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**SETTLEMENT AGREEMENT BETWEEN MISSOURI REAL ESTATE APPRAISERS COMMISSION
AND ROBERT BLADES**

Come now Robert Blades ("Licensee") and the Missouri Real Estate Appraisers Commission ("Commission") and enter into this settlement agreement for the purpose of resolving the question of whether Licensee's license as a state licensed real estate appraiser will be subject to discipline.

Pursuant to the terms of § 536.060, RSMo,¹ the parties hereto waive the right to a hearing by the Administrative Hearing Commission of the State of Missouri ("AHC") regarding cause to discipline the Licensee's license, and, additionally, the right to a disciplinary hearing before the Commission under § 621.110, RSMo.

Licensee acknowledges that Licensee understands the various rights and privileges afforded Licensee by law, including the right to a hearing of the charges against Licensee; the right to appear and be represented by legal counsel; the right to have all charges against Licensee proven upon the record by competent and substantial evidence; the right to cross-examine any witnesses appearing at the hearing against Licensee; the right to present evidence on Licensee's own behalf at the hearing; the right to a decision upon the record by a fair and impartial administrative hearing commissioner concerning the charges pending against Licensee and, subsequently, the right to a disciplinary hearing before the Commission at which time Licensee may present evidence in mitigation of discipline; and the right to recover attorney's fees incurred in defending this action against Licensee's license. Being aware of these rights provided her by operation of law, Licensee 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 Licensee.

Licensee acknowledges that Licensee has received a copy of the complaint and other documents relied upon by the Commission in determining there was cause to discipline Licensee's license, along with citations to law and/or regulations the Commission believes was violated.

For the purpose of settling this dispute, Licensee stipulates that the factual allegations contained in this settlement agreement are true and stipulates with the Commission that Licensee's license, numbered 2004018146 is subject to disciplinary action by the Commission in accordance with the provisions of Chapter 621 and §§ 339.500 to 339.549, RSMo.

¹ All statutory references are to Missouri Revised Statutes 2000, as amended, unless otherwise indicated.

Joint Stipulation of Fact and Conclusions of Law

1. The Commission is an agency of the state of Missouri created and established pursuant to § 339.507, RSMo, for the purpose of licensing all persons engaged in the practice of real estate appraisal in this state. The Commission has control and supervision of the licensed occupations and enforcement of the terms and provisions of Sections 339.500 to 339.549, RSMo.

2. Licensee, Robert Blades, holds a license from the Commission as a state licensed real estate appraiser, license number 2004018146. The Commission issued Licensee's license on July 8, 2004. Licensee's license expires June 30, 2016. Licensee's Missouri license was at all times relevant herein, and is now, current and active.

3. On or about March 11, 2014, the Commission received a complaint regarding Licensee from J.K. J.K. stated that Licensee is not certified and therefore not eligible to do an "individual" appraisal of anything more than a single family residence. However, on or about October 8, 2013, Licensee completed an appraisal of a multi-family property located at 603 Port Arthur Road, Trimble, Missouri (Port Arthur Property). The complainant stated he received the appraisal in February 2014 as part of his appraisal on a different property. He stated that comparable sales one and two sold for \$190,000 each not \$260,000 as stated in Licensee's appraisal. Licensee appraised the subject property at \$260,000 as well.

4. On or about April 24, 2014, Licensee provided his response to the complaint. He stated that "any information received from realtors and property managers was believed to be accurate." He also stated that the "sales prices of comparables was obtained by me from the listing agent."

5. The Commission requested to meet with Licensee at its June 18, 2014 regularly scheduled meeting. Licensee appeared at the meeting. Licensee answered questions regarding his education, training and experience. Licensee discussed his appraisals of the Properties and the complaint in general.

6. On or about June 23, 2014, the Commission completed its final review of Licensee's appraisal of the Port Arthur Property.

7. Licensee's appraisal of the Port Arthur Property did not comply with several provisions of the Uniform Standards of Professional Appraisal Practice (USPAP):

- a. Licensee's appraisal of the Port Arthur Property did not comply with USPAP Rule 1-1(a) in that Licensee was not aware of, understood or correctly employed those recognized methods and techniques necessary to produce a credible appraisal in that Licensee prepared an appraisal for a 2-4 family property which is outside the scope of licensure of a state licensed appraisal.
- b. Licensee's appraisal of the Port Arthur Property did not comply with USPAP Rule 1-1(b) and (c) in that Licensee committed a substantial error of omission or commission that significantly affected the appraisal because Licensee reported the sales price for two comparable sales as \$260,000 each when the Multiple Listing Services (MLS) listing for the two properties stated the sales price for each was \$190,000.
- c. Licensee's appraisal of the Port Arthur Property did not comply with USPAP Rule 1-4(a) in that in using the sales comparison approach for a credible assignment report, Licensee did not analyze comparable sales data available to indicate a value conclusion because Licensee misrepresented the sale prices for two comparable sales.
- d. Licensee's appraisal of the Port Arthur Property did not comply with USPAP Rule 1-4(b)(i) in that in developing the appraisal where the cost approach is necessary for credible results, Licensee did not develop an opinion of site value by an appropriate appraisal method or technique because there was no support for the land value.
- e. Licensee's appraisal of the Port Arthur Property did not comply with USPAP Rule 1-4(c)(i) in that in using the income approach for a credible assignment report, Licensee did not analyze comparable rental data available and/or potential earning capacity of the property to estimate the gross income potential of the property because Licensee's rental data came from the property manager with no support in the appraisal for the information.
- f. Licensee's appraisal of the Port Arthur Property did not comply with USPAP Rule 2-1(a) in that Licensee's appraisal of the Port Arthur Property did not clearly and accurately set for the report in a manner that would not be misleading and failed to contain sufficient information to enable the intended users of the appraisal to understand the report properly because the sales data for comparable sales was incorrect.

g. Licensee's appraisal of the Port Arthur Property did not comply with USPAP Rule 2-2 in that the report did not comply with USPAP because Licensee was a state licensed not state certified appraiser and he prepared a report on a property for which state certification is required. Additionally, the sales prices were incorrect by \$70,000.

8. Licensee's conduct, as described in paragraphs 3 through 7 above constitutes misconduct in the performance of the duties of a certified residential real estate appraiser for which the Commission has cause to discipline Licensee's license.

9. Licensee's conduct, as described in paragraphs 3 through 7 above constitutes failure to comply with the requirements of USPAP for which the Commission has cause to discipline Licensee's license.

10. Licensee's conduct, as described in paragraphs 3 through 7 above, constitutes violation of a professional trust or confidence for which the Commission has cause to discipline Licensee's license.

11. Cause exists for the Commission to take disciplinary action against Licensee's license under § 337.532.2(5), (7), and (14), RSMo, which states in pertinent part:

2. The Commission may cause a complaint to be filed with the administrative hearing commission as provided by chapter 621, RSMo, against any state-certified real estate appraiser, state-licensed real estate appraiser, or any person who has failed to renew or has surrendered his or her certificate or license for any one or any combination of the following causes:

...

(5) Incompetency, misconduct, gross negligence, dishonesty, fraud, or misrepresentation in the performance of the functions or duties of any profession licensed or regulated by sections 339.500 to 339.549;

...

(7) Failure to comply with the Uniform Standards of Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation;

...

(14) Violation of any professional trust or confidence[.]

Joint Agreed Disciplinary Order

12. Based upon the foregoing, the parties mutually agree and stipulate that the following shall constitute the disciplinary order entered by the Commission in this matter under the authority of § 621.045.3, RSMo.

13. The terms of discipline shall include that Licensee's license shall be placed on **PROBATION** for a period of one (1) year ("disciplinary period"). During Licensee's probation, Licensee shall be entitled to engage as a certified residential real estate appraiser under Sections 339.500 to 339.549, RSMo, provided Licensee adheres to all of the terms of this Settlement Agreement.

I. GENERAL REQUIREMENTS

- A. During the probationary period, Licensee shall not supervise any real estate appraisal, as defined by § 339.503(1), RSMo, of property located in the state of Missouri nor sign any appraisal for property located in Missouri as an appraisal supervisor.
- B. During the probationary period, Licensee shall maintain a log of all appraisal assignments completed, including appraisal values. Licensee shall submit a true and accurate copy of his log to the MREAC every three (3) months after the effective date of this Order. Each log, except for the final log, shall be submitted within 15 days after the end of the respective six month period. Licensee shall submit the final log 30 days prior to the end of the probationary period. All logs shall comply with rule 20 CSR 2245-2.050.
- C. During the disciplinary period, Licensee shall keep the Commission informed of Licensee's current work and home telephone numbers. Licensee shall notify the Commission in writing within ten days (10) of any change in this information.
- D. During the probationary period, Licensee shall timely renew Licensee's license granted hereby and shall timely pay all fees required for license and comply with all other Commission requirements necessary to maintain said license in a current and active state.
- E. During the probationary period, Licensee shall accept and comply with unannounced visits from the Commission's representatives to monitor compliance with the terms and conditions of this Agreement.
- F. During the disciplinary period, Licensee shall appear in person for interviews with the Commission or its designee upon request.
- G. Licensee shall submit written reports to the Commission every six (6) months during the probationary period stating truthfully whether there has been compliance with all terms and conditions of this Agreement. The first such report shall be received by the Commission on or before January 1, 2015.
- H. Licensee shall execute any release or provide any other authorization necessary for the Commission to obtain records of Licensee's employment during the terms of the permit.
- I. Licensee shall comply with all provisions of §§ 339.500 to 339.549, RSMo; all federal and state drug laws, rules, and regulations; and all federal and state criminal laws. "State" here includes the state of Missouri, all other states and territories of the United States, and the ordinances of political subdivisions of any state or territory. Licensee shall immediately report any violation of this provision to the Commission in writing. Licensee shall also immediately report any allegation that Licensee has violated

this provision to the Commission, in writing. Examples of allegations of such a violation include, but are not limited to, any arrest, summons, inquiry by any law enforcement official into these topics, or inquiry into these topics by a health oversight agency. Licensee shall sign releases or other documents authorizing and requesting the holder of any closed record related to this paragraph to release such records to the Commission.

- J. Licensee shall immediately submit documents showing compliance with the requirements of this Order to the Commission when requested.
- K. In the event the Commission determines that Licensee has violated any term or condition of this Order, the Commission may, in its discretion, after an evidentiary hearing, suspend, revoke, or otherwise lawfully discipline Licensee's license.
- L. No Order shall be entered by the Commission pursuant to the preceding paragraph of this Order without notice and an opportunity for hearing before the Commission in accordance with the provisions of Chapter 536, RSMo.
- M. If, at any time during the probationary period, Licensee changes Licensee's address from the state of Missouri, or ceases to maintain Licensee's license current or active under the provisions of §§ 339.500 to 339.549, RSMo, or fails to keep the Commission advised of all current places of residence, the time of such absence, unlicensed or inactive status, or unknown whereabouts shall not be deemed or taken to satisfy any part of the probationary period.
- N. Unless otherwise specified by the Commission, all reports, documentation, notices, or other materials required to be submitted to the Commission shall be forwarded to: Missouri Real Estate Appraisers Commission, P.O. Box 1335, Jefferson City, Missouri 65102.
- O. Any failure by Licensee to comply with any condition of discipline set forth herein constitutes a violation of this Order.

14. The parties to this Agreement understand that the Missouri Real Estate Appraisers Commission will maintain this Agreement as an open record of the Commission as provided in Chapters 339, 610 and 324, RSMo.

15. The terms of this settlement agreement are contractual, legally enforceable, and binding, not merely recital. Except as otherwise provided 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.

16. Licensee, together with Licensee's heirs and assigns, and Licensee's attorneys, do hereby waive, release, acquit and forever discharge the Commission, its respective members and any of its employees, agents, or attorneys, including any former Commission members, employees, agents, and attorneys, of, or from, any liability, claim, actions, causes of action, fees, costs and expenses, and compensation, including but not limited to, any claims for attorney's fees and expenses, including any claims pursuant to § 536.087, RSMo, or any claim arising under 42 U.S.C. § 1983, which may be based upon, arise out of, or relate to any of the matters

raised in this case, its settlement, or from the negotiation or execution of this settlement agreement. The parties acknowledge that this paragraph is severable from the remaining portions of this settlement agreement in that it survives in perpetuity even in the event that any court of law deems this settlement agreement or any portion thereof to be void or unenforceable.

17. If no contested case has been filed against Licensee, Licensee has the right, either at the time the settlement agreement is signed by all parties or within fifteen days thereafter, to submit the agreement to the Administrative Hearing Commission for determination that the facts agreed to by the parties to the settlement agreement constitute grounds for denying or disciplining the license of Licensee. If Licensee desires the Administrative Hearing Commission to review this Agreement, Licensee may submit this request to:

Administrative Hearing Commission, Truman State Office Building, Room 640, 301 W. High Street, P.O. Box 1557, Jefferson City, Missouri 65101.

18. If Licensee has requested review, Licensee and Commission jointly request that the Administrative Hearing Commission determine whether the facts set forth herein are grounds for disciplining Licensee's license and issue findings of act and conclusions of law stating that the facts agreed to by the parties are grounds for disciplining Licensee's license. Effective the date the Administrative Hearing Commission determines that the agreement sets forth cause for disciplining Licensee's license, the agreed upon discipline set forth herein shall go into effect.

LICENSEE

Robert Blades
Robert Blades

Date 8-16-2014

COMMISSION

Vanessa Beauchamp
Vanessa Beauchamp
Executive Director
Missouri Real Estate Appraisers Commission

Date 9-4-14