

CITATION: Karimloo (Re), 2025 BCSRE 8

Date: 2025-01-06

File # 19-624

BC FINANCIAL SERVICES AUTHORITY

IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*

SBC 2004, c 42 as amended

AND

IN THE MATTER OF

HOMAYOUN (SAM) HAJI KARIMLOO

(162100)

CONSENT ORDER

[This Order has been redacted before publication.]

RESPONDENT: Homayoun (Sam) Haji Karimloo, Trading Representative, Multiple Realty Ltd.

DATE OF CONSENT January 6, 2025
ORDER:

COUNSEL: Menka Sull, Legal Counsel for the BC Financial Services Authority
Scott L. Nicoll, Legal Counsel for the Respondent

PROCEEDINGS:

On January 6, 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 Homayoun (Sam) Haji Karimloo ("H. Karimloo").

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

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that Homayoun (Sam) Haji Karimloo committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* ("RESA") and sections 30(a), 30(i), 30(j), 33, 34, 53(1)(a) 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. H. Karimloo's licence be cancelled.

2. H. Karimloo pay a discipline penalty to BCFSA in the amount of \$75,000 within six (6) months from the date of this Order;
3. H. Karimloo pay enforcement expenses to BCFSA in the amount of \$2,950 within six (6) months from the date of this Order.

Dated this 6 day of January 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

**HOMAYOUN (SAM) HAJI KARIMLOO
(162100)**

CONSENT ORDER PROPOSAL BY HOMAYOUN HAJI KARIMLOO

BACKGROUND AND FACTS

This Consent Order Proposal (the "Proposal") is made by Homayoun (Sam) Haji Karimloo ("H. Karimloo") 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, H. Karimloo and the Superintendent have agreed upon the following facts:

1. H. Karimloo has been continually licensed as a trading services representative since July 28, 2011.
2. H. Karimloo was at all relevant times licensed as a trading services representative with Multiple Realty Ltd.

Background to the Investigation

3. In 2017, the then Financial Institutions Commission of BC ("FICOM") received an anonymous complaint, alleging that [Individual 1] also known as [Alias 1] ("[Individual 1]"), had been working with mortgage brokers and real estate agents to secure mortgage funding on behalf of buyers using fraudulent documentation.
4. [Individual 1], 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. [Individual 1] did not renew his registration following the Suspension Order.
6. On January 30, 2019, the Acting Registrar of Mortgages signed two Orders to Enter [Individual 1]'s residences.
7. While searching [Individual 1]'s residences, FICOM investigators seized fax machines, cell phones, portable drives, and mortgage files that [Individual 1] had been working on.

8. During this search, an Excel spreadsheet entitled "Work Flows 2018" (the "[Individual 1] Spreadsheet") was located on [Individual 1]'s computer. The [Individual 1] Spreadsheet identified H. Karimloo as a buyer's agent in relation to five transactions in which the purchasers used [Individual 1]'s unregistered mortgage services to secure mortgage financing. The [Individual 1] Spreadsheet also identified H. Karimloo as a client of [Individual 1]'s in relation to his purchase of properties located at [Property 1], Port Coquitlam (the "[Property 1]") and [Property 2], Burnaby (the "[Property 2]").
9. On May 23, 2019, the Acting Registrar of Mortgage Brokers issued a Cease and Desist Order against [Individual 1] 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.
10. [Individual 1] 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 [Individual 1] was not registered, he used the services of registered mortgage brokers to submit the fraudulent mortgage documents he created to major lenders.
11. [Individual 1] 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.

BCFSA Investigation

12. On October 17, 2018, H. Karimloo attended an interview with FICOM investigators.
13. On June 7, 2019, the then Real Estate Council of BC ("RECBC") received a referral from FICOM identifying H. Karimloo as using [Individual 1]'s services to arrange mortgage financing.
14. On January 26, 2021, H. Karimloo was informed that he was under investigation by BCFSA pursuant to s. 37(1) of RESA.
15. H. Karimloo attended a further interview with BCFSA investigators on February 16, 2022.
16. A Notice of Discipline Hearing was issued on March 7, 2023, and served on H. Karimloo.
17. An Amended Notice of Discipline Hearing and Further Amended Notice of Discipline Hearing were issued on July 10, 2023, and June 13, 2024, respectively, and also served on H. Karimloo.
18. H. Karimloo does not have a discipline history with BCFSA.

Client Referrals to [Individual 1]

19. H. Karimloo referred at least five clients to [Individual 1] between 2015 and 2017, including the purchasers of the following properties:
 - a. [Property 3], Port Coquitlam;
 - b. [Property 4], Port Coquitlam;
 - c. [Property 5], Port Coquitlam;
 - d. [Property 6], Burnaby; and
 - e. [Property 7], Maple Ridge

20. H. Karimloo received client referral fees from [Individual 1] in connection with his unregistered mortgage broker services.
21. H. Karimloo 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.
22. Prior to recommending [Individual 1]'s services to his clients, H. Karimloo did not take any steps to verify [Individual 1]'s registration as a mortgage broker, including by making any inquiries into [Individual 1]'s registration status with the Registrar of Mortgage Brokers.

Loan to Client

23. H. Karimloo provided a \$300,000 loan to his client, the buyer of a property located at [Property 8], Surrey (the "[Property 8]"), which was registered as a mortgage on title (the "Loan").
24. H. Karimloo made the Loan so the client could complete his purchase of [Property 8].
25. By providing the Loan, H. Karimloo obtained a direct security interest in [Property 8]. H. Karimloo also derived a benefit from the transaction in the form of interest on the loan and commission payable on the transaction.
26. H. Karimloo acknowledges that making the Loan to his client created a conflict of interest.
27. H. Karimloo did not disclose to his client the existence of a conflict of interest, nor did he take steps to avoid the conflict of interest.
28. H. Karimloo did not complete a Disclosure of Interest in Trade form in relation to his acquisition of an interest in [Property 8] by way of the Loan.

[Property 1] Transaction

29. On June 7, 2015, H. Karimloo entered into a contract for purchase and sale to purchase [Property 8] for \$730,000. H. Karimloo did not represent himself in this transaction.
30. H. Karimloo used [Individual 1]'s services to obtain mortgage financing for [Property 8] and provided his financial documents to [Individual 1].
31. H. Karimloo's genuine financial documents indicated that his total income was approximately \$11,832 in 2013 and \$24,569 in 2014.
32. On June 29, 2015, H. Karimloo signed a mortgage commitment letter with MCAP for \$570,000 in mortgage financing for [Property 1]. The mortgage commitment letter provided that financing was conditional upon H. Karimloo verifying self-employment income of \$154,563.
33. The [Property 1] mortgage application was supported by fraudulent documents created by [Individual 1], including income tax documents indicating H. Karimloo's total income was \$132,338 in 2013 and \$143,522 in 2014.

[Property 2] Transaction

34. In April of 2018, H. Karimloo entered a contract for purchase and sale to purchase [Property 2] for \$2,100,000. Mr. Karimloo represented himself in this transaction.

35. H. Karimloo used [Individual 1]'s services to obtain mortgage financing for [Property 2] and provided his financial documents to [Individual 1].
36. H. Karimloo's genuine financial documents indicated that his total income was approximately \$34,428 in 2015 and \$74,930 in 2016.
37. On April 14, 2018, H. Karimloo signed a mortgage commitment letter with [Lender 1] for \$1,450,000 in mortgage financing. The mortgage commitment letter provided that financing was conditional upon H. Karimloo verifying income of \$295,713.
38. The [Property 2] mortgage application was supported by fraudulent documents created by [Individual 1], including income tax documents indicating H. Karimloo's total income was \$279,726 in 2015 and \$311,701 in 2016.

PROPOSED FINDINGS OF MISCONDUCT

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

1. H. Karimloo committed professional misconduct within the meaning of section 35(1)(a) of the RESA and conduct unbecoming within the meaning of section 35(2) of the RESA in that:
 - a. H. Karimloo referred at least five buyer clients to [Individual 1] from 2015 to 2017 when he ought to have known that [Individual 1] was not a registered mortgage broker, thereby putting H. Karimloo'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. H. Karimloo received remuneration from [Individual 1], who he ought to have known was not a registered mortgage broker, in the form of a referral fee, contrary to section 30(a) [duty to act in the best interests of the client] (formerly section 3-3(a)), and section 34 [duty to act with reasonable care and skill] (formerly section 3-4) of the Rules;
 - c. H. Karimloo submitted a mortgage application in April 2018 in relation to the purchase of a property located at [Property 2], Burnaby, for which he represented himself as the buyer,
 - i. with falsified income information, contrary to section 35(1)(c) [deceptive dealing] of the RESA and section 33 [duty to act honestly] (formerly section 3-4) of the Rules; and
 - ii. using the services of [Individual 1], who he ought to have known was not a registered mortgage broker, contrary to 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;
2. H. Karimloo committed professional misconduct within the meaning of section 35(1)(a) of the RESA in that:
 - a. he provided a \$300,000 loan to his client, the buyer of a property located at [Property 8], Surrey, which was secured as a mortgage on title so that the client could complete the transaction, but failed to disclose to his client the existence of a conflict of interest in that he would be obtaining a direct security interest in the property and deriving a benefit in the form of

interest on the loan and commission payable on the transaction, contrary to section 30(a) [duty to act in the best interests of the client] (formerly section 3-3(a)), section 30(i) [take reasonable steps to avoid conflict of interest] (formerly section 3-3(i)) and section 30(j) [promptly and fully disclose the conflict to the client] (formerly section 3-3(j)) of the Rules; and

- b. he failed to complete a Disclosure of Interest in Trade form in relation to his acquisition of an interest in [Property 8] by way of the loan that he provided to his buyer client, contrary to section 34 [duty to act with reasonable care and skill] (formerly section 3-4) and section 53(1)(a) [licensee must make disclosure] (formerly section 5-9(1)(a)) of the Rules.
3. H. Karimloo engaged in conduct unbecoming within the meaning of section 35(2) of the RESA in that:
 - a. he submitted a mortgage application in June 2015 in relation to the purchase of a property located at [Property 1], Port Coquitlam with falsified income information and using the services of [Individual 1], who he ought to have known was not a registered mortgage broker.

PROPOSED ORDERS

Based on the Facts herein and the Proposed Findings of Misconduct, H. Karimloo proposes 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 RESA:

1. H. Karimloo's licence be cancelled;
2. H. Karimloo be liable to pay a discipline penalty to BCFSA in the amount of \$75,000 within six (6) months from the date of this Order; and
3. H. Karimloo be liable to pay enforcement expenses to BCFSA in the amount of \$2,950 within six (6) months from the date of this Order.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

1. H. Karimloo acknowledges 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. H. Karimloo acknowledges that he 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 Further Amended Notice of Discipline Hearing, and the execution and submission of the Proposal to the Superintendent; and, that he has obtained independent legal advice or has chosen not to do so, and that he is making the Proposal with full knowledge of the contents and the consequences if the Proposal is accepted.
3. H. Karimloo 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. H. Karimloo hereby waives his right to appeal pursuant to section 54 of the RESA.
5. If the Proposal is accepted and/or relied upon by the Superintendent H. Karimloo will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is

intended to restrict H. Karimloo from making full answer and defence to any civil or criminal proceeding(s).

6. The Proposal and its contents are made by H. Karimloo for the sole purpose of resolving the Further 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 H. Karimloo in any civil proceeding with respect to the matter.

"Original signed by Homayoun Karimloo"

HOMAYOUN (SAM) HAJI KARIMLOO

Dated 26 day of DEC, 2024