

THE BC FINANCIAL SERVICES AUTHORITY

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

AND

IN THE MATTER OF

SUNG-HAN (HANSON) WANG
(164549)

AND

OHM REALTY CORP. DBA OHMPROPERTY
(X033790)

CONSENT ORDER

[This Order has been redacted before publication.]

RESPONDENTS: Sung-Han (Hanson) Wang, Managing Broker, Ohm Realty Corp. doing
business as Ohmproperty

Ohm Realty Corp. doing business as Ohmproperty

DATE OF CONSENT ORDER: September 14, 2023

COUNSEL: Laura Forseille, Legal Counsel for the BC Financial Services Authority
Kelly Murray, Legal Counsel for the Respondent

PROCEEDINGS:

On September 13, 2023, the Superintendent of Real Estate (the "Superintendent"), or the Superintendent's authorized delegate, of the BC Financial Services Authority ("BCFSA") accepted the Consent Order Proposal (the "Proposal") submitted by Sung-Han (Hanson) Wang on their own behalf ("Mr. Wang") and on behalf of Ohm Realty Corp. doing business as Ohmproperty ("Ohmproperty").

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by Mr. Wang and Ohmproperty.

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that Mr. Wang and Ohmproperty committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* ("RESA") and section 79 of the *Real Estate Services Rules* (the "Rules"), pursuant to section 43 of the RESA the Superintendent orders that:

1. Mr. Wang and Ohmproperty be jointly and severally liable to pay a discipline penalty to BCFSA in the amount of \$20,000 if the following items (collectively the "Records") are filed within 30 days of the date of this Order, payable on the date the Records are provided to BCFSA:
 - a. A copy of the Brokerage's financial statements, accountant's reports, and brokerage activity reports for the years ending December 31, 2021 and December 31, 2022;
 - b. A copy of the Brokerage's individual trust ledgers and trust liability and asset reconciliations for December 2021 to November 2022, for the following accounts:
 - i. Property Management [ending in #1339]
 - ii. Security Deposit [ending in #1738]
 - iii. Property Management (IA) [ending in #5806]
 - iv. Trust Account – General [ending in #8648]
 - v. Trust Account – Commission [ending in #6874]; and
 - c. A copy of the Brokerage's bank reconciliations for the months of December 2021 to November 2022 for the Brokerage's General (Non-Trust) Account [ending in #6742].
2. Mr. Wang and Ohmproperty be jointly and severally liable to pay enforcement expenses to BCFSA in the amount of \$3,000, payable immediately.
3. Ohmproperty's licence be cancelled if it does not provide the Records to BCFSA within 30 days of the date of this Order.
4. Mr. Wang's managing broker licence be cancelled if Ohmproperty does not provide the Records to BCFSA within 30 days of the date of this Order. If Mr. Wang's managing broker licence is cancelled, Mr. Wang shall be permitted to continue being licensed as an associate broker or representative.
5. If Mr. Wang's managing broker licence is cancelled, before Mr. Wang is permitted to requalify as a managing broker, he must complete the Broker's Licensing Course offered by the Real Estate Division at the Sauder School of Business at the University of British Columbia.

If either Mr. Wang or Ohmproperty fails to comply with any term of this Order, the Superintendent may suspend or cancel their licences without further notice to them, pursuant to sections 43(3) and 43(4) of the RESA.

Dated this 14th day of September, 2023 at the City of Victoria, British Columbia.

Superintendent of the BC Financial Services Authority

"Original signed by Jonathan Vandall"

Jonathan Vandall
Delegate of the Superintendent of Real Estate
Province of British Columbia

Attch. Consent Order Proposal

BC FINANCIAL SERVICES AUTHORITY

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

IN THE MATTER OF

**SUNG-HAN (HANSON) WANG
(164549)**

AND

**OHM REALTY CORP. DBA OHMPROPERTY
(X033790)**

**CONSENT ORDER PROPOSAL BY SUNG-HAN (HANSON) WANG
AND OHM REALTY CORP. DBA OHMPROPERTY**

BACKGROUND AND FACTS

This Consent Order Proposal (the "**Proposal**") is made by Sung-Han (Hanson) Wang ("**Mr. Wang**") and Ohm Realty Corp. dba Ohmproperty (the "**Brokerage**") 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. Wang, the Brokerage, and the Superintendent have agreed upon the following facts:

1. Mr. Wang (X033790) was first licensed in the trading category as a representative on June 11, 2012 with Royal Pacific Realty (Kingsway) Ltd. He became licensed as a managing broker in the trading, rental, and strata categories with the Brokerage on June 1, 2017.
2. Mr. Wang was at all relevant times the managing broker of the Brokerage.
3. The Brokerage (X033790) has been licensed since June 1, 2017 in the trading, rental, and strata category.
4. A Notice of Discipline Hearing ("**NODH**") in this matter was issued on February 24, 2023 and served on Mr. Wang and the Brokerage.
5. On November 16, 2022, a Notice of Administrative Penalty was issued to Mr. Wang and the Brokerage for a contravention of section 21 of the *Real Estate Services Rules* (the "**Rules**") ["A licensee must respond promptly to any inquiry addressed to the licensee by the superintendent"] in relation to this matter. The administrative penalty was paid on November 24, 2022.
6. Mr. Wang has a previous discipline history with the Superintendent in the form of an administrative penalty for a contravention of the Rules, then section 4-6, for an advertising infraction.

Section 75 Contraventions

7. Under section 75 of the *Real Estate Services Rules* (the "**Rules**"), the Brokerage must file its required review engagement financial statement, accountant's report, and brokerage activity report (the "**Accountant's Report**") within 120 days after the end of each fiscal year.

8. The Brokerage's fiscal year end for 2020 was December 31, 2020.
9. On May 12, 2021, [Auditor 1] ("**Auditor 1**"), BCFSA audit specialist, sent a letter to Mr. Wang advising that the Brokerage's 2020 accountant's report was now considered past due. Mr. Wang responded on the same date via email, asking that the filing of the accountant's report be postponed until June 30, 2021, due to changes in the Brokerage's key internal staff and issues coordinating with the Brokerage's external accountant to get the required documents for review.
10. On May 25, 2021, the Brokerage was advised that the extension was not granted. Mr. Wang acknowledged the response and stated that the Brokerage would deliver the filing in a timely manner.
11. On December 12, 2021, [Auditor 1] emailed Mr. Wang, asking for an update on the accountant's report. Mr. Wang called to confirm that he was still working on the filing, and that he was aware that his 2021 section 75 filing was coming due in April 2022.
12. On January 7, 2022, an email notice was sent to the Brokerage advising that the Brokerage was required to file its accountant's report for the fiscal year ending December 31, 2021.
13. On May 11, 2022 [Auditor 1] sent an email to Mr. Wang asking for an update on the accountant's report. He returned the call on May 13, 2022, advising that he anticipated filing both accountant's reports by June 30, 2022.
14. On May 16, 2022 [Auditor 1] sent a letter to Mr. Wang advising that the accountant's report for the fiscal year ending December 31, 2021 was now considered past due.
15. On June 24, 2022, Mr. Wang advised BCFSA that the accountant's reports were not ready to submit and requested an extension to July 31, 2022.
16. On June 30, 2022, [Auditor 1] again advised Mr. Wang that BCFSA does not grant extensions for the filing of accountant's reports. The Brokerage's external accountant was contacted and advised that he had not yet begun working on the filings, as he was still waiting for documentation from the Brokerage.
17. On July 20, 2022, [Auditor 2] ("**Auditor 2**"), senior auditor, and [Auditor 3] ("**Auditor 3**"), auditor, of BCFSA interviewed Mr. Wang regarding their active audit of the Brokerage's books and records. During the interview, Mr. Wang advised that the accountant's reports were outstanding as the books and records were not up to date. He was advised to make the books and records available to the external accountant and he pledged to do so by July 31, 2022.
18. On November 21, 2022, [Auditor 1] emailed Mr. Wang for an update on the filing of the accountant's reports. Mr. Wang replied that he anticipated filing the two outstanding accountant's reports plus the 2022 filing by January 31, 2023.
19. On September 7 and 8 2023, Mr. Wang provided the Brokerage's financial statements, accountant's reports, and brokerage activity reports for the fiscal year ending December 31, 2020.
20. To date the Brokerage has not provided BCFSA with its 2021 or 2022 accountant's reports.

Section 79, 80 and 81 Contraventions

21. Under section 79 of the Rules, the Brokerage must prepare and retain financial records in connection with its business that are necessary to ensure the appropriate and timely accounting of all transactions relating to real estate services provided by the Brokerage and its related licensees. These records must show and readily distinguish the following:
 - a. the amount of money held or received by the Brokerage on its own behalf;
 - b. the amount of money paid by the Brokerage on its own behalf;

- c. the amount of money held or received on behalf of each other person including, if applicable, an indication of whether it was held or received on behalf of the person as a principal or as a licensee;
- d. the amount of money paid to or on behalf of each other person including, if applicable, an indication of whether it was paid to the person as a principal or as a licensee;
- e. the total amount of money held or received for or on behalf of other persons;
- f. the total amount of money paid to or on behalf of other persons.

22. Under section 80 of the Rules, the Brokerage must, for each account it maintains, must:

- a. retain all banking records relating to account transactions, including statements, cancelled cheques and other source documents making or confirming deposits or withdrawals,
- b. prepare and retain a record showing amounts received and disbursed, the reason for the receipt or disbursement, and any unexpended balance, and
- c. prepare and retain monthly reconciliations of banking statements with the record referred to in paragraph (b), prepared in a timely fashion but no later than 5 weeks after the end of the month being reconciled.

23. Under section 81 of the Rules, the Brokerage must, for each pooled trust account maintained by the Brokerage, prepare and retain the following records:

- a. separate trust ledgers as follows:
 - i. in respect of money held or received on account of trades in real estate, a separate trust ledger for each trade in real estate that shows all amounts received and disbursed in relation to the trade and any unexpended balance in relation to the trade;
 - ii. in respect of money held or received on account of rental property management services, a separate trust ledger for each principal that shows all amounts received and disbursed in relation to the principal and any unexpended balance in relation to the principal;
 - iii. in respect of money held or received on account of strata management services, a separate trust ledger for each principal that shows all amounts received and disbursed in relation to the principal and any unexpended balance in relation to the principal;
 - iv. in respect of money held or received on account of remuneration for real estate services, a separate trust ledger for each licensee or other intended recipient that shows all amounts received and disbursed in relation to the recipient and any unexpended balance in relation to the recipient;
- b. a monthly trust liability and asset reconciliation, prepared in a timely fashion but no later than 5 weeks after the end of the month being reconciled,
 - i. that lists, for money held by the Brokerage as a stakeholder under section 28 [circumstances in which brokerage holds money as stakeholder] of the Act, each trade in real estate in relation to which the Brokerage holds the trust money and the amount being held in relation to each trade,

- ii. that lists, for money that is not held by the Brokerage as a stakeholder, each person for whom the Brokerage holds trust money and the amount being held for each person, and
 - iii. that reconciles the money held in the trust account with the unexpended balances in the trust ledgers for the account.
24. On February 9, 2022, [Auditor 3] interviewed Mr. Wang pursuant to BCFSA's commencement of an audit of the Brokerage. Mr. Wang advised that all accounts were up to date except for the General (Non-Trust) Account, which was behind in accounting because of multiple staff turnovers since August 2020. As such, no bank reconciliations or general ledgers had been prepared.
25. On June 28, 2022, during the active audit of the Brokerage, BCFSA requested, inter alia, that Mr. Wang provide a copy of individual trust ledgers and trust liability and asset reconciliations ("TLARs") as required by section 81 of the Rules, for December 2021 to May 2022, with a deadline of July 4, 2022, for the following accounts:
 - a. Property Management [ending in #1339]
 - b. Security Deposit [ending in #1738]
 - c. Property Management (IA) [ending in #5806]
 - d. Trust Account – General [ending in #8648]
 - e. Trust Account – Commission [ending in #6874]
26. On June 30, 2022, Mr. Wang advised BCFSA that the Brokerage's bookkeeper was working on the individual trust ledgers and TLARs and asked for an extension to the next week.
27. On July 4, 2022, [Auditor 3] advised Mr. Wang that an extension was granted to July 11, 2022 to provide the trust ledgers and TLARs, but nothing was received by that date, and [Auditor 3] sent a follow-up email.
28. On July 12, 2022, [Auditor 3] sent Mr. Wang a follow-up email as BCFSA had not received the trust ledgers or TLARs on July 11.
29. On July 13, 2022, Mr. Wang advised BCFSA that he had been ill and was unable to attend the Brokerage, but that he would send the trust ledgers and TLARs when he returned. However, they had not been sent by July 18, 2022.
30. On July 20, 2022, [Auditor 3] and [Auditor 2] held an audit exit interview of Mr. Wang, who advised that the trust ledgers and TLARs would be provided to the external accountant by the end of the month to begin preparing the required filings.
31. On August 5, 2022, [Auditor 3] sent a follow up email to Mr. Wang, requesting a response by August 10, 2022.
32. On August 11, 2022, BCFSA issued an Audit Report to Mr. Wang advising of the Brokerage's outstanding filing deficiencies, including bank reconciliations for the months of December 2021 to June 2022 for the Brokerage's General (Non-Trust) Account [ending in #6742], which was in contravention of sections 79 and 80 of the Rules. The deadline for response to the Audit Report was August 25, 2022, but nothing was received by that date.
33. On August 26, 2022, [Auditor 4] ("**Auditor 4**") of BCFSA sent an email to Mr. Wang requesting a response to the Audit Report without delay.
34. On August 31, 2022, [Auditor 4] sent an additional follow-up email to Mr. Wang with a deadline of September 6, 2022, referencing s. 21 of the Rules.

35. On September 16, 2022, Mr. Wang wrote BCFSA to advise that his office accountant had caught COVID-19 and provided no timeline for response. At that time, the previously requested trust ledgers, TLARs, and bank reconciliations (collectively the “**Filings**”) were still outstanding.
36. On September 26, 2022, legal counsel for the Superintendent of Real Estate sent a Non-Compliance Warning Letter (“**NCWL**”) to the Mr. Wang, demanding a response to the Audit Report by October 11, 2022. Mr. Wang was advised that if the Brokerage did not meet the deadline, it may be subject to administrative penalties or other enforcement actions under the RESA.
37. On October 7, 2022, [Auditor 3] sent an email to Mr. Wang confirming that the Filings and responses to the Audit Report was due on October 11, 2022 as set out in the NCWL. The Brokerage provided documents in response to the NCWL, but they were not fully responsive to the outstanding requests.
38. On October 12, 2022, Mr. Wang advised that further response to the Audit Report would be provided within the week.
39. On October 14, 2022, the Brokerage’s accountant uploaded documents to a link provided by [Auditor 3].
40. On October 21, 2022, BCFSA legal counsel sent a follow-up to the NCWL to Mr. Wang, noting that a full response to the Audit Report, as well as some of the Filings, were still outstanding.
41. On October 26, 2022, Mr. Wang provided responses to all outstanding requests, although several of the requested documents remained outstanding. He advised BCFSA that the outstanding monthly TLARs would be prepared by December 31, 2022 and the outstanding monthly reconciliations would be prepared by January 31, 2023.
42. On November 16, 2022, legal counsel for BCFSA sent Mr. Wang a second NCWL.
43. On November 28, 2022, Mr. Wang emailed [Paralegal 1] of BCFSA, asking for a further extension for filing of the outstanding TLARs. He advised that the timeline was “not reasonable” based on the Brokerage’s “circumstances”, as the Brokerage had had “two accountant turnovers and incomplete entries as [a] result” and the COVID-19 pandemic had delayed arranging meetings with external accountants. He also said that the responses to the Audit Report had to be done manually because of “deficient software capabilities”.
44. The Brokerage to date has not submitted the Filings to BCFSA.

PROPOSED FINDINGS OF MISCONDUCT

For the sole purposes of the Proposal and based on the Facts outlined herein, Mr. Wang and the Brokerage propose the following findings of misconduct be made by the Superintendent:

1. Ohm Realty Corp. dba Ohmproperty committed professional misconduct within the meaning of section 35(1)(a) of the RESA in that it:
 - a. Failed to file its required financial statements, accountant’s reports, and brokerage activity reports for the years ending December 31, 2020 and December 31, 2021 (due on April 30, 2021 and April 30, 2022), contrary to s. 75 of the Rules;
 - b. Failed to prepare or retain financial records necessary to ensure the appropriate and timely accounting of all transactions relating to real estate services provided by Ohm Realty Corp. dba Ohmproperty and its related licensees, contrary to s. 79 of the Rules, in particular one or both of the following:

- i. Bank reconciliations and bank statements, including cleared cheques for the Brokerage's general account for the months of December 2021 to November 2022; and
 - ii. Individual trust ledgers and trust liability and asset reconciliations for five separate trust accounts for the months of December 2021 to November 2022.
 - c. Failed to do the following, contrary to s. 80 of the Rules:
 - i. Prepare and retain a record showing amounts received and disbursed, the reason for the receipt of disbursements, and any unexpended balance;
 - ii. Prepare and retain monthly reconciliations of banking statements with the record referred to in paragraph (i), prepared in a timely fashion but no later than 5 weeks after the end of the month being reconciled.
 - d. Failed to prepare and retain a monthly trust liability and asset reconciliation for the following pooled trust accounts, prepared in a timely fashion but not later than 5 weeks after the end of the month being reconciled, for the months of December 2021 to November 2022, contrary to s. 81 of the Rules:
 - i. Trust Account – Property Management [ending #1339]
 - ii. Trust Account – Security Deposit [ending #1738]
 - iii. Trust Account - Property Management (IA) [ending #5806]
 - iv. Trust Account – General [ending #8648]
 - v. Trust Account – Commission [ending #6874].
- 2. Sung-Han (Hanson) Wang, committed professional misconduct within the meaning of section 35(1)(a) of the RESA in that, while the managing broker of Ohm Realty Corp. dba Ohmproperty, he failed to ensure that Ohm Realty Corp. dba Ohmproperty complied with ss. 75, 79, 80, and 81, contrary to section 6(2)(b) of RESA and sections 28(1)(a) and (b), as alleged in paragraph 1.

PROPOSED ORDERS

Based on the facts herein and the Proposed Findings of Misconduct, Mr. Wang and the Brokerage propose that the Notice of Discipline Hearing in this matter be resolved through the following Orders being made by the Superintendent, pursuant to section 43 of the RESA:

- 6. Sung-Han (Hanson) Wang and Ohm Realty Corp. dba Ohmproperty be jointly and severally liable to pay a discipline penalty to BCFSa in the amount of \$20,000 if the following items (collectively the “**Records**”) are filed within 30 days of the date of this Order, payable on the date the Records are provided to BCFSa:
 - a. A copy of the Brokerage's financial statements, accountant's reports, and brokerage activity reports for the years ending December 31, 2021 and December 31, 2022;
 - b. A copy of the Brokerage's individual trust ledgers and trust liability and asset reconciliations for December 2021 to November 2022, for the following accounts:
 - i. Property Management [ending in #1339]
 - ii. Security Deposit [ending in #1738]

- iii. Property Management (IA) [ending in #5806]
 - iv. Trust Account – General [ending in #8648]
 - v. Trust Account – Commission [ending in #6874]; and
 - c. A copy of the Brokerage's bank reconciliations for the months of December 2021 to November 2022 for the Brokerage's General (Non-Trust) Account [ending in #6742].
7. Sung-Han (Hanson) Wang and Ohm Realty Corp. dba Ohmproperty be jointly and severally liable to pay enforcement expenses to BCFSA in the amount of \$3,000, payable immediately.
8. Ohm Realty Corp. dba Ohmproperty's licence be cancelled if it does not provide the Records to BCFSA within 30 days of the date of this Order.
9. Sung-Han (Hanson) Wang's licence be cancelled if Ohm Realty Corp. dba Ohmproperty does not provide the Records to BCFSA within 30 days of the date of this Order. If Sung-Han (Hanson) Wang's licence is cancelled, Sung-Han (Hanson) Wang shall be permitted to continue being licensed as an associate broker or representative.
10. If Sung-Han (Hanson) Wang's licence is cancelled, before Sung-Han (Hanson) Wang is permitted to requalify as a managing broker, he must complete the Broker's Licensing Course offered by the Real Estate Division at the Sauder School of Business at the University of British Columbia.
11. If either Sung-Han (Hanson) Wang or Ohm Realty Corp. dba Ohmproperty fails to comply with any of the terms of the Order set out above, the Superintendent may suspend or cancel their licence without further notice to them.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

1. Mr. Wang and the Brokerage acknowledge and understand that the Superintendent may accept or reject the Proposal. If the Proposal is rejected by the Superintendent, the matter may be referred to a disciplinary hearing.
2. Mr. Wang and the Brokerage acknowledge that they have been urged and given the opportunity to seek and obtain independent legal advice with respect to the disciplinary process, the allegations contained in the Notice of Discipline Hearing, and the execution and submission of the Proposal to the Superintendent; and, that they have obtained independent legal advice or has 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. Wang and the Brokerage acknowledge and are aware that BCFSA will publish the Proposal and the Consent Order or summaries thereof on BCFSA's website, on CanLII, a website for legal research and in such other places and by such other means as BCFSA in its sole discretion deems appropriate.
4. Mr. Wang and the Brokerage hereby waive their right to appeal pursuant to section 54 of the RESA.
5. If the Proposal is accepted and/or relied upon by the Superintendent, Mr. Wang and the Brokerage will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is intended to restrict Mr. Wang and the Brokerage from making full answer and defence to any civil or criminal proceeding(s).
6. Mr. Wang and the Brokerage acknowledge and are aware that the Superintendent is not bound to accept any application for relicensing or renewal of their licence. Mr. Wang and the Brokerage must always satisfy the Superintendent that they meet the requirements for a licence in section 10 of the RESA, and any Rules, regulations or other instruments made pursuant to the RESA.

7. The Proposal and its contents are made by Mr. Wang and the Brokerage for the sole purpose of resolving the Notice of Discipline 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. Wang and the Brokerage in any civil proceeding with respect to the matter.

"Original signed by Hanson Wang"

"Original signed by Hanson Wang"

Sung-Han (Hanson) Wang, Authorized Signatory for Ohm Realty Corp.

Sung-Han (Hanson) Wang Authorized Signatory for Ohm Realty Corp.

Dated 12th day of September, 2023

Dated 12th day of September, 2023