

**IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended**

AND

IN THE MATTER OF

Sarbjit Bains

CONSENT ORDER

(Pursuant to sections 8 (1.4) of the *Mortgage Brokers Act*)

[This Order has been redacted before publication.]

WHEREAS SARBJIT BAINS, ("Ms. Bains") has never been registered as a mortgage broker or submortgage broker under the *Mortgage Brokers Act*, RSBC 1996, c 313 (the "MBA");

AND WHEREAS the Registrar of Mortgage Brokers (the "Registrar") issued a Notice of Hearing to Ms. Bains, on March 17, 2021 ("Notice of Hearing");

AND WHEREAS the following agreement has been reached between Ms. Bains and the staff of the Registrar ("Staff");

AND WHEREAS the Registrar agrees to the following terms of a consent order (the "Order"):

A. FINDINGS

The Registrar makes the following findings against Ms. Bains, and Ms. Bains accepts the following findings made against her:

1. Ms. Bains contravened section 8(1.4) of the MBA when she carried on business as a mortgage broker or submortgage broker without being registered to do so as required by section 21(1)(a) of the MBA and without being exempt from registration pursuant to section 11 of the MBA, by undertaking the following activities that were outside the scope of her employment with a financial institution:
 - a. directing the course of ten mortgage applications on behalf of borrowers including giving instructions or directions to [Individual 1] ("DA"), a mobile mortgage specialist with [Bank 1] ("[Bank 1]"), as to the employment, income, and banking information (collectively, "supporting documents") of the ten mortgage applications listed in Schedule A;
 - b. conducting one or more of the following activities on behalf of the ten borrowers listed in Schedule A:
 - i. soliciting borrowers for the purpose of mortgage referrals;

- ii. meeting with borrowers to collect borrowers' personal information for their mortgage applications;
 - iii. providing mortgage advice or information to borrowers, including advice or information relating to some or all of mortgage rates, terms, conditions, fees or qualifications, and determined what supporting documents were required from borrowers in their mortgage applications;
 - iv. communicating with DA, in DA's capacity as a lender, about the merits of mortgage applications;
 - v. accepting supporting documents from borrowers for the purpose of obtaining mortgages;
 - vi. accepting borrowers' mortgage supporting documents from a third party, and providing those documents to DA for inclusion in the borrower's mortgage applications without vetting the documents; and
 - vii. referring borrowers to DA and acting as a liaison between the borrowers and DA by providing borrowers' supporting documents to DA for inclusion in the borrowers' mortgage applications; and
- c. receiving remuneration in excess of \$1,000 between 2018 and 2019 for arranging mortgages.
2. Some of the supporting documents provided to DA by Ms. Bains and relied on by [Bank 1] to make lending decisions were altered and contained false information. Ms. Bains knew or ought to have known that these documents were not genuine.

B. ORDERS AND PENALTY

Pursuant to section 8 (1.4) of the MBA, Ms. Bains hereby consents to, and the Registrar hereby makes the following orders:

1. Ms. Bains agrees to immediately cease acting as a mortgage broker or submortgage broker as that term is defined in the MBA unless and until she is registered or otherwise permitted under the Act;
2. Ms. Bains shall pay an administrative penalty of \$35,000 within the time period directed by the Registrar;
3. All payments will be made by cheque, bank draft, or money order, payable to the BC Financial Services Authority, and all amounts not paid in accordance with the terms of this Order will represent a debt owing and be subject to interest pursuant to the *Financial Administration Act*, RSBC. 1996, c. 138.

C. AGREED FACTS

As a basis for this Order, Ms. Bains acknowledges the following facts as correct and makes the following admissions:

Background and Facts

1. Ms. Bains has never been registered as a mortgage or submortgage broker in the province of British Columbia. At all material times, Ms. Bains was employed at [Bank 2] ("Bank 2") as a Mortgage Specialist.
2. Ms. Bains signed up to challenge the mortgage broker course on May 4, 2017, and she signed up to take the course on April 16, 2019. Due to personal circumstances, an extension was requested and granted to May 31, 2019. Neither was ultimately completed.

3. Jay Kanth Chaudhary ("JKC") was registered as a submortgage broker with registration number 142928 during two different time frames: between April 25, 2007, and December 21, 2007 with [Company 1] and between January 4, 2008 and October 20, 2008 with [Company 2].
4. JKC is currently not registered as a submortgage broker and has not been registered since October 20, 2008.
5. An investigation into JKC's activities revealed that he was arranging mortgages while not registered and providing complete mortgage applications with falsified financial documents to registered submortgage brokers and mortgage specialists at various financial institutions. Ms. Bains was one of the mortgage specialists with such a working relationship with JKC.
6. One of the files located in JKC's residence by Staff was determined to be submitted through an employee of [Bank 1], DA.
7. DA has never been registered as a mortgage or submortgage broker in the province of British Columbia. At all material times, DA was employed at [Bank 1] as a Mobile Mortgage Specialist.
8. Staff's investigation revealed that DA initially met Ms. Bains over the telephone in 2017 or 2018. DA and Ms. Bains never met in person and over the course of their working relationship they communicated via email, text, and telephone calls to arrange mortgages.
9. Between 2018 and 2019, DA submitted ten mortgage files through [Bank 1] listed in the attached Schedule A received from Ms. Bains. Five of those ten files were provided by JKC to Ms. Bains, three of which were confirmed to contain falsified income supporting documents.
10. On the files that originated from JKC, Ms. Bains did not verify documentation or meet with the clients prior to providing the file to DA.
11. Four of the remaining ten files were confirmed to have originated from Ms. Bains' own acquaintances. On those files, Ms. Bains carried on business as a mortgage broker by:
 - a. meeting and communicating with borrowers for the purpose of arranging mortgages outside of her employment with [Bank 2];
 - b. obtaining personal information and documentation for the purposes of arranging mortgages outside her employment with [Bank 2] by providing them to DA for the purpose of referring mortgage files;
 - c. collaborating with DA to submit mortgage applications to a lender other than [Bank 2] on behalf of numerous borrowers;
 - d. using her [Bank 2] access to providing information to DA regarding borrowers' accounts; and
 - e. following up to ensure that mortgage commitments were satisfied.
12. Between 2018 and 2019, DA provided a total of \$3,611.00 in commissions to Ms. Bains via e-transfers.

13. Ms. Bains acted outside the scope of employment with [Bank 2] when she received commissions for arranging and submitting mortgages through DA.
14. In total, eight of the ten files referred from Ms. Bains to DA were funded by [Bank 1]. One of those files was not funded, and one was cancelled.
15. The exemption provision in section 11(2)(a) of the MBA exempting individuals from registration was not applicable to Ms. Bains as the mortgage brokering activities were not carried out in her capacity as an employee of [Bank 2].
16. Ms. Bains' employer, [Bank 2], was not aware that she was sending deals and files to another financial institution through DA nor that Ms. Bains was receiving commissions from DA for those files.
17. [Bank 1] did not authorize DA to pay commissions to Ms. Bains for the file referrals.
18. Ms. Bains has no prior discipline history.

D. WAIVER

Ms. Bains waives her right to a hearing under sections 4 and 8 of the MBA and waives her right to appeal under section 9 of the MBA.

Approved as to form and content by:

"Original signed by Sarbjit Bains"

_____ this this 7th day of Oct, 2024.

Sarbjit Bains

"Original signed by Catherine Davies"

_____ this 22 day of Oct, 2024.

Catherine Davies

Legal Counsel for the Staff of the
Registrar of Mortgage Brokers

Issued this this 22 day of Oct, 2024 at Victoria, British Columbia.

"Original signed by Jonathan Vandall"

Jonathan Vandall

Acting Registrar of Mortgage Brokers
Province of British Columbia

Schedule A

Borrower	Properties
[Borrower 1]and [Borrower 2]	[Property 1] Surrey, BC [Redacted]
[Borrower 3]	[Property 2] Surrey, BC [Redacted]
[Borrower 4]	[Property 3] Maple Ridge, B.C. [Redacted]
[Borrower 5]	[Property 4] Surrey, BC [Redacted]
[Borrower 6] and [Borrower 7]	[Property 5] Surrey, BC [Redacted]
[Borrower 8] and [Borrower 9]	[Property 6] Coquitlam, BC [Redacted]
[Borrower 10]	[Property 7] Maple Ridge, BC [Redacted]
[Borrower 11]	[Borrower 11] sought financing to purchase a property that did not fund.
[Borrower 12]	[Borrower 12] sought financing to purchase a property that did not fund.
[Borrower 13]	[Property 8] Surrey, BC [Redacted]