

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****MEHDI PARSAEIAN, also known as MOHAMMAD MEHDI PARSAEIAN****(170312)****AND****MEHDI PARSAEIAN PERSONAL REAL ESTATE CORPORATION****(170312PC)****CONSENT ORDER****[This Order has been redacted before publication.]**

RESPONDENT: Mehdi Parsaeian, also known as Mohammad Mehdi Parsaeian, trading representative, RLPS Limited Partnership dba Royal LePage Sussex (West Vancouver)
Mehdi Parsaeian Personal Real Estate Corporation

DATE OF CONSENT ORDER: February 7, 2024

COUNSEL: Menka Sull, Legal Counsel for the BC Financial Services Authority
Stefanie Gladders, Legal Counsel for the Respondent

PROCEEDINGS:

On February 24, 2024 the Superintendent of Real Estate (the "Superintendent"), or the Superintendent's authorized delegate, of BC Financial Services Authority ("BCFSA") accepted the Consent Order Proposal (the "Proposal") submitted by Mehdi Parsaeian, also known as Mohammad Mehdi Parsaeian ("M. Parsaeian") on his own behalf and on behalf of Mehdi Parsaeian Personal Real Estate Corporation ("Parsaeian PREC").

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by M. Parsaeian and Parsaeian PREC .

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that M. Parsaeian and Parsaeian PREC . committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* ("RESA") and sections 30(a), 33, and 34 of the *Real Estate Services Rules* (the "Rules"), pursuant to section 43 of the RESA the Superintendent orders that:

1. M. Parsaeian and Parsaeian PREC jointly and severally pay a discipline penalty to BCFSa in the amount of \$20,000 within six (6) months from the date of this Order;
2. M. Parsaeian, at their own expense, register for and successfully complete the Real Estate Trading Services Remedial Education Course as provided by the Sauder School of Business at the University of British Columbia in the time period as directed by BCFSa.; and
3. M. Parsaeian and Parsaeian PREC jointly and severally pay enforcement expenses to BCFSa in the amount of \$4,510.80 within six (6) months from the date of this Order.

If M. Parsaeian and Parsaeian PREC fail to comply with any term of this Order, the Superintendent may suspend or cancel their licence without further notice to them, pursuant to sections 43(3) and 43(4) of the RESA.

Dated this 7 day of February 2024 at the City of Vancouver, 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.

BC FINANCIAL SERVICES AUTHORITY

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

AND

IN THE MATTER OF

**MEHDI PARSAEIAN, also known as MOHAMMAD MEHDI PARSAEIAN
(170312)**

AND

**MEHDI PARSAEIAN PERSONAL REAL ESTATE CORPORATION
(170312PC)**

**CONSENT ORDER PROPOSAL BY MEHDI PARSAEIAN
AND MEHDI PARSAEIAN PERSONAL REAL ESTATE CORPORATION**

BACKGROUND AND FACTS

This Consent Order Proposal (the "Proposal") is made by Mehdi Parsaeian, also known as Mohammad Mehdi Parsaeian ("M. Parsaeian") on his own behalf and on behalf of Mehdi Parsaeian Personal Real Estate Corporation ("Parsaeian PREC") 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, M. Parsaeian on his own behalf and on behalf of Parsaeian PREC and the Superintendent have agreed upon the following facts:

1. M. Parsaeian (170312) has been continually licensed as a trading services representative since February 4, 2015.
2. M. Parsaeian became licensed as Parsaeian PREC on March 2, 2021.
3. M. Parsaeian was at all relevant times licensed as a trading services representative with Royal LePage Sussex.

Background to the Investigation

4. In 2017, the then Financial Institutions Commission of BC ("FICOM") received an anonymous complaint, alleging that Jay Kanth Chaudhary also known as Mike Kumar ("Chaudhary"), had been working with mortgage brokers and real estate agents to secure mortgage funding on behalf of buyers using fraudulent documentation.
5. Chaudhary, who was previously registered as a submortgage broker, had been suspended on October 16, 2008, by the then Acting Registrar of Mortgage Brokers for knowingly submitting false information to lenders for them to act upon as if that information was genuine (the "Suspension Order").
6. Chaudhary did not renew his registration following the Suspension Order.
7. On January 30, 2019, the Acting Registrar of Mortgages signed two Orders to Enter Chaudhary's residences.
8. While searching Chaudhary's residences, FICOM investigators seized fax machines, cell phones,

portable drives, and mortgage files that Chaudhary had been working on.

9. During this search, an Excel spreadsheet entitled "Work Flows 2018" (the "Chaudhary Spreadsheet") was located on Chaudhary's computer. The Chaudhary Spreadsheet identified M. Parsaeian as a buyer's agent in relation to four transactions in which the purchasers used Chaudhary's unregistered mortgage services to secure mortgage financing.
10. On May 23, 2019, the Acting Registrar of Mortgage Brokers issued a Cease and Desist Order against Chaudhary restraining him from carrying on business as a mortgage broker or submortgage broker, from acting as or holding out as a mortgage broker or submortgage broker in BC, and from conducting any unregistered mortgage broker activity in BC in any capacity.
11. Chaudhary has since acknowledged that he provided unregistered mortgage services to a number of individuals and that he altered documents in order to obtain mortgage financing for his clients. As Chaudhary was not registered, he used the services of registered mortgage brokers to submit the fraudulent mortgage documents he created to major lenders.
12. Chaudhary has also acknowledged charging a commission for the mortgages he secured and then paying a portion of his commission to licensees who referred clients to him.

The BCFSA Investigation

13. On June 7, 2019, the then Real Estate Council of BC received a referral from the then FICOM Mortgage Brokers Investigation Team identifying M. Parsaeian as a referral source of Chaudhary in connection with his unregistered mortgage broker services.
14. On December 30, 2021, M. Parsaeian was informed that he was under investigation by the BCFSA pursuant to s. 37(1) of the RESA.
15. M. Parsaeian told BCFSA investigators he met Chaudhary one time in person and knew him simply as "Mike".
16. M. Parsaeian did not take steps to verify Chaudhary's registration as a mortgage broker.
17. M. Parsaeian included Chaudhary as one of three potential mortgage broker options when making recommendations to two buyer clients in relation to four transactions:
 - a. [Client 1], purchaser of [Property 1], North Vancouver; and
 - b. [Client 2], purchaser of [Property 2] and [Property 3], North Vancouver and [Property 4], North Vancouver.
18. M. Parsaeian did not receive any commission or referral fees from Chaudhary for these referrals.
19. M. Parsaeian acknowledges that trading services representatives have an obligation to be aware of appropriate financing procedures and mortgage requirements, in order to properly discuss the same with their clients.
20. M. Parsaeian acknowledges that trading services representatives should verify the credentials of professionals they recommend to their clients, including that they possess any licences or registrations required to provide their services.
21. M. Parsaeian admits he did not make any inquiries into Chaudhary's registration status with the Registrar of Mortgage Brokers prior to recommending Chaudhary's services to his clients.
22. On April 26, 2017, M. Parsaeian's client [Client 2] entered into a Contract of Purchase and Sale prepared for [Property 2], North Vancouver. M. Parsaeian is listed as the designated agent for the buyer.
23. M. Parsaeian provided [Client 2] with a "Working with a Realtor" form which [Client 2] signed; however, M. Parsaeian failed to sign the form himself.

24. On March 10, 2017, M. Parsaeian's client [Client 2] entered into a Contract of Purchase and Sale for [Property 4], North Vancouver. M. Parsaeian is listed as the designated agent for the buyer.
25. M. Parsaeian provided [Client 2] with a "Working with a Realtor" form which [Client 2] signed; however, M. Parsaeian failed to sign the form himself.
26. A Notice of Discipline Hearing was issued on March 7, 2023, and served on M. Parsaeian on his own behalf and on behalf of Parsaeian PREC.
27. An Amended Notice of Discipline Hearing was issued on November 20, 2023 and also served on M. Parsaeian on his own behalf and on behalf of Parsaeian PREC.
28. M. Parsaeian and Parsaeian PREC do not have a discipline history with the Superintendent.

PROPOSED FINDINGS OF MISCONDUCT

For the sole purposes of the Proposal and based on the Facts outlined herein, M. Parsaeian and Parsaeian PREC propose the following findings of misconduct be made by the Superintendent:

1. M. Parsaeian and Parsaeian PREC committed professional misconduct within the meaning of section 35(1)(a) of the RESA in that:
 - a. M. Parsaeian referred at least two (2) buyer clients, over four (4) transactions to Chaudhary in 2017 when M. Parsaeian knew or ought to have known that Chaudhary was not a registered mortgage broker, thereby putting M. Parsaeian's clients at risk, contrary to section 30(a) [duty to act in the best interests of the client] (formerly section 3-3(a)), section 33 [duty to act honestly] (formerly section 3-4) and section 34 [duty to act with reasonable care and skill] (formerly section 3-4) of the Rules;
 - b. M. Parsaeian failed to properly complete a Working with a Realtor form dated April 26, 2017, in relation to M. Parsaeian's client's purchase of a property located at [Property 2], North Vancouver, contrary to section 34 [duty to act with reasonable care and skill] (formerly section 3-4) and of the Rules; and
 - c. M. Parsaeian failed to properly complete a Working with a Realtor form dated March 10, 2017, in relation to M. Parsaeian's client's purchase of a property located at [Property 4], North Vancouver, contrary to section 34 [duty to act with reasonable care and skill] (formerly section 3-4) of the Rules.

PROPOSED ORDERS

Based on the Facts herein and the Proposed Findings of Misconduct, M. Parsaeian and Parsaeian PREC 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:

1. M. Parsaeian and Parsaeian PREC be jointly and severally liable to pay a discipline penalty to BCFSa in the amount of \$20,000 within six (6) months from the date of this Order.
2. M. Parsaeian, at his own expense, register for and successfully complete the Real Estate Trading Services Remedial Education Course as provided by the Sauder School of Business at the University of British Columbia in the time period as directed by BCFSa.
3. M. Parsaeian and Parsaeian PREC be jointly and severally liable to pay enforcement expenses to BCFSa in the amount of \$4,510.80 within six (6) months from the date of this Order.
4. If M. Parsaeian and Parsaeian PREC fail to comply with any of the terms of this Order, the Superintendent may suspend or cancel their licences without further notice to them.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

1. M. Parsaeian and Parsaeian PREC 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. M. Parsaeian and Parsaeian PREC 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 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. M. Parsaeian and Parsaeian PREC 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. M. Parsaeian and Parsaeian PREC 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 M. Parsaeian and Parsaeian PREC will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is intended to restrict M. Parsaeian or Parsaeian PREC from making full answer and defence to any civil or criminal proceeding(s).
6. The Proposal and its contents are made by M. Parsaeian and Parsaeian PREC for the sole purpose of resolving the Amended 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 M. Parsaeian and Parsaeian PREC in any civil proceeding with respect to the matter.

"Original signed by Mehdi Parsaeian"

**MEHDI PARSAEIAN on their own behalf and on
behalf of MEHDI PARSAEIAN PERSONAL REAL
ESTATE CORPORATION**

Dated 18 day of January, 2024