

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

ALISSA AKINS,

Plaintiff,

v.

**APPRAISAL INSTITUTE, an Illinois not-
for-profit corporation**

Defendant.

Case No. _____

COMPLAINT

Plaintiff Alissa Akins, through here undersigned attorneys, and for her complaint against Defendant Appraisal Institute, hereby alleges as follows:

Nature of Action

1. Plaintiff was terminated from her job for reporting and refusing to participate in an ongoing fraud being committed by her employer. The fraud was occurring against both individual consumers and multiple state regulatory authorities, including the Illinois Department of Financial and Professional Regulation.

2. Plaintiff discovered that Defendant Appraisal Institute (“AI”) has been knowingly reporting inaccurate exam scores to state agencies. These exams were taken by applicants seeking to be licensed real estate appraisers and those licensees who needed to take exams to maintain their license. Some consumers who passed the exam were told they failed. Some consumers who failed were told they passed. Consumers and state agencies relied upon the results. While AI is a non-profit, consumers paid for each examination.

3. When Plaintiff discovered that this conduct had been ongoing for many years, she reported it to her superiors and set out a plan to bring AI into compliance and put an end to the fraudulent activity. When AI refused to take action or make any of the suggested improvements, she demanded that her signature be removed from the certificates evidencing successful completion of a course, including passing the course exam.

4. In retaliation, Plaintiff was first told that if she did not leave, then they would “make [her] life hell.” When Plaintiff refused to voluntarily resign, she was terminated.

The Parties

5. Plaintiff Alissa Akins (“Akins”) is a citizen of the State of Maryland, residing in Baltimore, Maryland.

6. Defendant Appraisal Institute (“AI”) is an Illinois not-for-profit corporation with its principal place of business at 200 West Madison, Suite 2000, Chicago Illinois 60606.

Jurisdiction and Venue

7. Subject matter jurisdiction is proper in this District pursuant to 28 U.S.C. §1332(a). The amount in controversy exceeds \$75,000 and the parties are citizens of different states.

8. Venue in this District is also proper pursuant to 28 U.S.C. §1391(b) because a substantial part of the events giving rise to the claims herein occurred in this District.

AI’s Role In Administering Appraisal Exams

9. In 1989, the U.S. Congress enacted the Financial Institutions Reform, Recovery and Enforcement Act (“FIRREA”). Under FIRREA, the Appraiser Qualifications Board (“AQB”) establishes the minimum education, experience, and examination requirements for real property appraisers to obtain and maintain their state license or certification. In addition, individual states have their own requirements based upon the AQB standards.

10. Defendant AI promotes itself as the “leading professional association of real estate appraisers” and “home to the largest group of real property valuers in the United States.” AI states that it has a “global professional association of real estate appraisers, with approximately 16,000 professionals in almost 50 countries throughout the world.”

11. AI acts as a third-party vendor, administering exams that are used by state regulatory authorities in determining whether appraisers, trainees and applicants have complied with the AQB and state-specific standards for educational requirements.

12. As a third-party administrator, AI provides educational courses and administers exams in connection with those courses.

13. The exams administered by AI include qualifying education exams, continuing education exams, and the Uniform Standards of Professional Appraisal Practice (USPAP) exam.

14. Students pay AI a fee for the course and the exams.

15. Depending on the state, AI transmits information about the student’s performance on the exams to the student, the appropriate state regulatory authority, or both.

16. If a student fails an exam and wants to retake it, the student must pay another fee.

17. State regulators rely on the information provided by AI to determine if an individual has complied with necessary licensing and certification requirements.

18. AI transmits information concerning student exam results across state lines via emails and the internet.

19. AI offers courses and exams for 52 jurisdictions.

Plaintiff’s Discovery of AI’s Fraud

20. Plaintiff is an experienced non-profit executive with a national reputation who has led and developed training and continuing education programs.

21. Given Plaintiff’s experience and reputation, AI approached her about a position.

22. AI hired Plaintiff in February of 2024 as their Director of Education and Publications.

23. Less than a year into her tenure, an instructor for one of AI's courses notified Plaintiff's team of a potential error in one of the exams.

24. In September of 2024, Plaintiff and her team began investigating the potential error.

25. The results of Plaintiff's investigation were deeply disturbing and included the following findings:

26. Inaccurate Qualifying Education and Continuing Education Exam Scores.

a) Plaintiff discovered that, between 2020 and 2024 consistent misreporting of scores was occurring.

b) Some students were told they passed the qualifying education and continuing education exams when, in fact, they had failed. Because completing courses and passing course exams was a necessary condition for licensing and recertification, the misreporting has caused state regulators to license and recertify individuals who did not meet the minimum standards.

c) Other students were told they had failed the exam, when they had actually passed. Some of these students often had to retake the exam and pay an additional fee.

d) The incorrect results were all reported to the students and/or the state regulatory authorities.

e) Plaintiff and her team rescored a subset of approximately 300 of the suspect exams to determine the correct scores, but as set forth below, she was instructed not to take any further action on the corrected scores.

27. Inaccurate Minimum Passing Scores.

a) Different states have different minimum scores required to be licensed in that state. Despite the State's having different standards, AI did not always use the appropriate minimum score for a state to determine if a student has passed an exam.

b) Plaintiff discovered that AI was reporting to states that students passed a course, even when the student had not achieved the minimum passing score required by that state.

c) Plaintiff discovered that AI has known about this issue since 2020 or prior.

28. Discrepancies Between Testing Service Standards and AI Standards.

a) AI utilized a third-party testing service, Pearson, to administer the exams.

b) Plaintiff discovered that the minimum score for passing used by Pearson on some of the exams was different than the minimum score used by AI to determine if a student passed.

c) When Plaintiff inquired about this issue, she was told that it was a "don't ask, don't tell type of policy."

d) Plaintiff discovered that AI has known about this issue since 2020 or prior.

29. Failure To Adjust USPAP Minimum Passing Score.

a) Plaintiff discovered that AI was utilizing the incorrect minimum passing score for the USPAP exam.

b) The minimum passing score is supposed to be adjusted every one or two years, but AI did not always adjust it.

c) As a result of AI's actions, in some years, students who purportedly passed the USPAP exam had actually failed, and students who purportedly failed the USPAP exam had actually passed.

- d) The students were never informed of their correct results.
- e) Plaintiff discovered that incorrect results had been reported as far back as 2008.

30. Plaintiff reported the ongoing fraud to CEO John Udelhofen (“Udelhofen”) in October 2024.

31. On or about October 15, 2014, Udelhofen held a meeting with Plaintiff and AI Board President Sandra Adomatis (“Adomatis”) to discuss the issues discovered by Plaintiff.

32. Plaintiff was told by Udelhofen and Adomatis not to take any action or discuss the issues with anyone else.

33. On October 29, 2024, Plaintiff asked Udelhofen to remove her signature from student course completion certificates that were provided to students and state regulatory authorities, stating that she did not feel comfortable attesting that the certificates were accurate.

AI’s Retaliation Against Plaintiff

34. On October 22, 2024, at the direction of AI Vice President (and former AI President) Craig Steinley (“Steinley”), AI canceled Plaintiff’s trip to a work-related conference. When Plaintiff told Udelhofen that she believed that the cancellation was punitive, Udelhofen told her he thought that she was correct.

35. On October 30, 2024, Udelhofen sent a text message to Plaintiff informing her that he was working on an employment separation “package” and asking if she needed outplacement assistance.

36. Plaintiff responded by asking if she was being fired.

37. Udelhofen responded “No. I’m trying to help you get out with some runway. My feeling is that Craig [Steinley] will make it hell for you as long as you stay.”

38. On October 31, 2024, Plaintiff informed AI's Human Resources department of the October 22nd text message from Udelhofen and provided a list of the issues she had discovered.

39. At this juncture, Udelhofen began criticizing Plaintiff's work, reassigning responsibilities, and generally undermining Plaintiff's authority with her team.

40. On December 10, 2024, AI terminated Plaintiff's employment.

Count I
Illinois Whistleblower Act – 740 ILCS 174/1 et seq.

41. Plaintiff incorporates by reference all of the allegations set forth above in paragraphs 1 through 40.

42. Plaintiff was an employee of AI.

43. While employed by AI, Plaintiff discovered that AI was engaged in fraudulent conduct that violated state and federal law.

44. Plaintiff refused to engage in the fraudulent conduct.

45. As a result of Plaintiff's reporting of the fraudulent conduct and her refusal to engage in the fraudulent conduct, AI began making Plaintiff's life "hell" and was promptly terminated from her job.

46. As a result of AI's retaliation, Plaintiff has suffered damages including lost wages and benefits, pain and suffering, damage to her career, as well as other damages that are continuing to accrue.

Count II
Common Law Retaliatory Discharge

47. Plaintiff incorporates by reference all of the allegations set forth above in paragraphs 1 through 40.

48. Plaintiff was an employee of AI.

49. While employed by AI, Plaintiff discovered that AI was engaged in fraudulent conduct that violated state and federal law.

50. Plaintiff reasonably believed that the conduct she discovered violated state and federal law.

51. AI's termination of Plaintiff's employment violated a clear mandate of public policy.

52. Plaintiff reported the fraudulent conduct to AI's CEO, Board President, and Human Resources department.

53. Plaintiff refused to engage in the fraudulent conduct.

54. As a result of Plaintiff's reporting of the fraudulent conduct and her refusal to engage in the fraudulent conduct, AI began making Plaintiff's life "hell" and was promptly terminated from her job.

55. As a result of AI's retaliation, Plaintiff has suffered damages including lost wages and benefits, pain and suffering, emotional distress, damage to her career, as well as other damages that are continuing to accrue.

WHEREFORE, Plaintiff respectfully requests that this Court enter a judgment in favor of Plaintiff and against Defendant,

- a. awarding backpay, front pay, and compensatory damages;
- b. awarding Plaintiff interest as provided by statute;
- c. awarding punitive damages in an amount to be determined at trial;
- d. awarding Plaintiff her reasonable attorneys' fees and costs; and
- e. granting Plaintiff such further relief as the Court deems proper.

JURY DEMAND

Plaintiff demands trial by jury for all issues so triable.

Respectfully submitted,

ALISSA AKINS

By: /s Andrew R. Greene
One of her attorneys

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The ILND 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (See instructions on next page of this form.)

I. (a) PLAINTIFFS

(b) County of Residence of First Listed Plaintiff (Except in U.S. plaintiff cases)

(c) Attorneys (firm name, address, and telephone number)

Andrew R. Greene, Litwin Kach LLP, 312.380.9917
401 North Michigan Ave., Suite 1200, Chicago IL 60611

DEFENDANTS

County of Residence of First Listed Defendant (In U.S. plaintiff cases only)

Note: In land condemnation cases, use the location of the tract of land involved.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Check one box, only.)

- 1 U.S. Government Plaintiff
2 U.S. Government Defendant
3 Federal Question (U.S. Government not a party.)
4 Diversity (Indicate citizenship of parties in Item III.)

III. CITIZENSHIP OF PRINCIPAL PARTIES (For Diversity Cases Only.)

(Check one box, only for plaintiff and one box for defendant.)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship options: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business in This State, Incorporated and Principal Place of Business in Another State, Foreign Nation.

IV. NATURE OF SUIT (Check one box, only.)

Large table with categories: CONTRACT, REAL PROPERTY, CIVIL RIGHTS, TORTS, BANKRUPTCY, IMMIGRATION, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, SOCIAL SECURITY, FEDERAL TAXES, OTHER STATUTES.

V. ORIGIN (Check one box, only.)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District (specify), 6 Multidistrict Litigation - Transfer, 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION (Enter U.S. Civil Statute under which you are filing and write a brief statement of cause.)

VII. PREVIOUS BANKRUPTCY MATTERS (For nature of suit 422 and 423, enter the case number and judge for any associated bankruptcy matter previously adjudicated by a judge of this Court. Use a separate attachment if necessary.)

VIII. REQUESTED IN COMPLAINT:

Check if this is a class action under Rule 23, F.R.C.V.P.

Demand \$

CHECK Yes only if demanded in complaint:

Jury Demand: Yes No

IX. RELATED CASE(S) IF ANY (See instructions):

Judge

Case Number

X. Is this a previously dismissed or remanded case?

Yes No If yes, Case #

Name of Judge

Date:

Signature of Attorney of Record

INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.
Original Proceedings. (1) Cases which originate in the United States district courts.
Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.
Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.
PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7. Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.