



IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*, SBC 2004, c. 42

AND

**CRICKET PROPERTY MANAGEMENT INC., CRICKET PROPERTY MANAGEMENT (BC) INC.,
KAPENE TIO MOHIRUATEA HIROTI, and THOMAS HONGYANG ZHANG**

REASONS FOR DECISION REGARDING ORDERS

UNDER SECTIONS 46, 48, 49, and 51 OF THE *REAL ESTATE SERVICES ACT*

Based on the evidence presented and the submissions from legal counsel for the staff of the Office of the Superintendent of Real Estate ("Staff"), I find that:

BACKGROUND

1. Cricket Property Management Inc. ("Cricket Property Management") was incorporated as a company in the province of British Columbia ("BC") on September 20, 2018.
2. Cricket Property Management (BC) Inc. ("Cricket Property Management BC") was incorporated as a company in the province of BC on November 5, 2020.
3. The directors and owners of both companies are Kapene Tio Mohiruatea Hiroti ("Mr. Hiroti") and Thomas Hongyang Zhang ("Mr. Zhang").
4. Cricket Property Management Inc. and Cricket Property Management (BC) Inc. have been referred to interchangeably as Cricket Property Management.
5. Cricket Property Management advertises on various social media platforms as a property management franchisor specializing in rental property management services to rental property owners and investors, and further states that it is Canada's leading property management company drawing on over 20 years of experience in residential rental management.
6. In particular, Cricket Property Management operates a website (www.cricketmgt.com) which advertises that "*Cricket is Canada's leading property management company headquartered in Vancouver, BC*"; and offers services for tenants and owners that include, *inter alia*, initial property set up, collection of rents, ongoing monthly property management and leasing, and tenant placement.

7. A recent Google search for “Cricket Property Management” revealed the following advertising:

Cricket Property Management is a property management franchisor specializing in rental property management services. Cricket works with its network members and partners to provide professional real estate management services to rental property owners and investors. Cricket offers a franchised business opportunity for entrepreneurs wanting to start a business with a guaranteed recurring revenue stream.

8. As of April 27, 2021, neither Cricket Property Management, Cricket Property Management BC, Mr. Hiroti, nor Mr. Zhang are, or have ever been, licensed with the Real Estate Council of BC (“RECBC”) to provide real estate services in BC, as that term is defined in the *Real Estate Services Act* (“RESA”).
9. Cricket Property Management has a place of business located at #272 - 5489 Byrne Road, Burnaby, BC, V5J 3J1.
10. Staff investigation has revealed that Cricket Property Management employs a number of employees. Many, if not all - are not licensed to provide rental property management services but nevertheless, do so for the owners on behalf of Cricket Property Management.
11. Cricket Property Management provides rental property management services in Ontario and, according to its website, has a place of business located at 3400 - 22 Adelaide Street West, Toronto, Ontario. Rental property management services are not a regulated activity in Ontario and a licence is not required to provide such services.
12. Since September 2020 and more recently, the Office of the Superintendent of Real Estate (“OSRE”) has received numerous inquiries and over 20 complaints from industry members, tenants, owners, members of the public, and the Burnaby RCMP.
13. The complaints included concerns that Cricket Property Management and its employees as well as Mr. Hiroti and Mr. Zhang are providing rental property management services without a licence; allegations by owners about unreturned rental income and deposits; and concerns about the inability to connect with Cricket Property Management employees. Troubling statements were reviewed from clients about their interactions with current and former employees, instances of which had been reported to the Burnaby RCMP.
14. Since October 2020, Staff have engaged in conversations and correspondence with Mr. Hiroti and Mr. Zhang in relation to the complaints.
15. In March 2021, Staff advised Mr. Hiroti and Mr. Zhang that OSRE had commenced a formal investigation into Cricket Property Management’s provision of rental property management services to determine whether the company was in contravention of RESA.
16. Staff requested that Mr. Hiroti and Mr. Zhang provide Staff with certain documents and other information; including list of clients, properties, and employees as well as financial and banking information and has continued to do so to date. Complete documents, in particular those concerning the status for each of the client’s accounts (ledgers or reconciliations), have still not been provided to Staff.

17. Mr. Hiroti was advised by Staff that it appeared, based on preliminary investigations and a review of the complaints and documents received from the industry, owners, tenants, and the public, that Cricket Property Management was providing rental property management services as defined under RESA for which it required a licence and did not satisfy any of the requirements for an exemption under RESA or the *Real Estate Services Regulation* ("Regulation"). Further, based on RECBC licensing records, Cricket Property Management was not, nor had it ever been, licensed to provide rental property management services.
18. Mr. Hiroti was further advised by Staff in April 2021 that Cricket Property Management would not be permitted to continue its operations as currently conducted without licensing, and its employees and any BC franchisees were advised to cease and refrain from providing any unlicensed real estate services, including rental property management services, until such time as they became licensed under RESA or exempted from the requirement to be licensed under RESA or the Regulation. Further evidence was provided to Mr. Hiroti that Cricket Property Management was continuing to offer rental property management services despite previous demands for it to cease that activity.
19. Staff reviewed different versions of rental property management agreements between Cricket Property Management and owners of rental property, all of which except for minor differences, provided that:
 - a) Cricket Property Management would manage the property; handle communications (calls/emails/messages), advertise and show the property, screen tenants (employment and financial background), and inspect the property; and
 - b) The owner would pay Cricket Property Management a monthly management fee of \$99 for a period of one year, after which the term would be month to month, with no fee for tenant placement.
20. These agreements also revealed that Cricket Property Management would be receiving or expected to receive a monthly fee from owners throughout 2021 (April and onward).
21. In April 2021, Staff conducted a virtual interview with Mr. Hiroti and Mr. Zhang, during which they were directed to the applicable sections of RESA and the Regulation; after which Mr. Hiroti acknowledged that Cricket Property Management had performed rental property management services as defined by RESA and was not exempt from licensing.
22. During that interview, Mr. Hiroti indicated to Staff that he would take steps to bring Cricket Property Management into compliance and Staff provided suggestions to him as to how that could be achieved. Mr. Hiroti also indicated that he wished to resolve the complaints OSRE had received and requested further information and specifics of the complaints.
23. Mr. Hiroti further indicated that he intended to comply with the requirements of RESA and advised that he had undertaken efforts to establish a licensed brokerage and set up trust accounts. He stated that he had amended Cricket Property Management's services agreement to more accurately reflect the fee structure and to stipulate that funds including damage deposits, security deposits, and pet deposits would be paid to and held by the owner.

24. Mr. Zhang provided Staff with a copy of a revised rental property management agreement which was now entitled "Cricket Property Management Inc. Matchmaker Agreement". It referred to a monthly payment of a "Matchmaker Fee" *"upon landlord acceptance of a match with a tenant"*.
25. Tenant placement and matchmaking services were offered in the agreement and appeared to Staff to meet the definition of rental property management services as defined by RESA; the monthly fee also appeared to be remuneration for those services as defined by RESA. It was unclear whether this new agreement was intended to replace existing agreements in place, or how those existing agreements were to be handled.
26. Staff's conversations with owners revealed that owners believed that the \$99 / month fee was payment for the provision of rental property management services.
27. Staff's review of the bank statements for one bank account provided by Cricket Property Management revealed that Cricket Property Management appeared to be co-mingling funds received from tenants and disbursed to owners for both its BC and Ontario operations. It also appeared that the funds may have been used for non-business or personal purposes. Staff noted that the bank statements for that account were not marked as 'in trust' accounts.
28. Mr. Hiroti later confirmed that that bank account was used for the Company's national purposes, and the funds on deposit were for both BC and Ontario operations. Mr. Hiroti did not disclose who the holder of the account was - (i.e. Cricket Property Management Inc. or Cricket Property Management (BC) Inc.). He was unable to state with any certainty what funds were allocated to BC operations and what funds were allocated to Ontario operations.
29. Mr. Hiroti has advised Staff that he does not have a client master list as it was never required for their business model and to provide such a list would create an "exceptional hardship for the company". However, evidence obtained, and statements made by Cricket Property Management indicates it may be providing rental property management services to hundreds of properties, and that it may have interacted with over 3000 property owners.
30. RESA requires that all individuals or companies who provide rental property management services, unless specifically exempted, obtain licensing through RECBC.
31. Mr. Hiroti has denied and continues to deny that Cricket Property Management is providing rental property management services and has made several attempts during communications with Staff to recharacterize the services that Cricket Property Management provides.
32. Mr. Hiroti recently stated that the rental property management services Cricket Property Management was providing was for "information only" and was therefore exempt from licensing under s.2.10 of the Regulation.
33. Staff noted that Cricket Property Management does not fall under any of the licensing exemptions under RESA or the Regulation; in particular, s.2.10 of the Regulation. The provision of information is very narrowly defined in the Regulation. The evidence obtained by Staff

suggests that the services being provided by Cricket Property Management fall far outside the scope of what is contemplated by the Regulation.

34. Mr. Hiroti has also taken the position that the services Cricket Property Management provides was for matchmaking services, which does not require licensing under RESA.
35. Mr. Hiroti indicated his intention to establish a licensed brokerage and set up trust accounts. However, he has not provided Staff with any evidence to suggest that he has taken steps to do so.
36. Mr. Hiroti also advised Staff that Cricket Property Management had ceased operations in April 2021 and had notified clients and employees of such.
37. Neither Mr. Hiroti nor Mr. Zhang has provided Staff with their plan to connect property owners with tenants to discuss future rent payments and the steps to be taken for the ongoing management of their properties (e.g. through a licensed brokerage).
38. Property owners (particularly those who may reside outside BC or Canada) may not be aware that Cricket Property Management is not licensed to provide rental property management in BC and of the risks they may face as a result.
39. Neither Mr. Hiroti nor Mr. Zhang have provided Staff with their plan or steps already taken to return all rental and deposit monies to owners and/or tenants.
40. Mr. Hiroti has not provided any financial records for each of the property owners, including client ledgers or reconciliations or accounting of funds received, disbursed, or held on account of the owner.
41. Mr. Hiroti has not denied that Cricket Property Management has received or continues to receive remuneration for providing a service to the owner; but rather, as noted previously, he has stated recently to Staff that the fee is a management fee in relation to a matchmaking service and not for the provision of rental property management services. In any event, if the services provided are for matchmaking, which by definition implies 'finding a party to acquire' then a licence is still required, as it is trading services as defined under RESA.
42. Staff's investigations to date reveal that Cricket Property Management continues to operate and actively solicit and advertise for business and continues to provide rental property management services to owners and tenants in expectation of a remuneration as defined in RESA, all without a licence to do so.
43. There is sufficient evidence to indicate that its employees as well as Mr. Hiroti and Mr. Zhang are providing rental property management services in expectation of receiving remuneration, as defined in RESA, all without a licence to do so.
44. Neither Mr. Hiroti nor Mr. Zhang have given any indication, particularly through their recent actions that Cricket Property Management and its employees will or have in fact discontinued

its unlicensed activity. In fact, their information to Staff throughout has been inconsistent in that regard.

45. There is no evidence to indicate that since April 27, 2021 there has been a change in the licensing status for either of Mr. Hiroti or Mr. Zhang, or either of the companies.
46. OSRE provides oversight and regulation of the real estate industry in BC. It has a statutory mandate to protect the public interest and prevent harm to consumers.
47. Failure to act in this circumstance would undermine public confidence in the real estate industry and its regulation and would bring the real estate industry into disrepute.
48. The public, industry members, owners, and tenants should be aware of the steps taken by OSRE to protect the owners, tenants, and members of the public in the face of potential risk and actions detrimental to the public interest.

LEGISLATIVE AUTHORITY

Real Estate Services Act

Applicable sections are set out below:

Definitions

1. In this Act:

"**providing**", in relation to real estate services, includes

- (a) offering to provide such services,
- (b) holding oneself out as a person who provides such services, or
- (c) soliciting for the purposes of the provision of such services;

"**real estate**" means

- (a) real property,
- (b) regardless of whether it is or is not an interest in real property, a cooperative interest, shared interest in land or time share interest, as these are defined in the Real Estate Development Marketing Act, and
- (c) a right in relation to real property that is defined by regulation to be real estate,

but does not include a right in relation to real property that is excluded by regulation;

"**real estate services**" means

- (a) rental property management services,
- (b) strata management services, or
- (c) trading services;

"**remuneration**" includes any form of remuneration, including any commission, fee, gain or reward, whether the remuneration is received, or is to be received, directly or indirectly;

"rental property management services" means any of the following services provided to or on behalf of an owner of rental real estate:

- (a) trading services in relation to the rental of the real estate;
- (b) collecting rents or security deposits for the use of the real estate;
- (c) managing the real estate on behalf of the owner by
 - (i) making payments to third parties,
 - (ii) negotiating or entering into contracts,
 - (iii) supervising employees or contractors hired or engaged by the owner, or
 - (iv) managing landlord and tenant matters

but does not include an activity excluded by regulation;

"rental real estate" means real estate that is or is intended to be rented or leased;

Application of Act

2. (1) This Act applies to every person who provides real estate services to or on behalf of another for or in expectation of remuneration.

Requirement for licence to provide real estate services

3. (1) A person must not provide real estate services to or on behalf of another, for or in expectation of remuneration, unless the person is

- (a) licensed under this Part to provide those real estate services, or
- (b) exempted by subsection (3) or the regulations from the requirement to be licensed under this Part in relation to the provision of those real estate services.

(2) A licence required by this Part is additional to any licence, registration, certificate, enrolment or qualification required under any other Act.

(3) In addition to any exemption provided by regulation, the following are exempt from the requirement to be licensed under this Part:

- (a) a person acting under the authority of a court;
- (b) a trustee in bankruptcy, custodian, receiver, receiver manager or liquidator who is appointed under a provincial or federal enactment, in respect of real estate services undertaken by the person in that capacity;
- (c) an executor or administrator of an estate, in respect of real estate services provided in relation to real estate owned or held by the estate;
- (d) a trustee, in respect of real estate services provided under the terms of a will, marriage settlement or deed of trust;
- (e) a financial institution that has a trust business authorization under the *Financial Institutions Act*, in respect of real estate services provided in relation to real estate that it owns, holds or administers;
- (f) a practising lawyer as defined in section 1 of the Legal Profession Act, in respect of real estate services provided in the course of the person's practice.

Orders to freeze property

46. (1) If it considers this to be in the public interest, a discipline committee may make an order under this section at the same time that, or at any time after, an order under section 43 [*discipline orders*] or 45 [*orders in urgent circumstances*] is made against a licensee.

(2) If subsection (1) applies, the discipline committee may, by order directed to the licensee, do either or both of the following:

(a) prohibit the licensee from withdrawing any of the licensee's property, or any of it identified in the order, from the possession of another person named in the order who has the property on deposit, under control or for safekeeping;

(b) require the licensee to hold all property, or any of it identified in the order, that is in the licensee's possession or control in trust for

(i) a receiver or receiver manager who has been appointed, or whose appointment has been or is to be applied for, under section 59 [*court order for appointment of receiver*], or

(ii) a custodian, trustee, receiver manager, receiver or liquidator who has been appointed, or whose appointment has been applied for, under any other enactment.

(3) If subsection (1) applies, the discipline committee may, by order, require a person having in British Columbia, on deposit, under control or for safekeeping, any property of the licensee to hold all of that property, or any of it identified in the order.

(4) An order under this section may be made without advance notice to a person affected by the order but, promptly after making the order, the discipline committee must give a copy of the order to the person to whom it is directed.

(5) A discipline committee may, by order, vary or rescind an order under this section on its own initiative or on the application of a person affected by the order.

(6) Property affected by an order under this section continues to be affected by the order and remains frozen as provided in the order until the property is released under subsection (5) or is dealt with in accordance with a court order.

(7) If a savings institution is the holder of property described in subsection (3), the order applies only to the offices, branches or agencies of the savings institution that are specified in the order.

(8) If

(a) a person to whom an order under subsection (3) is directed is uncertain respecting the application of the order to any property, or

(b) a claim is made to the property by a person not named in the order, the person may, on giving notice to the real estate council, apply to the Supreme Court for an order under subsection (9).

(9) On an application under subsection (8), the court may order the disposition of the property as it considers appropriate.

Investigations, hearings and other authority

48. (1) The superintendent may conduct an investigation to determine whether

(a) a person who does not hold a licence has engaged in any activity for which a licence under this Act is required, or

(b) a licensee has, in a way that is seriously detrimental to the public interest,

(i) contravened this Act, the regulations or the rules,

(ii) breached a restriction or condition of their licence, or

(iii) done anything that constitutes wrongful taking or deceptive dealing.

(2) Subject to subsection (3), the superintendent may issue a notice of hearing and conduct a hearing following an investigation under subsection (1).

(3) In relation to an investigation under subsection (1) (b),

(a) the superintendent must notify the real estate council before issuing a notice of hearing, and

(b) the superintendent may issue the notice of hearing only if

(i) no notice under section 40 [notice of discipline hearing] has been issued by the real estate council, and

(ii) no order under section 45 [orders in urgent circumstances] has been made by a discipline committee.

(4) The following provisions of this Part apply to the superintendent acting under this Division, in relation to an unlicensed person or a licensee, as if the superintendent were the real estate council or a discipline committee exercising authority under the applicable provision in relation to a licensee:

(a) section 37 [investigations];

(b) section 38 [court order for search and seizure];

(c) section 40 [notice of discipline hearing];

(d) section 41 [consent orders], in relation to orders that the superintendent may make under section 49 [orders respecting unlicensed activity] or 50 [orders against licensees in the public interest];

(e) section 42 [discipline hearings];

(f) **section 46 [orders to freeze property].**

Orders respecting unlicensed activity

49. (1) This section applies if, after a hearing under section 48 (2) [superintendent hearings], the superintendent determines that the person subject to the hearing did not hold a licence under this Act at a time when the person engaged in any activity for which such a licence was required.

(2) The superintendent may, by order, do one or more of the following with respect to a person referred to in subsection (1):

(a) require the person to cease the activity;

(b) require the person to carry out specified actions that the superintendent considers necessary to remedy the situation;

(c) require the person to pay amounts in accordance with section 44 (1) and (2) [recovery of enforcement expenses];

- (d) require the person to pay a penalty in an amount of
 - (i) not more than \$500 000, in the case of a corporation or partnership, or
 - (ii) not more than \$250 000, in the case of an individual;
- (e) require the person to pay an additional penalty up to the amount of the remuneration accepted by the person for the real estate services in respect of which the contravention occurred.

(2.1) A penalty imposed under subsection (2) (d) may be imposed for each contravention.

(3) The superintendent may, by order, on the application of or with the consent of the person subject to the order, vary or rescind an order made under this section.

(4) For the purposes of this section, "contravention" means an act or omission that is the subject of a determination under subsection (1).

Superintendent's orders in urgent circumstances

51. (1) The superintendent may act under this section if the superintendent considers that

- (a) there has been conduct in respect of which the superintendent could make an order under section 49 [*orders respecting unlicensed activity*] or 50 [*orders against licensees in the public interest*], and
- (b) the length of time that would be required to complete an investigation or hold a hearing, or both, in order to make such an order would be detrimental to the public interest.

(2) If the circumstances referred to in subsection (1) apply,

- (a) in relation to a person referred to in section 49 [*orders respecting unlicensed activity*], the superintendent may make an order as referred to in subsection (2) (a) and (b) of that section, and
- (b) in relation to a licensee, the superintendent may make an order as referred to in section 45 (2) [*discipline committee orders in urgent circumstances*].

(3) Section 45 [*discipline committee orders in urgent circumstances*] applies in relation to the superintendent's authority under this section as if the superintendent were a discipline committee or the real estate council acting in respect of a licensee.

Court filing of superintendent's orders

52. (1) If the superintendent considers that a person has failed to comply with an order of the superintendent under this Division, the superintendent may file a certified copy of the order with the Supreme Court.

(2) An order filed under subsection (1) has the same force and effect, and all proceedings may be taken on it, as if it were an order of the Supreme Court.

Publication of regulatory action

53. (1) As soon as practicable, the superintendent must

- (a) subject to the regulations, publish each order of the superintendent under this Division, and
- (b) provide a copy of each order made by the superintendent under this Division to the real estate council.

(2) The superintendent must provide a copy of an order required to be published under subsection (1) (a) to any person requesting the copy, on payment of the prescribed fee.

Real Estate Services Regulation

The *Real Estate Services Regulation* sets out exemptions for the requirement to be licensed (in addition to the exemptions identified in s. 3(3) of RESA). Applicable sections are set out below:

A. Exemptions in Relation to Real Estate Services Generally

Exemption for employees of principal

2.1. (1) An individual is exempt from the requirement to be licensed under Part 2 of the Act in respect of real estate services if all the following apply:

- (a) the real estate services are provided to or on behalf of a principal in relation to those services;
- (b) the individual is the employee of the principal referred to in paragraph (a);
- (c) the individual is not providing real estate services to or on behalf of any person other than the principal referred to in paragraph (a).

(2) Subsection (1) does not apply in respect of the provision of trading services if

- (a) the trading services are provided with respect to a development unit, as defined in the *Real Estate Development Marketing Act*, and
- (b) the principal to or on behalf of whom the services are provided is a developer, as defined in the *Real Estate Development Marketing Act*, of that development unit.

Exemption for collection agents

2.2. A person who is a collection agent licensed under the *Business Practices and Consumer Protection Act* is exempt from the requirement to be licensed under Part 2 of the Act in relation to real estate services provided in the course of the person's business as a collection agent within the meaning of the *Business Practices and Consumer Protection Act*.

Exemption respecting mining

2.3. A person providing real estate services in respect of any of the following is exempt from the requirement to be licensed under Part 2 of the Act in relation to the provision of those services:

- (a) a mine, as that term is defined in the *Mines Act*, to which the *Coal Act* or the *Mineral Tenure Act* applies;
- (b) a well to which the *Geothermal Resources Act* applies;
- (c) a claim, grant, lease or licence under the *Mineral Tenure Act*;
- (d) a licence, lease or permit under the *Coal Act*, the *Petroleum and Natural Gas Act*, the *Oil and Gas Activities Act* or the *Geothermal Resources Act*.

Exemptions for government and government corporations

2.4. (1) The government is exempt from the requirement to be licensed under Part 2 of the Act.

(2) A government corporation, within the meaning of the *Financial Administration Act* is exempt from the requirement to be licensed under Part 2 of the Act in relation to real estate services provided to or on behalf of the government or another government corporation.

B. Exemptions in Relation to Trading Services - Exemption for persons providing information only

Exemption for persons providing information only

2.10 (1) A person who is providing trading services only by providing information is exempt from the requirement to be licensed under Part 2 of the Act.

(2) Without limiting subsection (1), that subsection applies to

- (a) the provision of material and other information of a general nature that is produced to assist owners to sell or otherwise dispose of their own real estate by themselves, and
- (b) the publication of information contained in an advertisement of specific real estate.

C. Division 3 — Exemptions in Relation to Rental Property Management Services

Exemption for caretakers providing services to different owners

2.13 (1) This section applies to an individual who

- (a) is employed as a caretaker or manager by the owners of different residential real estate properties, and
- (b) is employed by those owners to provide rental property management services in relation to those properties.

(2) Subject to subsection (3), the individual is exempt from the requirement to be licensed under Part 2 of the Act in respect of the rental property management services referred to in subsection (1) if all the following apply:

- (a) the individual is an employee of each of the owners;
- (b) the owners have agreed among themselves that the individual may provide the rental property management services;
- (c) the individual is not providing rental property management services to or on behalf of any person other than the owners.

(3) On receipt of money collected in relation to any of the rental real estate properties, including all money collected as rent, security deposits or pet damage deposits, the exempt caretaker or manager must promptly deliver the money to the owner of the rental real estate property in relation to which it was paid.

Exemption for caretakers employed by brokerages

2.14 (1) Subject to subsection (2), an individual who is employed as a caretaker or manager of rental real estate by a brokerage that is licensed to provide rental property management services is exempt from the requirement to be licensed under Part 2 of the Act in respect of any of the following activities in relation to those real estate services:

- (a) if the caretaker or manager complies with subsection (2), collecting money in relation to the rental real estate, including money collected as rent, security deposits or pet damage deposits;

- (b) showing the rental real estate to prospective tenants;
- (c) receiving and presenting applications in respect of the rental of the rental real estate from prospective tenants;
- (d) supervising employees or contractors hired or engaged by the brokerage;
- (e) communicating between landlords and tenants respecting landlord and tenant matters.

(2) On receipt of money referred to in subsection (1) (a), the exempt caretaker or manager must promptly deliver the money to the brokerage.

(3) Subsection (1) does not apply to a caretaker or manager who negotiates or enters into contracts on behalf of the brokerage or the owner of the rental real estate.

Exemption for BCHMC housing

2.15 (1) In this section:

"British Columbia Housing Management Commission" means the British Columbia Housing Management Commission continued under the *Ministry of Lands, Parks and Housing Act*;

"non-profit organization" means an organization constituted exclusively for charitable or benevolent purposes with no part of its income being payable to or otherwise available for the personal benefit of any of its members or shareholders.

(2) An individual is exempt from the requirement to be licensed under Part 2 of the Act in respect of rental property management services if the individual is providing the services in relation to rental real estate that is

- (a) administered by the British Columbia Housing Management Commission, and
- (b) rented to tenants based on the tenant's income.

(3) A non-profit organization is exempt from the requirement to be licensed under Part 2 of the Act in respect of rental property management services if the non-profit organization

- (a) has entered into an agreement with the British Columbia Housing Management Commission, and
- (b) is providing the rental property management services in relation to rental real estate referred to in subsection (2).

Exemption in relation to assignment of rents

2.16 A savings institution, or a mortgage broker registered under the *Mortgage Brokers Act*, is exempt from the requirement to be licensed under Part 2 of the Act in respect of rental property management services if the savings institution or mortgage broker is acting on behalf of a person who has granted an assignment of rents to the savings institution or mortgage broker.

CONCLUSION

49. I am satisfied, based on a review of the evidence and legislative authority and the submissions of legal counsel, that contrary to RESA and the Regulation, Cricket Property Management Inc. and/or Cricket Property Management (BC) Inc., Mr. Hiroti, and Mr. Zhang:

- a) Have been providing real estate services to or on behalf of another, in particular rental property management services, for or in expectation of remuneration, without a licence and without being exempted either under RESA or the Regulation to the detriment of the public;
- b) Have managed and continue to manage landlord and tenant matters and collected and continues to collect rent and security deposits on behalf of property owners;
- c) Have and continue to co-mingle funds received from tenants and owners for both its BC and Ontario operations, and does not appear to keep a proper or accurate accounting of such funds, all at great risk to the tenants and owner; and
- d) Will continue to provide unlicensed rental property management services contrary to RESA and the Regulation despite being advised by Staff that they require a licence to do so and despite Mr. Hiroti advising Staff that Cricket Property Management and its employees have discontinued providing rental property management services.

ORDERS

50. For the forgoing reasons, I make the orders attached, pursuant to sections 46, 48, 49, and 51 of the *Real Estate Services Act*.

Dated at Vancouver, British Columbia this 6th day of May, 2021.



MICHEAL NOSEWORTHY
Superintendent of Real Estate
Province of British Columbia