

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

MISSOURI REAL ESTATE APPRAISERS COMMISSION,)	
)	
)	
Petitioner,)	
)	
v.)	No. 2001-001551 PVI
)	
ROBERT NEWSOME)	
)	
)	
Respondent.)	

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

At its scheduled meeting on May 17, 2011, and pursuant to notice, the Missouri State Real Estate Appraisers Commission (MREAC) took up the probation violation complaint alleging that Robert Newsome (Newsome) has failed to comply with the terms of his probation.

The Commission appeared at the hearing through Assistant Attorney General Kevin Hall. Newsome was present at the hearing and was not represented by counsel. Division of Professional Registration Legal Counsel Earl Kraus served as the MREAC’s legal advisor at the hearing, during deliberations, and in the preparation of this order.

Findings of Fact

1. The MREAC was established pursuant to § 339.507, RSMo Cum. Supp. 2010, for the purpose of executing and enforcing the provisions of §§ 339.500 through 339.549, RSMo, as amended, the Missouri Certified and Licensed Real Estate Appraisers Act.

2. Robert Newsom is certified (certificate no. RA001878) by the MREAC as a general real estate appraiser and his certificate is, and was at all times relevant herein, current and active.

3. On February 23, 2005, the MREAC issued its Findings of Fact, Conclusions of Law and Disciplinary Order (2005 Disciplinary Order) placing Newsome's certificate on probation for a period of five (5) years.

4. The terms of the probationary period in the 2005 Disciplinary Order state, in pertinent part:

H. During the disciplinary period, Newsome shall comply with all provisions of §§ 339.500 through 339.549, RSMo, all rules and regulations promulgated thereunder, and all applicable federal and state laws. "State" includes the state of Missouri, all other states and territories of the United States.

5. Page 5, paragraph 3 of the 2005 Disciplinary Order states, in pertinent part:

[I]n the event the MREAC determines that [Newsome] has violated any term or condition of this Order, 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 [Newsom]'s real estate appraiser certification.

6. Page 6, paragraph 7 of the 2005 Disciplinary Order states, in pertinent part:

If any alleged violation of this Order occurred during the disciplinary period, 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.

7. On or about September 14, 2006, Newsome completed and signed a Summary Appraisal Report for residential real estate located at 1010 Brooklyn Avenue, Kansas City Missouri 64127-1223 (Brooklyn Avenue property). The effective date of the appraisal report (Brooklyn Avenue report) was August 29, 2006. This appraisal valued the property at \$107,000.

8. The Brooklyn Avenue report was prepared for NationPoint.

9. In the preparation of the Brooklyn Avenue report, Newsome made the following errors and/or omissions:

- a. Failed to properly analyze the applicable market of the subject property, resulting in inflated values;
- b. Failed to properly analyze the conditions of the subject property and comparable properties;
- c. In the Sales Comparison Approach, used renovated comparable properties for a subject property in average condition;
- d. Used superior comparable properties, which inflated the value of the subject property;
- e. Failed to analyze the market place for the subject property; and
- f. Failed to adequately explain the condition of the subject property.

10. On or about September 26, 2006, Newsome completed and signed a Summary Appraisal Report for residential real estate located at 1013 Tudor Drive, Raymore, Missouri 64083-8315 (Tudor Drive property). The effective date of the

appraisal report (Tudor Drive report) was September 1, 2006. This appraisal valued the property at \$200,000.

11. The Tudor Drive report was prepared for Platinum Mortgage.

12. In the preparation of the Tudor Drive report, Newsome made the following errors and/or omissions:

- a. Failed to properly analyze the applicable market for the subject property, resulting in inflated values;
- b. Failed to properly analyze comparable properties;
- c. Failed to analyze sales concessions of comparable properties and identified a new property as three years old;
- d. In the Sales Comparison Approach, used the three highest-priced comparison properties, which differed in many features, when more appropriate comparable properties were available;
- e. In developing a market value, failed to analyze all sales of the subject property that occurred within the three (3) years prior to the effective date of the appraisal by performing no analysis of the subject property previously listing for \$169,300 and selling for approximately \$173,890;
- f. Used superior comparable properties, which inflated the value of the subject property;
- g. Failed to analyze the market place for the subject property; and

h. Failed to analyze the fact that comparable sale #3 listed at \$186,900 and sold for approximately \$209,000.

13. On or about January 15, 2009, the MREAC filed its Probation Violation Complaint in this case.

Conclusions of Law

14. The MREAC has jurisdiction in this proceeding, pursuant to the 2005 Disciplinary Order to determine whether Newsome has violated the terms and conditions of the 2005 Disciplinary Order.

15. The MREAC also has jurisdiction pursuant to § 324.042, RSMo,¹ to determine whether Newsome has violated the terms and conditions of the 2005 Disciplinary Order. Section 324.042 states, in pertinent part:

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.

16. Section 339.535, RSMo, provides, in pertinent part:

State certified real estate appraisers and state licensed real estate appraisers shall comply with the Uniform Standards of Professional Appraisal Practice [USPAP] promulgated by the appraisal standards board of the appraisal foundation.

¹ The MREAC's Probation Violation Complaint refers to § 620.153, RSMo as authority for jurisdiction in this matter. However, § 620.153 has been repealed and replaced with § 324.042, RSMo. The MREAC moved to amend the Probation Violation Complaint at the hearing to reflect the correct statutory section. There was no objection and this motion was granted.

17. Based on Newsom's errors and/or omissions in developing and reporting the results of the Brooklyn Avenue report, Newsome:
- a. Failed to correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal in violation of USPAP Standard 1 and SR 1-1(a);
 - b. Committed substantial errors of omission and commission that significantly affected the appraisal in violation of USPAP Standard 1 and SR 1-1(b);
 - c. Committed substantial errors of omission and commission that significantly affected the appraisal in violation of USPAP Standard 1 and SR 1-4(a);
 - d. Failed to clearly and accurately set forth the appraisal in a manner that would not be misleading in violation of USPAP Standard 2 and SR 2-1(a);
 - e. Failed to prepare a report that contained sufficient information to enable the intended users of the appraisal to understand the report in violation of USPAP Standard 2 and SR 2-1(b); and
 - f. Failed to provide adequate support for the reasoning and conclusions in the Sales Comparison Approach of the Brooklyn Avenue report and thereby failed to prepare a report that contained sufficient information to enable the intended users of

the appraisal to understand the report in violation of USPAP SR 2-2(b)(iii).

18. By failing to comply with USPAP in the preparation of the Brooklyn Avenue report, Newsome violated § 339.535, RSMo, and the terms of his probation, providing cause to further discipline his certification under § 324.042, RSMo.

19. Based on Newsom's errors and/or omissions in developing and reporting the results of the Tudor Drive report, Newsome:

- a. Failed to correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal in violation of USPAP Standard 1 and SR 1-1(a);
- b. Committed substantial errors of omission and commission that significantly affected the appraisal in violation of USPAP Standard 1 and SR 1-1(b);
- c. Committed substantial errors of omission and commission that significantly affected the appraisal in violation of USPAP Standard 1 and SR 1-1(c);
- d. Committed substantial errors of omission and commission that significantly affected the appraisal in violation of USPAP Standard 1 and SR 1-4(a);

- e. Committed substantial errors of omission and commission that significantly affected the appraisal in violation of USPAP Standard 1 and SR 1-5(b);
- f. Failed to clearly and accurately set forth the appraisal in a manner that would not be misleading in violation of USPAP Standard 2 and SR 2-1(a);
- g. Failed to prepare a report that contained sufficient information to enable the intended users of the appraisal to understand the report in violation of USPAP Standard 2 and SR 2-1(b); and
- h. Failed to provide adequate support for the reasoning and conclusions in the Sales Comparison Approach thereby failing to summarize the information analyzed, the appraisal procedures followed and the reasoning that supports the analysis, opinions and conclusions, in violation of USPAP SR 2-2(b)(iii).

20. By failing to comply with USPAP in the preparation of the Tudor Drive report, Newsome violated § 339.535, RSMo, and the terms of his probation, providing cause to further discipline his certification under § 324.042, RSMo.

21. The MREAC has determined that this Order is necessary to ensure the protection of the public.

Decision and Order

It is the decision of the MREAC that Newsome has violated the terms of the 2005 Disciplinary Order, and that his certificate is, therefore, subject to further disciplinary action.

The MREAC orders that Robert Newsome's state certification for general real estate appraiser (certificate no. RA001878), be and is hereby **SUSPENDED** for six (6) months beginning ten (10) days after the date of this Order.

Respondent 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 22nd day of June 2011.

**MISSOURI REAL ESTATE APPRAISERS
COMMISSION**



Vanessa Beauchamp
Executive Director