal Report, Dannar failed to identify and analyze the effect on

use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic demand, the physical adaptability of the real estate, and market area trends, in violation of USPAP Standard 1 and SR 1-3(a).

14. Dannar's errors and/or omissions resulting from utilization of inappropriate data in the preparation of the Sales Comparison Analysis, including inappropriate comparable sales and inaccurate information regarding sewer connections, constitute violations of USPAP Standard 1 and SR 1-4(a).

15. By errors and omissions including failure to prepare an appropriate subdivision analysis, Dannar failed to examine and have available for future examination documentation sufficient to identify the scope and character of proposed improvements and reasonably clear and appropriate evidence supporting development costs, anticipated earnings, occupancy projections, and anticipated competition, in violation of USPAP Standard 1 and SR1-4(h).

16. Based on Dannar's errors and/or omissions in developing and reporting the results of the 211<sup>th</sup> Appraisal, including basing his examination on inappropriate comparable sales, Dannar 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).

17. Based on Dannar's errors and/or omissions in developing and reporting the results of the 211<sup>th</sup> Appraisal, including failure to prepare an appropriate subdivision analysis, Dannar 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).

18. Based on Dannar's errors and/or omissions in developing and reporting the results of the 211<sup>th</sup> Appraisal, Dannar communicated results in a misleading and/or fraudulent manner, in violation of the USPAP Ethics Rule.

19. Dannar 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.

20. Dannar 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."

21. Dannar 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."

22. Dannar 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."

23. Dannar 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 . . ."

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

**Tract 2 – Holmes Road, Belton, Missouri**

25. On or about November 18, 2005, Dannar performed an appraisal on a vacant tract of land containing 11.175 acres, located at on Holmes Road, Belton, Missouri 64012.

26. Dannar prepared and signed a “Summary Appraisal Report” dated March 11, 2008, hereinafter referred to as the “Holmes Road Appraisal Report.”

27. The Holmes Road Appraisal Report concluded that the value of the property was \$1,000,000.

28. The Holmes Road Appraisal Report was prepared on behalf of the Columbian Bank and Trust Company, Overland Park, Kansas.

29. The Holmes Road Appraisal Report was required to meet the Uniform Standards for Professional Appraisal Practice (“USPAP”), 2005 edition.

30. In preparation of the Holmes Road Appraisal Report, Dannar committed significant errors of omission and commission including the following:

- (1) The subject property was located close to, but outside, a valuable country club lake community, without utilities in place.

(2) The Holmes Road Appraisal Report used comparable sales of developed lots located inside the high-value community, with utilities in place, not remotely comparable to the undeveloped subject property.

Two of the comparable sales were on the golf course, and the third was a lake front property.

(3) The Holmes Road Appraisal Report did not include a subdivision analysis describing development which would be required before lots on the property could be placed on the market.

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

32. Based on Dannar's errors and/or omissions in developing and reporting the results of the Holmes Road Appraisal Report, Dannar 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).

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

34. Based on Dannar's errors and/or omissions in developing and reporting the results of the Holmes Road Appraisal Report, Dannar failed to identify the purpose of the

assignment and the definition of the value to be developed in violation of USPAP Standard 1 and SR 1-2(c).

35. Based on Dannar's errors and/or omissions in developing and reporting the results of the Holmes Road Appraisal Report, Dannar failed to identify the characteristics of the property that are relevant to the purpose and intended use of the appraisal, in violation of USPAP Standard 1 and SR 1-2(e).

36. Based on Dannar's errors and/or omissions in developing and reporting the results of the Holmes Road Appraisal Report, Dannar failed to identify and analyze the effect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic demand, the physical adaptability of the real estate, and market area trends, in violation of USPAP Standard 1 and SR 1-3(a).

37. Dannar's errors and/or omissions resulting from utilization of inappropriate data in the preparation of the Sales Comparison Analysis, including inappropriate comparable sales, constitute violations of USPAP Standard 1 and SR 1-4(a).

38. By errors and omissions including failure to prepare an appropriate subdivision analysis, Dannar failed to examine and have available for future examination documentation sufficient to identify the scope and character of proposed improvements and reasonably clear and appropriate evidence supporting development costs, anticipated earnings, occupancy projections, and anticipated competition, in violation of USPAP Standard 1 and SR1-4(h).

39. Based on Dannar's errors and/or omissions in developing and reporting the results of the Holmes Road Appraisal, including basing his examination on inappropriate comparable sales, Dannar 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).

40. Based on Dannar's errors and/or omissions in developing and reporting the results of the Holmes Road Appraisal, including failure to prepare an appropriate subdivision analysis, Dannar 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).

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

42. Dannar 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.

43. Dannar 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."

44. Dannar 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.”

45. Dannar 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.”

46. Dannar 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 . . .”

47. Dannar 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. **Dannar’s license is on probation.** Dannar’s license as a Real Estate Appraiser-- General is hereby placed on PROBATION for a period of THREE YEARS. The period of probation shall constitute the “disciplinary period.” During the disciplinary period, Dannar shall be entitled to practice as a Real Estate Appraiser under Section

339.500 et seq., RSMo, as amended, provided Dannar 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. Dannar 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. Dannar is responsible for assuring that the reports are submitted to and received by the MREAC.

B. During the disciplinary period, Dannar 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 June 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. Dannar is responsible for assuring

that the logs are submitted to and received by the MREAC. Upon MREAC request, Dannar shall submit copies of his work samples for MREAC review.

C. Within six months after the effective date of this Settlement Agreement, Dannar shall submit verification to the MREAC of successful completion of 15-hour approved courses, including examination, on Cost Approach Data Analysis.

E. Dannar 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, Dannar shall not sign appraisal reports as a supervising appraiser.

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

I. Dannar 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, Dannar 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 Dannar'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. Dannar 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. Dannar 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, Dannar 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 Dannar shall be fully restored if all requirements of law have been satisfied; provided, however, that in the event the MREAC determines that Dannar 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 Dannar'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 Dannar 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. Dannar 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. Dannar, 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. Dannar 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 Dannar's license. If Dannar desires the Administrative Hearing Commission to review this Settlement Agreement, Dannar 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 Dannar 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 Dannar's license. If Dannar 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.

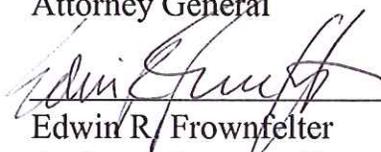
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Missouri Real Estate Appraisers Commission

  
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Thomas L. Dannar                      Date

  
\_\_\_\_\_  
Vanessa Beauchamp, Executive Director  
Date: 5-6-11

CHRIS KOSTER  
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