

CITATION: Zarshenas (Re), 2025 BCSRE 17

Date: 2025-02-04

File # 19-501

BC FINANCIAL SERVICES AUTHORITY

IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*

SBC 2004, c 42 as amended

AND

IN THE MATTER OF

AFSANEH ZARSHENAS

(139431)

CONSENT ORDER

[This Order has been redacted before publication.]

RESPONDENT: Afsaneh Zarshenas, Trading Representative, 541012 British Columbia
Ltd. dba RE/MAX Sabre Realty Group

DATE OF CONSENT ORDER: February 4, 2025

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

PROCEEDINGS:

On February 4, 2025, 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 Afsaneh Zarshenas ("A.Zarshenas").

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by A.Zarshenas.

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that A. Zarshenas committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* ("RESA") and sections 30(a) (formerly, 3-3(a)), 33 (formerly, 3-4), and 34 (formerly, 3-4) of the *Real Estate Services Rules* (the "Rules"), and committed conduct unbecoming a licensee within the meaning of section 35(2) of the RESA, pursuant to section 43 of the RESA the Superintendent orders that:

1. A. Zarshenas pay a discipline penalty to BCFSA in the amount of \$50,000 within six (6) months from the date of this Order;

2. A. Zarshenas at their own expense, register for and successfully complete the Real Estate Trading Service 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. A. Zarshenas pay enforcement expenses to BCFSA in the amount of \$5,200 within two (2) months from the date of this Order.

If A. Zarshenas fails 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 4 day of February 2025 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.

BC FINANCIAL SERVICES AUTHORITY

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

AND

IN THE MATTER OF

**AFSANEH ZARSHENAS
(139431)**

CONSENT ORDER PROPOSAL BY AFSANEH ZARSHENAS

BACKGROUND AND FACTS

This Consent Order Proposal (the "Proposal") is made by Afsaneh Zarshenas ("A. Zarshenas") 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, A. Zarshenas and the Superintendent have agreed upon the following facts:

1. A. Zarshenas (139431) has been continually licensed as a trading services representative since May 17, 2004, except for a period of time between October 4, 2019 and February 12, 2020, when she was unlicensed.
2. A. Zarshenas was at all relevant times licensed as a trading services representative with RE/MAX Sabre Realty Group.

Background to the Investigation

3. 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.
4. 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").
5. Chaudhary did not renew his registration following the Suspension Order.

6. 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.
7. 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.

BCFSA Investigation

8. On June 7, 2019, the then Real Estate Council of BC ("RECBC") received a referral from FICOM identifying A. Zarshenas as a referral source for Chaudhary in connection with his unregistered mortgage broker services.
9. On or around February 13, 2020, A. Zarshenas' licence was renewed subject to conditions, including that she refrain from referring any person or corporate entity who she represents in a real estate transaction to Chaudhary, or related persons, for the purpose of obtaining financing, mortgages or loans associated with the transaction. The conditions on A. Zarshenas' licence remain in effect.
10. On December 11, 2019, A. Zarshenas attended an interview RECBC in connection with its investigation.
11. A. Zarshenas attended a second interview with BCFSA investigators on March 2, 2022.
12. An Amended Notice of Discipline Hearing was issued on May 27, 2024, and served on A. Zarshenas.
13. A. Zarshenas does not have a discipline history with BCFSA.

Client Referrals to Chaudhary

14. From 2011 to 2018, A. Zarshenas referred at least 14 buyer clients to Chaudhary.
15. A. Zarshenas 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.
16. Prior to recommending Chaudhary's services to her clients, A. Zarshenas did not take any steps to verify Chaudhary's registration as a mortgage broker, including by making any inquiries into Chaudhary's registration status with the Registrar of Mortgage Brokers.

PROPOSED FINDINGS OF MISCONDUCT

For the sole purposes of the Proposal and based on the Facts outlined herein, A. Zarshenas proposes the following findings of misconduct be made by the Superintendent:

1. A. Zarshenas committed professional misconduct within the meaning of section 35(1)(a) and conduct unbecoming within the meaning of section 35(2) of the RESA in that she referred at least 14 buyer clients to Chaudhary from 2011 to 2018, when she knew or ought to have known that he was not a registered mortgage broker, thereby putting her 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.

PROPOSED ORDERS

Based on the Facts herein and the Proposed Findings of Misconduct, A. Zarshenas proposes that the Further Amended 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. A. Zarshenas is liable to pay a discipline penalty to BCFSA in the amount of \$50,000 within six (6) months from the date of this Order;
2. A. Zarshenas is liable to pay enforcement expenses to BCFSA in the amount of \$5,200 within two (2) months from the date of this Order; and
3. A. Zarshenas, at her own expense, register for and successfully complete the Real Estate Trading Service Remedial Education Course, as provided by the Sauder School of Business at the University of British Columbia within three (3) months from the date of this Order.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

1. A. Zarshenas acknowledges and understands 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. A. Zarshenas acknowledges that she has been urged and given the opportunity to seek and obtain independent legal advice with respect to the disciplinary process, the allegations contained in the Amended Notice of Discipline Hearing, and the execution and submission of the Proposal to the Superintendent; and, that she has obtained independent legal advice or have chosen not to do so, and that she is making the Proposal with full knowledge of the contents and the consequences if the Proposal is accepted.
3. A. Zarshenas acknowledges and is 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. A. Zarshenas hereby waives her right to appeal pursuant to section 54 of the RESA.
5. If the Proposal is accepted and/or relied upon by the Superintendent A. Zarshenas will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is intended to restrict A. Zarshenas from making full answer and defence to any civil or criminal proceeding(s).

6. The Proposal and its contents are made by A. Zarshenas 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 A. Zarshenas in any civil proceeding with respect to the matter.

"Original signed by Afsaneh Zarshenas"

AFSANEH ZARSHENAS

Dated 29 day of Jan, 2025