Citation: Roberts (Re), 2022 BCSRE 14 File # INV20.146.36805 and INV20.254.34790

BC FINANCIAL SERVICES AUTHORITY

IN THE MATTER OF THE REAL ESTATE SERVICES ACT SBC 2004, c 42 as amended

AND

COLTON WARD ROBERTS

AND

BC1080856 DBA RENTERS MANAGEMENT INC. AND DBA BLUHOME PROPERTIES INC. AND DBA 1216072 B.C. LTD.

CONSENT ORDER

[This Order and Consent Order Proposal have been redacted before publication.]

RESPONDENTS:

COLTON WARD ROBERTS BC1080856 dba RENTERS MANAGEMENT INC. and dba BLUHOME PROPERTIES INC. and dba 1216072 B.C. Ltd.

DATE OF CONSENT ORDER:

May 25, 2022

PROCEEDINGS:

On May 25, 2022, the Superintendent of Real Estate (the "Superintendent") of the BC Financial Services Authority ("BCFSA") resolved to accept the Consent Order Proposal (the "Proposal") submitted by Colton Ward Roberts ("Mr. Roberts") on behalf of himself and the entities BC1080856 dba Renters Management Inc. and dba Bluhome Properties Inc. and dba 1216072 B.C. Ltd.

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by Mr. Roberts on behalf of himself and on behalf of BC1080856 dba Renters Management Inc., Bluhome Properties Inc., and 1216072 B.C. Ltd.

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that Mr. Roberts, and any or all of the entities BC1080856 dba Renters Management Inc., Bluhome Properties Inc., and 1216072 B.C. Ltd., provided rental property management services in British Columbia for remuneration without being licensed to do so under the provisions of, or otherwise exempt from licensing requirements under, the Real Estate Services Act ("RESA"), pursuant to section 49 of the RESA, the Superintendent orders that:

- Mr. Roberts, BC1080856 dba Renters Management Inc., Bluhome Properties Inc., and 1216072 B.C. Ltd., jointly and severally, pay a penalty to BCFSA in the amount of \$100,000 within 60 days of this Order, pursuant to section 49(2)(d)(i) and (ii) of the RESA;
- 2. Mr. Roberts, BC1080856 dba Renters Management Inc., Bluhome Properties Inc., and 1216072 B.C. Ltd.,

shall be prohibited from re-applying for a license for 10 years from the date of this Order, pursuant to section 49(2)(b) of the RESA;

- Upon any re-application for licensing, Mr. Roberts, BC1080856 dba Renters Management Inc., Bluhome Properties Inc., and 1216072 B.C. Ltd., shall be subject to all of the re-education requirements applicable to new applicants under the legislation in place at the time of application, pursuant to section 49(2)(b) of the RESA.
- 4. Mr. Roberts, BC1080856 dba Renters Management Inc., Bluhome Properties Inc., and 1216072 B.C. Ltd., acknowledge and are aware that BCFSA is not bound to accept any application for relicensing of their licenses. Mr. Roberts, BC1080856 dba Renters Management Inc., Bluhome Properties Inc., and 1216072 B.C. Ltd., must always satisfy BCFSA (or the governing regulator in place at the time of application) that they meet the requirements for a license in section 10 (or the equivalent section in force at the time of the application) of the RESA, and any Rules, regulations, bylaws or other instruments made pursuant to the RESA; and
- Mr. Roberts, BC1080856 dba Renters Management Inc., Bluhome Properties Inc., and 1216072 B.C. Ltd., jointly and severally, pay to BCFSA the costs of investigation in the amount of \$21,097.28 within 60 days of this Order, pursuant to section 49(2)(c) of the RESA.

An amount ordered to be paid under section 49(2)(c),(d), or (e) of the RESA is a debt owing to the BCFSA and may be recovered as such.

Dated this 25th day of May 2022 at Brentwood Bay, British Columbia.

BC FINANCIAL SERVICES AUTHORITY

"JONATHAN VANDALL"

Jonathan Vandall Delegate of the Superintendent of Real Estate

Attachment – Consent Order Proposal submitted by Colton Ward Roberts on behalf of himself and on behalf of BC1080856 dba Renters Management Inc., Bluhome Properties Inc., and 1216072 B.C. Ltd.

BC FINANCIAL SERVICES AUTHORITY

IN THE MATTER OF THE REAL ESTATE SERVICES ACT SBC 2004, c 42 as amended

AND

COLTON WARD ROBERTS

AND

BC1080856 DBA RENTERS MANAGEMENT INC. AND DBA BLUHOME PROPERTIES INC. AND DBA 1216072 B.C. LTD.

CONSENT ORDER PROPOSAL BY COLTON WARD ROBERTS and BC1080856 DBA RENTERS MANAGEMENT INC. AND DBA BLUHOME PROPERTIES INC. AND DBA 1216072 B.C. LTD.

A. BACKGROUND AND FACTS

This Consent Order Proposal (the "Proposal") is made by Colton Ward Roberts ("Mr. Roberts") and BC1080856 dba Renters Management Inc., Bluhome Properties Inc., and 1216072 B.C. Ltd. ("Renters"), to the Superintendent of Real Estate (the "Superintendent") of the BC Financial Services Authority ("BCFSA") pursuant to section 41 of the *Real Estate Services Act* ("RESA").

For the purposes of the Proposal, Mr. Roberts, Renters and the Superintendent have agreed upon the following facts:

Background

- 1. 1216072 B.C. Ltd. was incorporated as a company in the province of British Columbia on July 12, 2019. At all material times Mr. Roberts has been the sole director of the company.
- 2. Renters Management Inc. was incorporated as a company in the province of British Columbia on June 27, 2016. At all material times Mr. Roberts has been the sole director of the company.
- 3. Bluhome Properties Inc. was incorporated as a company in the province of British Columbia on December 7, 2020. At all material times Mr. Roberts has been the sole director of the company.
- 4. Renters has never been licensed as a brokerage to provide rental property management services and has never met the criteria to be exempted from licensing requirements under the RESA or the *Real Estate Services Regulation*, BC Reg. 606/2004 (the "RESA Regulations").
- 5. Mr. Roberts previously held a license under RESA to provide real estate services in the form of trading and rental property management services in British Columbia from April 10, 2018, until December 19, 2018, when his license was renewed, and Mr. Roberts was licensed to provide rental property management services until February 13, 2019.
- 6. Mr. Roberts' license was terminated after February 13, 2019, and he has not held a license to provide real estate services since that time.
- 7. Mr. Roberts' and Renters' activity at issue relates to a total of 27 properties.

Complaints of Unlicensed Activity

- 8. The investigation into the activities of Mr. Roberts and Renters was initiated because of complaints that were made by prospective tenants of various properties. Of those complaints two (2) were made between May and October 2020 involving Mr. Roberts' and Renters' activity between October 2019 and October 2020 (the "Complaints of Unlicensed Activity") as follows:
 - a. Mr. Roberts doing business as Renters entered into two (2) tenancy agreements on behalf of owners of two (2) properties; and
 - b. Mr. Roberts doing business as Renters accepted security deposits for two (2) properties, and subsequently cancelled the agreements to rent without initially providing a refund of the deposits.

Unlicensed Activity, Remuneration and Co-Mingled Funds

- 9. Between February 14, 2019, and August 21, 2021, Mr. Roberts doing business as Renters provided rental property management services for 27 properties (the "Unlicensed Activity") as follows:
 - Provided trading services in relation to the rental property including advertising that made representations about the rental property, and finding a party to acquire a leasehold interest in the property;
 - b. Collected rents or security deposits for the use of the real estate; and
 - c. Managed the real estate on behalf of the owners by:
 - i. Making payments to third parties;
 - ii. Negotiating or entering into tenancy agreements; and
 - iii. Managing landlord and tenant matters including arranging repairs to the rental property on behalf of the owners.
- 10. Mr. Roberts and Renters admit that they conducted the Unlicensed Activity in relation to all 27 properties.
- 11. Of the 27 properties, one (1) property owner denied paying any fees to Mr. Roberts and Renters.
- 12. Between February 14, 2019, and August 21, 2019, Mr. Roberts doing business as Renters received remuneration for up to 26 properties for the Unlicensed Activity as follows:
 - a. By issuing invoices for marketing services or by collecting monthly rent and retaining a six percent (6%) monthly fee before forwarding the payment to the respective property owners; and
 - b. For all 26 properties Mr. Roberts doing business as Renters received remuneration over a 29month period, in an amount up to \$54,956.50.
- 13. Between February 14, 2019, and August 21, 2021, Mr. Roberts and Renters co-mingled funds received from tenants and did not hold deposits in trust.

Cease Order and Associated Activity

- 14. On January 14, 2021, the Superintendent issued an Order in Urgent Circumstances ("Cease Order") as follows:
 - a. Colton Roberts, Renters Management Inc., and Bluhome Properties Inc. cease providing, including offering to provide, directly or indirectly, real estate services, including rental property management services in British Columbia, effective immediately, unless and until they become licensed to do so under RESA.

- b. Colton Roberts shall provide to staff a full list of tenants and landlords to whom he has provided real estate services, whether it be under his own name, Renters Management Inc., 1216072 B.C. Ltd, Bluhome Properties Inc. or any other name.
- c. Colton Roberts shall provide to staff complete details of any rent monies or deposit monies that he currently holds in relation to real estate services he has provided, whether it be under his own name, Renters Management Inc., 1216072 B.C. Ltd, Bluhome Properties Inc. or any other name.
- d. Colton Roberts shall take reasonable steps to inform the public that he, Renters Management Inc., 1216072 B.C. Ltd., and Bluhome Properties Inc. are not licensed to provide real estate services under RESA, including by posting this order at bluhome.ca and rentersmanagement.com.
- 15. Mr. Roberts and Renters failed to comply with the terms of the Cease Order by continuing to provide rental management services and collect remuneration for these services for up to five (5) properties, and by continuing to advertise properties on the Bluhome.ca website into July 2021.
- 16. Mr. Roberts and Renters failed to comply with the terms of the Cease Order with respect to document production by:
 - a. Failing to provide a complete and accurate list of properties they managed and remuneration they received as follows:
 - i. On January 15, 2021, Mr. Roberts sent an email and provided a list of 34 properties he had managed as rentals.
 - ii. On June 11, 2021, a renter advised staff that they were renting a property managed by Mr. Roberts, which staff confirmed was not on any of the property lists previously provided by Mr. Roberts.
 - iii. On July 28, 2021, Mr. Roberts admitted to staff in an interview that there were properties he did not disclose on his prior lists and there were four (4) of the undisclosed properties that he was currently managing.
 - b. Failing to provide accurate [Bank] ("[Bank]") account statements as follows:
 - i. On January 18, 2021, Mr. Roberts provided a partial one-page monthly statement for the [Bank] account for Renters for the period December 1 to 31, 2020, which Roberts later admitted, and [Bank] later confirmed was an altered statement.
 - ii. On January 27, 2021, Mr. Roberts provided a three-page monthly statement for Renters' [Bank] account for the period January 1 to 27, 2021, which Roberts later admitted, and [Bank] later confirmed was an altered statement.
- 17. Since July 22, 2021, Mr. Roberts and Renters' have been prohibited from withdrawing any funds out of the [Bank] accounts subject to the property freeze order of July 22, 2021 (the "Freeze Order").
- 18. On January 25, 2021, and July 28, 2021, Mr. Roberts attended, at what was formerly the Office of the Superintendent of Real Estate (now amalgamated into BCFSA) and admitted to investigator [Investigator] the facts as written in this document.
- 19. There were 15 individuals (not including Mr. Roberts) interviewed throughout the investigation of Mr. Roberts and Renters.
- 20. Mr. Roberts and Renters covenant and represent to the BCFSA that they are not currently providing, and will not in the future provide, rental property management services in British Columbia without being licensed to do so under the provisions of the RESA or without being otherwise exempt from licensing requirements under the RESA or the RESA Regulations.

B. PROPOSED FINDINGS OF MISCONDUCT

- 1. Mr. Roberts and Renters provided rental property management services in British Columbia for remuneration without being licensed to do so under the provisions of the RESA and without being otherwise exempt from licensing requirements under the RESA, contrary to section 3(1) of the RESA, when, in relation to one or more of up to 27 rental properties, they:
 - a. Provided trading services (with or without property owners' consent) in relation to the rental properties including advertising that made representations about the rental properties, and entered either written or verbal contracts to provide rental property management services to property owner and tenants; and
 - b. Managed the rental properties on behalf of the rental properties' owners (with or without their consent) by collecting and making payments to and from third parties, negotiating or entering into tenancy agreements, and managing landlord and tenant matters including arranging repairs to the rental properties on behalf of the owners.
- 2. Mr. Roberts, in his capacity as sole director of Renters, failed to comply with the terms of the Cease Order and withheld, concealed or refused to provide information that was reasonably required for the purposes of the investigation, contrary to section 37(4) of the RESA, in that:
 - a. On January 15, 2021, Mr. Roberts sent an email and provided a list of 34 properties he had managed as rentals;
 - On January 18, 2021, Mr. Roberts provided a partial one-page monthly statement for the [Bank] account for Renters for the period December 1 to 31, 2020, which Roberts later admitted, and [Bank] later confirmed was an altered statement;
 - c. On January 27, 2021, Mr. Roberts provided a three-page monthly statement for the [Bank] account for Renters for the period January 1 to 27, 2021, which Roberts later admitted, and [Bank] later confirmed was an altered statement;
 - d. On June 11, 2021, a renter advised staff that they were renting a property managed by Mr. Roberts, which staff confirmed was not on any of the property lists previously provided by Mr. Roberts; and
 - e. On July 28, 2021, Mr. Roberts admitted to staff in an interview that there were properties he did not disclose on his prior lists and there were four (4) of the undisclosed properties that he was currently managing.
- 3. Mr. Roberts and Renters co-mingled funds received from tenants and did not hold deposits in trust as required by sections 25 to 27 of the RESA.

C. PROPOSED ORDERS

Based on the facts herein and the Proposed Findings of Misconduct, Mr. Roberts and Renters proposed that the Notice of Hearing in this matter be resolved through the following Orders being made by the BCFSA without conducting a hearing:

- 1. Mr. Roberts and Renters, jointly and severally, pay a penalty to BCFSA in the amount of \$100,000 within 60 days of the signed Consent Order, pursuant to section 49(2)(d)(i) and (ii) of the RESA;
- 2. Mr. Roberts and Renters, shall be prohibited from re-applying for a license for 10 years from the date of the signed Consent Order, pursuant to section 49(2)(b) of the RESA;
- Upon any re-application for licensing, Mr. Roberts and Renters shall be subject to all of the re-education requirements applicable to new applicants under the legislation in place at the time of application, pursuant to section 49(2)(b) of the RESA;

- 4. Mr. Roberts and Renters, acknowledge and are aware that BCFSA is not bound to accept any application for relicensing of their licenses. Mr. Roberts and Renters must always satisfy BCFSA (or the governing regulator in place at the time of application) that they meet the requirements for a license in section 10 (or the equivalent section in force at the time of application) of the RESA, and any Rules, regulations, bylaws or other instruments made pursuant to the RESA; and
- 5. Mr. Roberts and Renters, jointly and severally, pay to BCFSA, the costs of investigation in the amount of \$21,097.28 within 60 days of the signed Consent Order pursuant to section 49(2)(c) of the RESA.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

- 1. Mr. Roberts and Renters acknowledge and understand that BCFSA may accept or reject the Proposal. If the Proposal is rejected by the BCFSA, the matter may be referred to an enforcement hearing.
- 2. Mr. Roberts and Renters acknowledge that they have been urged and given the opportunity to seek and obtain independent legal advice with respect to the enforcement process, the allegations contained in the Notice of Hearing, and the execution and submission of the Proposal to BCFSA, and that they have obtained independent legal advice or have chosen not to do so, and that they are making the Proposal with full knowledge of the contents and the consequences if the Proposal is accepted.
- 3. Mr. Roberts and Renters acknowledge and are aware that the BCFSA will publish the Proposal and Consent Order or summaries thereof on the BCFSA website, on CanLII, a website for legal research, and in such other places and by such other means as the BCFSA in its sole discretion deems appropriate.
- 4. Mr. Roberts and Renters hereby waive their right to appeal under section 54 of the RESA.
- 5. If the Proposal is accepted and/or relied upon by the BCFSA, Mr. Roberts and Renters will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is intended to restrict Mr. Roberts and Renters from making full answer and defense to any civil or criminal proceeding(s).
- 6. The Proposal and its contents are made by Mr. Roberts and Renters for the sole purpose of resolving the Notice of Hearing in this matter and do not constitute an admission of civil liability. Pursuant to section 41(5) of the RESA, the Proposal and its contents may not be used without the consent of Mr. Roberts and Renters in any civil proceedings with respect to this matter.

"COLTON ROBERTS"

Colton Ward Roberts on his own behalf, and on behalf of BC1080856 dba Renters Management Inc. and dba Bluhome Properties Inc. and dba 1216072 B.C. Ltd.