

BC FINANCIAL SERVICES AUTHORITY

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

AND

IN THE MATTER OF

[APPLICANT 2]

REASONS FOR DECISION REGARDING QUALIFICATION

[These Reasons have been redacted before publication.]

I. INTRODUCTION

1. [Applicant 2] (“**[Applicant 2]**”) applied to be licensed as a representative in the trading services category with [Brokerage 1] (the “**Brokerage**”) on July 18, 2022. This is my decision pursuant to section 13 of the *Real Estate Services Act*, SBC 2004, c 42 (“**RESA**”) regarding whether he is suitable, of sufficient good reputation, and fit to be licensed under section 10 of RESA.
2. [Applicant 2]’s application disclosed that he had previously been subject to bankruptcy proceedings and regulatory enforcement proceedings before the BC Securities Commission. As a result, the BC Financial Services Authority (“**BCFSA**”) made inquiries regarding the circumstances of the bankruptcies and regulatory proceedings. [Applicant 2] provided responses and attended an interview.
3. On May 12, 2023, BCFSA wrote to [Applicant 2] to give him notice under RESA, s 13(3) that the Superintendent of Real Estate (the “**Superintendent**”) had concerns regarding whether he was suitable, of sufficient good reputation and fit to be licensed, was considering refusing to issue him a license, and offered him an opportunity to be heard.
4. [Applicant 2] requested that opportunity to be heard and was provided a timeline to provide submissions, which he provided within the timeline required.
5. For the reasons indicated below, I have decided that he is not suitable or of sufficient good reputation to be licensed as a representative in the trading category at this time.

II. ISSUES

6. There are two issues before me:

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- a. Has [Applicant 2] met the statutory burden to satisfy the Superintendent that [Applicant 2] is “of good reputation and suitable to be licensed” as a representative with the Brokerage in the trading services category, as required by RESA, s 10(a)?
- b. Has [Applicant 2] met the statutory burden to satisfy the Superintendent that [Applicant 2] has not “been disciplined by a professional body ... for a reason that reveals [[Applicant 2]] as unfit to be a licensee” as required by RESA, s 10(d)(iii)?

III. JURISDICTION

7. I am the Superintendent of Real Estate and therefore hold the statutory powers and duties with respect to sections 10 and 13 of RESA.

IV. ONUS

8. The applicant has the onus to satisfy me that they are of sufficient good reputation and suitable to be licensed in the category and level for which they apply. They must also establish they are fit to be licensed: RESA, s 10(a) and (d).
9. To help licensees understand how I generally consider the good reputation, suitability, and fitness of an applicant, BCFSA has published an explanation of its administrative process on its website: [Good Reputation, Suitability, and Fitness for Individual Licensees | BCFSA](#). I am guided by that document, but it does not bind me. I must consider good reputation, suitability, and fitness in light of all the applicable circumstances.
10. I must also afford procedural fairness to an applicant where a decision may affect their rights, privileges, or interests. This right includes a right to have an opportunity to be heard. RESA, s 13(3) requires that applicants be provided an opportunity to be heard before the Superintendent refuses to issue a licence to them. After receiving a licence application, including certain required disclosures, BCFSA reviews the material and may make inquiries or conduct investigations under RESA, s 11. If, on the basis the information discovered in those initial inquiries and investigations, BCFSA has concerns that may result in a refusal to issue a licence to the applicant, then a delegate of the Superintendent provides notice of that intention with an explanation of the concerns that suggest the individual may not have discharged their onus under RESA, s 10. That notice offers the individual an opportunity to be heard, notes that the Superintendent may conduct further investigations under RESA, s 11 if that opportunity is requested, and notes that the applicant may be ordered to pay expenses of the opportunity to be heard if they are unsuccessful. If the applicant requests an opportunity to be heard, BCFSA may conduct such further investigation as necessary, and then will ask the individual for final written submissions on the issue of their suitability. Those final submission[s] may include documents, evidence, statements, and argument.
11. I must determine facts and decide issues based on the material obtained during BCFSA's inquiries and investigation and based on the applicant's submissions. I must scrutinize the materials and submissions with care and ensure that the material relied on is sufficiently clear, convincing, and cogent to satisfy me that the applicant is suitable, of sufficient good reputation, and fit to be licensed on a balance of probabilities. I may, however, apply individual expertise and judgment to how I evaluate or assess the material.

V. BACKGROUND AND PROCESS

12. The material before me consisted of [Applicant 2]'s licensing applications, responses, interviews, and submissions as summarized by BCFSA staff; various documents [Applicant 2] provided in relation to his bankruptcy proceedings; the notice to [Applicant 2] regarding his opportunity to be heard; and his submissions on his opportunity to be heard.
13. While I have reviewed and considered the above material, the following summary of the background and process is not intended to comprehensively recite that material and information. It is intended to provide context for my reasons.
14. BCFSA received [Applicant 2]'s application to be licensed as a representative licensee in trading category with [Brokerage 1] on July 18, 2022. In that application, he advised that he had previously been subject to bankruptcy proceedings and that he had been subject to prior regulatory enforcement proceedings before the BC Securities Commission in 2013.
15. [Applicant 2] advised, in response to requests from BCFSA, that he was subject to a bankruptcy in 1991 which was absolutely discharged in 1992 and he was subject to a second bankruptcy in 2014 that was automatically discharged in 2016. The 1991 bankruptcy was small. The 2014 bankruptcy resulted from approximately \$8,300,000 in debts that [Applicant 2] stated largely arose because of the failure of a real estate development project in 2008 and 2009 and his personal guarantees of certain loans provided in relation to that project.
16. [Applicant 2] also advised that the BC Securities Commission proceedings related to the issuance of promissory notes to certain investors in a real estate development project which collapsed because of the inability to arrange financing for the project as a result of the 2008 financial crisis. [Applicant 2]'s statements indicate that this is the same development as referenced above and this is confirmed by [Applicant 2]'s later submissions described below. In 2013, the BC Securities Commission made a series of orders prohibiting [Applicant 2] from being involved in securities for a period of five years and requiring him to issue notices to investors regarding their losses as required to allow them to make claims for the losses on their income taxes. [Applicant 2] advised that the complainant in the BC Securities Commission proceeding denied being his friend which meant [Applicant 2] did not qualify for an exemption under securities legislation that applies when securities are sold to close personal friends in certain circumstances.
17. Regarding his 2014 bankruptcy, many of the responses [Applicant 2] provided to BCFSA's inquiries were terse, unresponsive, or underinclusive. For example, his written explanation regarding the nature of the debts listed in the Statement of Affairs in his bankruptcy left out numbers 27 to 45, inclusive. The left off debts relate to various ventures and debts, many of which range from \$100,000 up to \$400,000. [Applicant 2] addressed this deficiency in his final submissions as noted below.
18. In addition, the explanations he provided regarding various debts only noted that the debt was a "personal loan". This includes a loan from [Individual 1] of \$500,000, a loan from [Individual 2] of \$190,000, a loan from [Individual 3] of \$98,000, and a loan from [Individual 4] of \$100,000. Notably, [Individual 4]'s loan was also described as a loan for the development that failed. On the surface, that is not consistent with it being a "personal loan" in the sense of a loan for personal purposes. However, I note that [Applicant 2]'s submissions clarified his use of the word "personal loan" as noted below which largely dispels this apparent inconsistency.

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19. In contrast, [Company 1] was described as a creditor in the amount of \$235,000 for “land development project” primarily, and not as a personal loan. An additional example of the terse descriptions was the description of the debt to [Individual 5] in the amount of \$50,000 being for “business went sideways” with no further explanation. Further, the final debt listed as owing to [Company 2] in the amount of \$3,500,000 was stated as being for a “personal residence mortgage” despite [Applicant 2]’s Statement of Affairs not listing any security for that debt and there being a note indicating that this is related to item 41, being [Company 3], which appears to be secured by a ½ interest in [Property 1], Kelowna, BC. The [Company 3] debt was not included in [Applicant 2]’s list, as noted above regarding the missing numbers. [Applicant 2] did not initially explain why there were mortgage amounts exceeding \$4,500,000 in relation to a property valued at \$786,000. I note that [Applicant 2]’s subsequent submissions clarified what occurred with these mortgage amounts.
20. [Applicant 2] did indicate that he has learned from his bankruptcy about some of the pitfalls associated with real estate development and businesses. In particular, he has noted the risk inherent in having friends and family involved in these projects.
21. [Applicant 2]’s materials and his interview indicated that he was employed as a salesperson between 2016 and 2017 and then worked with [Company 4] after that but took unpaid medical leave in March 2020.
22. He also indicated that he was part of a group online that organized to provide *ad hoc* assistance in the community, including helping a group called [Group 1].
23. On May 12, 2023, BCFSA provided [Applicant 2] with notice under RESA, s 13(3) that it was considering refusing to issue his licence and offering him an opportunity to be heard. That letter explained to [Applicant 2] the issues that arose in regard to his application. In brief, those reasons were his failure to be candid in his application materials given what the letter described as his “terse and unresponsive” submissions regarding the circumstances around his bankruptcy. The letter advised that those responses failed to clearly demonstrate how the debts arose and in what ways they were connected to real estate development in each case. It highlighted the importance of honesty and candour for licensees regarding their dealings with clients, other licensees, BCFSA, and the Superintendent. The letter also advised that the substantial debts [Applicant 2] incurred, his failure to appreciate his required *Securities Act* registration, and his explanation that he believed the closeness of his relationship with the complainant meant he did not require *Securities Act* registration indicated that he may not be sufficiently willing to comply with regulatory requirements.
24. The letter indicated to [Applicant 2] that he could request an opportunity to be heard and that he may be responsible for payment of BCFSA’s expenses related to the opportunity to be heard if his application was refused after being given an opportunity to be heard.
25. Thereafter, [Applicant 2] requested an opportunity to be heard and exchanged emails with BCFSA staff regarding the process and requested an opportunity to be heard.
26. On July 5, 2023, BCFSA issued a letter to [Applicant 2] indicating that his opportunity to be heard would proceed and providing him a deadline of July 26, 2023 to provide his final submissions, including any evidence. The letter instructed [Applicant 2] to treat the submissions as final and to include all relevant information with it. It noted that [Applicant 2] may want to consider whether conditions are appropriate and if so in what form.

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27. On July 26, 2023, following some correspondence regarding deadlines, [Applicant 2] submitted 10 pages of written submissions.
28. In brief, the submission indicated that [Applicant 2] did not intend to be withholding and that he “never wanted to be seen or perceived to be holding back or hiding anything.” He expressed regret regarding the failure of his real estate endeavours in 2008 and its impact on himself, his friends, and his family. He says he regrets the impact on those involved and the negative impact on their lives and regrets the loss of friendships and the impact on his family. He says he did not have the “business knowledge to anticipate” the 2008 financial crisis, which created too much risk for himself, his friends, and his family.
29. He notes that some of the documents he supplied were supplied in the pre-screening process he engaged in with the Real Estate Council of British Columbia in 2017 and he expected that if there were questions, they would have been raised in the interview conducted during the inquiries BCFSA made before issuing the above noted May 12, 2023 letter.
30. He notes that the passage of years may have impacted his memory of some of the details.
31. [Applicant 2] also notes that the coursework he undertook to become a licensee impressed upon him the need to comply with his fiduciary duties to clients and his responsibility to protect the reputation of his brokerage and to comply with the regulatory regime.
32. [Applicant 2] then goes on to provide information regarding the debts that had been previously missing from his submissions to BCFSA and further explanations regarding the other debts. This included explanations of many of the debts which has allowed me to, for the most part, identify the nature of those debts and their relation to certain business ventures. It also included an explanation that the significant loan amount secured against his residence included a first mortgage and a larger, \$3,500,000 *inter alia* mortgage against his property and the properties that were part of a real estate development on [Property 2], Peachland, British Columbia.
33. In addition, [Applicant 2] provided clarification that he was part of a group that did “random acts within the community” and that their work assisting [Group 1] was one instance of those random good acts.
34. I will not detail all the information [Applicant 2] provided with regard to his debts. The details of the smaller debts are not particularly important. Some of them are for cellphone contracts or credit card debts, which I accept [Applicant 2] would be unable to recall the details of now.
35. What I know about [Applicant 2] now, as a result of his final submissions, is different from what BCFSA knew at the beginning of the opportunity to be heard process. The general impression given by his initial statements is that the debts he listed were tied to a single real estate development project or perhaps two. The information disclosed on his final submissions instead demonstrates that there were significant debts owed for a variety of endeavours suggesting a pattern of bad business decisions. It is also clear from the further disclosure that when [Applicant 2] states a loan is a “personal loan” what he means is that it is a loan for which he is personally liable, as opposed to a loan to a corporation, a purchase of shares, or some other financing vehicle. In my view, nothing turns on that wording, I merely note it as part of my understanding of [Applicant 2]’s explanations both during the initial inquiries and in his final submissions.

36. The debts and business endeavours disclosed by [Applicant 2] in his final submissions included the following:
- a. eleven debts totaling \$5,340,000 related to a failed real estate development project on [Property 2], Peachland, British Columbia including the [Company 2] debt of \$3,500,000;
 - b. three debts totaling \$390,000 related to a failed real estate development project in Las Vegas, Nevada;
 - c. one debt of \$68,591 for a Calgary land assembly project that lost money;
 - d. three debts totaling \$798,000 for a variety of projects, which may include the above, but is not clear;
 - e. a \$15,000 debt for a single undisclosed project or investment;
 - f. three debts totaling \$171,000 related to a project conducted with one [Individual 6];
 - g. one \$50,000 debt related to a failed peanut and candy vending business;
 - h. one \$100,000 debt related to the rebuilding of [Applicant 2]'s personal residence; and
 - i. one debt to [Applicant 2]'s grandmother in which he was loaned \$190,000 and was to pay his grandmother interest on the loan. [Applicant 2] advises that his grandmother passed away. It appears she passed away after [Applicant 2]'s second bankruptcy such that this debt formed part of his bankruptcy estate.
37. The above comports with [Applicant 2]'s initial explanation in that a substantial portion of his debts arose from the [Property 2] project and another in Las Vegas. It does not comport with his explanation insofar as there were substantial debts owing for a variety of other projects and business ventures. Although it may be the case that [Applicant 2]'s bankruptcy was precipitated by the 2008 financial crisis and the consequent reduced availability of financing options, a substantial contributing factor was clearly the breadth of unsuccessful business and real estate ventures [Applicant 2] was involved in and personally liable for.
38. On September 11, 2023, the delegate of the Superintendent tasked with rendering a decision on this matter went on an unexpected leave of absence. I understand that delegate had made a preliminary decision to refuse [Applicant 2]'s licence and written reasons were being prepared but had not been completed or signed by the time that leave commenced. To provide [Applicant 2] a decision, I have stepped in to make the decision. Although I am aware of the previous decision, I am not bound by it and considered the matter as if I were making the decision at first instance and the decision set out in this document is my own.

VI. REASONS FOR DECISION

39. [Applicant 2] has the onus of proving he is currently of sufficient good reputation and suitable to be licensed at the level and in the category applied for on a balance of probabilities. He must also demonstrate that he has not been disciplined by a professional body for a reason that reveals he is unfit to be licensed. These issues are not mutually exclusive. An offence conviction, licence refusal, or discipline proceeding can be grounds to find an applicant unsuitable or lacking in sufficient good reputation in addition to rendering them unfit.

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40. Where the applicant makes legal arguments, I am not bound to accept the law as described by them: *International Woodworkers of America, Local 2-69 v Consolidated-Bathurst Packaging Ltd*, [1990 CanLII 132 \(SCC\)](#), [1990] 1 SCR 282 (SCC) at para [32](#). I note therefore that good reputation, suitability, and fitness under RESA are similar to “good character” and “fitness” requirements under other legislation in British Columbia and Canada. Where I consider relying on a case that is of particular import that goes beyond the general principles explained to the applicant in BCFSA’s correspondence, the notices to the applicant, or the material published by BCFSA or a case that appears determinative of the issue against the applicant, BCFSA provides notice of that case and an opportunity for the applicant to provide submissions on it. That did not occur here.
41. A hearing committee of the Law Society of British Columbia summarized good character and fitness principles in *Applicant 3 (Re)*, [2010 LSBC 23](#). Fitness encompasses good character. In the context of the legal profession, the hearing committee quoted the principle that “a lawyer must not only show that he or she has all the attributes of good character – honesty being one of them – the lawyer must also show that he or she has other attributes from which a forecast of future integrity can be made”: at para 19. The standard is not one of perfection, but an applicant must establish good character at the time of the hearing and that the determining factor is the public interest: at paras 19 and 23.
42. The issues raised in the May 12, 2023 letter to [Applicant 2] providing him notice under RESA, s 13(3) are [Applicant 2]’s candour and honesty and [Applicant 2]’s willingness and ability to comply with the regulatory requirements as a result of the significant debts involved in his bankruptcy, the enforcement measures taken against him under the *Securities Act* and his understanding of the reason behind those enforcement measures. That letter quoted the entirety of RESA, s 10 and provided [Applicant 2] with a link to BCFSA’s [Good Reputation, Suitability and Fitness](#) guidance to assist [Applicant 2] in addressing these issues.
43. Regarding [Applicant 2]’s honesty and candour, [Applicant 2] was not as accurate in the initial rounds of exchange with BCFSA as he should have been. He treated the process, at the initial stages, a bit flippantly by failing to substantially address the questions and concerns put to him. The increased detail [Applicant 2] has provided in his submissions on his opportunity to be heard tends to indicate that he is interested in being forthcoming in this process. He has expressed that he did not intend to be withholding and expected that if there were further questions, he would have been asked them during the process. The Superintendent should not be put to the task of repeatedly asking applicants follow up questions to achieve a sufficient degree of clarity regarding the applicant’s history and conduct to understand the background to the application. BCFSA’s guidance confirms this.
44. Many of the explanations remain cursory and high level and, as indicated above, do not entirely comport with his initial portrayal of the causes of his bankruptcy. In my view, [Applicant 2]’s final submissions are somewhat lacking, but not to such an extent that the deficiencies themselves establish that he had failed to meet his onus to prove he is suitable. BCFSA staff have had to piece them together to some extent, but the standard is not perfection.
45. I do not find that [Applicant 2] intended to mislead me or BCFSA in his responses and instead misunderstood the extent of his disclosure expectations.
46. As indicated below, I think the degree to which [Applicant 2]’s initial disclosures and his final disclosures do not align suggests that [Applicant 2] does not understand the extent that his own

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[Applicant 2]

failure to manage risk caused his bankruptcy. He still largely blames the 2008 financial crisis while downplaying the series of decisions that led to his significant debts to his family and friends.

47. In my view, [Applicant 2]'s lack of candour itself is not the overriding concern in this application.
48. Regarding [Applicant 2]'s willingness and ability to comply with the regulatory regime considering his past regulatory proceedings before the BC Securities Commission, I have decided that those are also not an overriding concern in this matter. [Applicant 2]'s explanation was reasonably clear. His further explanation has provided more context and identified the complainant. It is clear he made a mistake and suffered the consequences the BC Securities Commission deemed appropriate. I have concluded that it does not render him unfit to be licensed within the meaning of RESA, s 10(1)(d)(iii).
49. The most significant issue in this case is [Applicant 2]'s suitability and good reputation considering his substantial bankruptcy in 2014.
50. Regarding bankruptcy matters, BCFSA's Good Reputation, Suitability, and Fitness guidance says the following:

Real estate licensees work with their clients to help them make decisions often involving significant amounts of money and can be involved in the actual handling of significant amounts of money. Therefore, an applicant's lack of financial responsibility may demonstrate a lack of good reputation or suitability.

If the applicant has been discharged from bankruptcy or fully performed a consumer or division I proposal ("proposal"), that will not, on its own, necessarily prevent them from being licensed so long as they can demonstrate that the bankruptcy or performed proposal does not render them unsuitable.

...

An applicant's insolvency history might not preclude them from licensing but may result in the imposition of conditions if the Superintendent believes they are qualified, suitable, of good reputation, and fit to be licensed but is still concerned about the risk they may pose to the public. An example of such conditions may include being prohibited from handling trust funds.

Regardless of whether an applicant is discharged or has completed their proposal, BCFSA will inquire about the circumstances behind the bankruptcy or proposal. Those circumstances will be assessed against the other elements discussed in this document including honesty, candour, compliance with regulatory and legal obligations, good reputation, and fitness.

If there is no evidence of other conduct that might render an applicant unsuitable, BCFSA may issue a licence at the representative or associate broker level despite a previous bankruptcy or a proposal. Such other conduct includes other bankruptcies or proposals and conduct inside or outside the insolvency process. However, in all instances BCFSA will inquire about the circumstances of a bankruptcy or proposal.

51. As noted in that passage, general considerations of good reputation and fitness apply to the circumstances underlying the bankruptcy. This includes a need to demonstrate rehabilitation.

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BCFSA indicated this, although not explicitly, in its letter to [Applicant 2] on May 12, 2023 by indicating that his suitability, good reputation, and fitness were at issue in part because of the substantial debts in his 2014 bankruptcy. BCFSA's guidance does mention a list of non-exhaustive rehabilitative factors that the Superintendent may consider in the context of assessing an applicant's fitness in light of regulatory or criminal convictions.

52. The listed, non-exhaustive, rehabilitation factors are whether the applicant has:
- a. paid restitution or damages to any person harmed by the conduct;
 - b. successfully completed or was discharged early from probation or parole [or satisfied other regulatory conditions or orders];
 - c. corrected the business or other practices that created a risk of harm to others;
 - d. obtained treatment for addiction or substance use conditions that contributed to the conduct, based on evidence from physicians or other persons competent to testify in that regard;
 - e. obtained treatment for mental health conditions that contributed to the conduct, based on evidence from physicians or other persons competent to testify in that regard;
 - f. completed or is enrolled in formal education or training courses for professional- or self-improvement;
 - g. volunteers or volunteered with programs designed to provide social benefits;
 - h. fulfills their personal responsibilities; and
 - i. demonstrates a change in attitude from when the conduct occurred, including whether they acknowledge and appreciate the conduct, the conduct's seriousness, the circumstances that led to the conduct, and the impact of the conduct on victims and the public, as evidenced by any or all of the following:
 - i. the applicant's own testimony;
 - ii. the testimony of persons who know of the conduct and are familiar with the applicant's subsequent and current attitudes and behaviour; and
 - iii. testimony or statements from probation officers, parole officers or law enforcement officials competent to testify as to the applicant's social adjustments.
53. Although that section does not specifically reference bankruptcy proceedings, the passage quoted at paragraph 50 above notes the relevance of the guidance concerning fitness when considering past bankruptcies. Further, BCFSA's notice to [Applicant 2] that his fitness was at issue, should have caused [Applicant 2] to provide any evidence available to him regarding his rehabilitation.
54. The above list of rehabilitation factors does not include consideration of the passage of time on its own. As noted, I must consider all the circumstances and am not bound by that list. In my view, the passage of time is relevant. In [Applicant 2]'s case, approximately 9 years have passed since he filed for bankruptcy and approximately 7 years since he was discharged. That is a substantial period. Considered on its own, that passage of time weighs in [Applicant 2]'s favour. I consider it

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- including what occurred or did not occur during that passage of time. The factors listed above help to inform that consideration.
55. The 2008 financial crisis was not predicted by most people. However, the information [Applicant 2] provided discloses a broader course of questionable borrowing conduct than simply him getting in over his head on a single real estate project. It discloses that [Applicant 2] engaged in a series of bad business or real estate ventures using funds borrowed from a wide variety of friends and family. It also discloses that he accepted a large amount of money from his grandmother either before or during a time when he was taking on significant personal liabilities. I do note that the legitimacy of this loan from [Applicant 2]'s grandmother was not really explored in any depth, particularly given [Applicant 2]'s evidence of the issue is the only evidence likely to be available. [Applicant 2]'s evidence is that he did this "begrudgingly" and at his grandmother's request. I do not reject that account, but the fact that [Applicant 2] took on this loan and kept it outstanding suggests that he does not appreciate the risks associated with his financial position at that time.
 56. [Applicant 2]'s disclosures indicate that he was engaged in a significant number of business ventures, borrowing significant amounts of money, and became substantially overindebted as a result. He does not clearly acknowledge that his own conduct could give rise to a similar situation in the future.
 57. The next question, therefore, is whether [Applicant 2] has rehabilitated himself from the behaviour that resulted in his 2014 bankruptcy.
 58. [Applicant 2] filed for his second bankruptcy in 2014 and was discharged from his 2014 bankruptcy automatically in 2016. Although the specific dates that the debts arose are not provided, it appears from [Applicant 2]'s statements that the largest dollar value debts arose around 2008. They were therefore outstanding for approximately six years before the bankruptcy commenced. There is no indication that he misconducted himself in any way during the bankruptcy itself. [Applicant 2] has advised that he provided his creditors with the necessary forms required for them to claim their loans as losses on their taxes, as required by the Securities Commission order against him. [Applicant 2] has not been bankrupt again and there is no evidence that he is in the continued habit of borrowing significant amounts of money. It does not appear that his bankruptcy arose from any addictions or mental health issues that would require counselling. He has not indicated that he has taken any courses that would specifically speak to financial matters since his 2014 bankruptcy. [Applicant 2] has been employed with two employers since his bankruptcy. It does not appear that his bankruptcy or other conduct arose from any mental health or addictions issues that would require treatment. He has completed the required real estate training courses and other education to become a real estate licensee.
 59. [Applicant 2] advises that he volunteers with an online group that does *ad hoc* good deeds. I have no evidence speaking directly to [Applicant 2]'s fulfillment of personal responsibilities either way. [Applicant 2] has provided no letters of support for his suitability. Those are not necessary, but there is no evidence to demonstrate a rehabilitation of his reputation in the community.
 60. Considering the passage of time, I find that [Applicant 2] has not demonstrated that he has shown a clear change in attitude, that he has acknowledged, or that he has fully come to appreciate the causes of his bankruptcy. Although he does express that he has learned from his bankruptcy and regrets the losses to his creditors, he continues to indicate that the losses were caused by the 2008

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- financial crisis and does not clearly acknowledge his own conduct as a substantial contributing factor.
61. Considering all of the above, I am of the view that [Applicant 2] has not discharged his onus of satisfying me that he is suitable and of sufficient good reputation to be licensed as a representative in the trading category. I see a significant number of debts and underlying business ventures without an appreciation of [Applicant 2]'s own role in giving risk to that risky situation. He blames his bankruptcy more on the economic position in 2008 than his own management of risk within that position.
62. As noted in the guidance cited above, trading services representatives are tasked with providing advice to their clients regarding some of the most substantial financial decisions they will make in their lives. In my view, [Applicant 2] has not demonstrated that he has rehabilitated himself to a sufficient extent to show that he is suitable or of sufficient good reputation assist members of the public in making those decisions.
63. Therefore, I am not satisfied that [Applicant 2] has demonstrated he is of sufficient good reputation and suitable to be licensed as a representative in the trading category.

VII. DECISION

64. For the reasons set out above, I refuse to issue [Applicant 2] a licence pursuant to RESA, s 13.
65. [Applicant 2] is prohibited from applying to be licensed under RESA for a period of two (2) years from the date of this decision. If [Applicant 2] does reapply, he will need to have used this time to take steps to understand his role in the challenges he put himself into, though exacerbated by a crisis, and to demonstrate a change in his attitude.
66. [Applicant 2] has a right to appeal this decision to the Financial Services Tribunal under section 54(1)(a) of the RESA. [Applicant 2] will have 30 days from the date of this decision to make that appeal: *Financial Institutions Act*, RSBC 1996, c 141, s 242.1(7)(d) and *Administrative Tribunals Act*, SBC 2004, c 45, s 24(1).

DATED at Vancouver, British Columbia, this 30th day of November, 2023.

“Original signed by Blair Morrison”

Blair Morrison, Superintendent of Real Estate
Province of British Columbia