CITATION: Patel (Re), 2024 BCSRE 91
Date: 2024-11-22
File # INC-2877

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

VASANT PRAGJIBHAI PATEL

AND

1074936 BC LTD

CONSENT ORDER

[This Order has been redacted before publication.]

RESPONDENTS:	Vasant Pragjibhai Patel 1074936 BC Ltd
DATE OF CONSENT ORDER:	November 22, 2024
COUNSEL:	Simon Adams, Legal Counsel for the BC Financial Services Authority Jenna Graham, Legal Counsel for the BC Financial Services Authority

PROCEEDINGS:

On November 22, 2024, the Superintendent of Real Estate (the "Superintendent") of the BC Financial Services Authority ("BCFSA") accepted the Consent Order Proposal (the "Proposal") submitted by Vasant Pragjibhai Patel ("Vasant Patel") and 1074936 BC Ltd.

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by Vasant Patel on their own behalf and on behalf of 1074936 BC Ltd.

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that Vasant Patel and 1074936 BC Ltd provided real estate services in British Columbia for remuneration without being licensed to do so under the provisions of the *Real Estate Services Act* ("RESA") and without being otherwise exempt from licensing requirements under the RESA, contrary to section 3(1) of the RESA, pursuant to sections 48(4)(d) and 49 of the RESA, the Superintendent orders that:

1. Vasant Patel pay a penalty to BCFSA in the amount of $10,000 within the time period as directed by BCFSA, pursuant to section 49(2)(d)(ii) of the RESA;
2. 1074936 BC Ltd pay a penalty to BCFSA in the amount of $20,000 within the time period as directed by BCFSA, pursuant to section 49(2)(d)(i); and
3. Vasant Patel pay the costs of investigation to BCFSA in the amount of $10,000 within the time period as directed by BCFSA, pursuant to section 49(2)(c) of the RESA.

An amount ordered to be paid under sections 49(2)(c), (d), or (e) of the RESA is a debt owing to BCFSA and may be recovered as such.

Dated this 22nd day of November, 2024 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.

File # INC-2877

BC FINANCIAL SERVICES AUTHORITY

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

IN THE MATTER OF

VASANT PRAGJIBHAI PATEL

AND

1074936 BC LTD

CONSENT ORDER PROPOSAL BY VASANT PRAGJIBHAI PATEL

BACKGROUND AND FACTS

This Consent Order Proposal (the "Proposal") is made by Vasant Pragjibhai Patel and 1074936 BC Ltd 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, Vasant Pragjibhai Patel, and the Superintendent have agreed upon the following facts:

1. Vasant Pragjibhai Patel ("Patel") has been employed as an accountant with [Company 1] for approximately 15 years.
2. Patel has never been licensed to provide real estate services in British Columbia.
3. Patel is a Director for 1074936 BC Ltd, a company that was registered in the Province of British Columbia on May 8, 2016.
4. Patel's email addresses are [Email 1] and [Email 2].

<u>The Developer and the Development</u>

5. [Developer 1] is the developer (the "Developer") for [Development 1] which is the name of a 92-unit development located at [Property 1] in Langley British Columbia (the "Development").
6. [Owner 1] ("[Owner 1]") is the owner and sole director of the Developer.
7. In 2015, the Developer sold, among other units in the Development, the following units in the Development to purchasers (the "First Purchasers") via a pre-sale contract titled "Agreement for Purchase and Sale" as between the purchaser and the Developer: unit 201, unit 202, unit 205, unit 209, unit 210, unit 211, unit 212, unit 213, unit 214, unit 222, unit 304, unit 307, unit 310, unit 313, unit 318, unit 412 (the "Units").

8. The First Purchasers for the Units paid the Developer approximately 15% of the total price of the Units as a deposit, which was paid to the Developer's solicitor, [Law Firm 1], to be held in trust and applied toward the total purchase price of the unit. The balance of the purchase price was due on the completion date.
9. In between approximately December 2015 and September 2016, the Developer, with the assistance of Patel and others, sold the Units to second purchasers with the proceeds of that sale going directly to the Developer and Patel and others collecting commissions from the second sale of the unit.
10. The sale of the Units was structured so that after the initial pre-sale contracts were entered into with the First Purchasers, the Units would be resold to other purchasers (the "Second Purchasers") at a discounted purchase price via a pre-sale contract titled "Agreement for Purchase and Sale" as between the purchaser and the Developer.
11. The Second Purchasers paid the Developer approximately 75% of the original purchase price of the Units, being their full discounted purchase price for the Units. This discounted purchase price was paid directly to the Developer.
12. Attached to the "Agreement for Purchase and Sale" was an addendum wherein the Developer and the Second Purchasers agreed that upon completion of the Units, the Second Purchasers would not be required to pay any additional monies for the Units and would receive either: (1) the unit they purchased; or (2) 100% of the total net sale proceeds from the sale of the unit.
13. In addition, a Promissory Note was attached to the Agreement for Purchase and Sale for the amount of their deposit.
14. Patel, and others, were paid a commission, or a portion of the commission, for securing second purchasers. The commission amount varied from between $25,000 to $40,000 per unit.

<u>Background Facts</u>

15. In 2015, Patel was hired by [Owner 1] to provide accounting services for the Developer.
16. On or around September 2015, Patel was paid an initial $10,000 for his accounting services.
17. On or around December 29, 2015, Patel with two friends, purchased unit 224 as Second Purchasers from the Developer for the discounted "pre-sale" price of $160,000. Unit 224 had recently been sold to a first purchaser on December 14, 2015 for the purchase price of $280,900 with a $12,000 deposit paid to be held in trust by [Law Firm 1], the Developers solicitors.
18. On or around December 2015 or January 2016, Patel informed Mr. Chatter Flora (also known as Onkar Flora) ("Flora") of the opportunity to purchase units in the Development at a discounted price. Patel further explained that the units had been sold once and could be resold to purchasers who, upon completion of the unit, would have the option of keeping the unit or receiving the full proceeds of the unit.
19. In or around January 2016, Patel and Flora began working together to facilitate the sale of units to second purchasers. The commission that they charged the second purchasers were split equally between them.
20. In facilitating the sale of units, Patel, Flora and others would:
    a. find people who were interested in purchasing a unit;
    b. bring the prospective purchasers to the Development site to show them the progress of the units;

c. set up meetings between the prospective purchasers and the Developer when requested; and

d. explain the contents of the Agreements for Purchase and Sale of the units to the prospective purchasers.

21. Between approximately July 2016 and September 2016, Patel began working with Rashpal Kambo ("Kambo") and Gurpreet Chhina ("Chhina") to sell additional Units. Patel, through his company 1074936 BC Ltd., paid Kambo and Chhina for their roles in facilitating the sale of the units.

22. On or around April 9, 2016, [Owner 1] through the Developer gave Patel unit 405 in lieu of payment for Patel's accounting services.

23. Between January 18, 2016 and September 10, 2016, Patel received remuneration for facilitating the sale of 16 units. The details of Patel's involvement and remuneration are as follows:

<u>Unit 201</u>

24. On or around January 17, 2016, Patel performed the following trading services with respect to unit 201:

a. Patel informed purchaser, [Purchaser 1] ("[Purchaser 1]") of the opportunity to purchase unit 201 for a discounted price of $116,000.

b. Patel provided [Purchaser 1] with the Agreement for Purchase and Sale for unit 201 which Patel then signed as a witness to [Purchaser 1]'s signature.

c. Patel emailed [Purchaser 1] documents relating to the purchase of the unit.

d. Patel accepted payment from [Purchaser 1] in the amount of $40,000 as a remuneration for Patel's services in assisting [Purchaser 1] purchase the unit. The cheque for $40,000 was addressed to Vasant Patel.

e. Patel accepted payment of $116,000 for the unit in the form of a cheque addressed to the Developer. The memo line of the cheque read "Deposit [Development 1] unit 205."

<u>Unit 202</u>

25. On around January 15, 2016, Patel worked with Flora to sell unit 202. In doing so, Patel performed the following trading service with respect to unit 202:

a. Patel along with Flora, explained to the purchaser [Purchaser 2] ("[Purchaser 2]") that he could purchase unit 202 for a discounted price of $116,500. Patel and Flora further informed [Purchaser 2] that the unit had already been sold to a first purchaser and that upon completion of the unit, [Purchaser 2] could either keep the unit or receive the full proceeds coming from the sale of the unit.

b. Patel provided [Purchaser 2] with the Agreement for Purchase and Sale for unit 202 which Patel signed as a witness to the signatures of both [Purchaser 2] and his wife and co-purchaser [Purchaser 3].

c. Patel accepted payment from [Purchaser 2] in the amount of $40,000 payable to Patel's company 1074936 BC Ltd as a "finder's fee" for unit 202.

d. Patel then paid Flora $20,000, being Flora's share in the commission earned through the sale of unit 202.

e. Patel also accepted a cheque from [Purchaser 2] addressed to the Developer for $116,500, being the purchase price of unit 202 which Patel delivered to the Developer.

<u>Unit 214</u>

26. On or around April 9, 2016, Patel met with [Purchaser 2] once again and performed the following trading services with respect to unit 214:

a. Patel explained to [Purchaser 2] that he could purchase unit 214 for a discounted price and that the unit had already been sold to a first purchaser. Patel explained that upon completion of the unit, [Purchaser 2] would have the option of either keeping the unit or receiving the full proceeds of the sale of the unit.

b. Patel provided [Purchaser 2] with the Agreement for Purchase and Sale for unit 214 which Patel signed as a witness to the parties' signatures.

c. Patel accepted a finder's fee from [Purchaser 2] in the amount of $35,000 in the form of a cheque addressed to "Vasant Patel."

d. Patel then paid Flora $17,500 for Flora's share in the commission earned through the sale of unit 214.

e. Patel also accepted a cheque from [Purchaser 2] addressed to the Developer for $215,000 being the purchase price of unit 214 which Patel delivered to the Developer.

<u>Unit 205</u>

27. On or around January 18, 2016, Patel performed the following trading service with respect to unit 205:

a. Patel informed purchasers [Purchaser 4] and [Purchaser 5] of the opportunity to purchase unit 205 for a discounted price of $116,000.

b. Patel provided the parties with the Agreement for Purchase and Sale for unit 205 which Patel then signed as a witness to the purchasers' signatures.

c. Patel accepted payment from the purchasers in the amount of $40,000 as remuneration for Patel's services in assisting with the purchase of unit 205. The cheque for $40,000 was made payable to Vasant Patel with the memo line stating "Deposit [Development 1] Unit 205."

d. Patel accepted payment for the unit on behalf of the Developer for $116,000.

e. Patel also accepted another cheque in the amount of $43,000 payable to the law firm [Law Firm 1]. The memo line of the cheque addressed to [Law Firm 1] stated "Deposit [Development 1] Unit 205."

<u>Units 209, 210, 211, 213, 304, 307, 310, 313, 318, 412</u>

28. In between July 2016 and September 2016, Patel worked with Chhina and Kambo to facilitate the sale of multiple units. In doing so, Patel performed the following trading services with respect to units 209, 210, 211, 213, 304, 307, 310, 313, 318 and 412:

a. Patel emailed the original Agreements for Purchase and Sale for the units with the first purchasers names vetted to Chhina and/or Kambo as well as blank copies of the Agreements for Purchase and Sale for the units with only the signature of the Developer on the Agreements.

b. After the prospective purchasers met with Chhina and/or Kambo to sign an Agreement for Purchase and Sale for a unit, Patel witnessed the signatures of the purchasers on the Agreement for Purchase and Sale.

c. Chhina and Kambo emailed Patel the signed Agreements for Purchase and Sale.

d. Chhina and Kambo collected cheques from the purchasers both for the cost of the unit and for a “finder’s fee” for Patel. Patel attended Chhina and Kambo’s office located at [Property 2], Surrey to pick up the cheques.

e. Patel through his company 1074936 BC Ltd provided payment to Chhina’s company [Company 2] and Kambo’s company [Company 3] for their role in finding purchasers for the units, advising purchasers of the opportunity to purchase a unit, and in securing signed Agreements for Purchase and Sale.

f. Below are the details of the cheques that Patel received personally and the cheques that he accepted on behalf of the Developer for the price of the units:

I. Unit 209

i. cheque addressed to Patel’s company 1074936 BC Ltd for $30,000; and
ii. cheque addressed to the Developer for $95,000.

II. Unit 210

i. cheque addressed to Patel’s company 1074936 BC Ltd for $25,000; and
ii. cheque addressed to the Developer for $250,000.

III. Unit 211

i. cheque addressed to Patel’s company 1074936 BC Ltd for $45,000; and
ii. cheque addressed to the Developer for $180,000.

IV. Unit 213

i. two cheques addressed to Patel’s company 1074936 BC Ltd for $15,000 each; and
ii. two cheques addressed to the Developer for $125,000 each.

V. Unit 304

i. two cheques addressed to Patel’s company 1074936 BC Ltd for $17,500 each; and
ii. three cheques addressed to Developer for $125,000, $42,500 and $82,000.

VI. Unit 310

i. two cheques addressed to Patel’s company 1074936 BC Ltd for $15,000 each; and
ii. two cheques addressed to the Developer for $125,000 each.

VII. Unit 318

i. cheque addressed to Patel’s company 1074936 BC Ltd for $25,000 for a “finders fee;” and

ii. cheques addressed to the Developer for $250,000.

VIII. Unit 412

i. cheque addressed to Patel’s company 1074936 BC Ltd for $35,000; and
ii. cheque addressed to Developer for $250,000.

<u>Unit 212</u>

29. On or around January 25, 2016, Patel accepted a cheque for $55,000 from the purchaser of unit 212, [Purchaser 6]. The cheque was addressed to Vasant Patel and was paid to him for his role in facilitating the sale of unit 212 to [Purchaser 6]. Patel also accepted a cheque in the amount of $52,500 addressed to the Developer as a deposit for unit 212.

<u>Unit 222</u>

30. On or around May 27, 2016, Patel accepted a $50,000 cheque addressed to Vasant Patel from [Purchasers 7], the purchasers of unit 222. The cheque was given to Patel as a “finder’s fee.”

<u>Unit 313</u>

31. On or around January 29, 2016, Patel learned that [Purchaser 8] was interested in purchasing unit 313. Patel provided [Purchaser 8] with an Agreement for Purchase and Sale for unit 313. After the Agreement for Purchase and Sale had been signed by [Purchaser 8], Patel accepted a $40,000 cheque addressed to Vasant Patel as a “finder’s fee.” Patel then paid [Individual 1] $10,000 for introducing him to [Purchaser 8].

<u>Unit 307</u>

32. On or around August 11, 2016, Patel performed the following trading services:

    a. Patel emailed Chhina and Kambo documents for the purchase and sale of unit 307, including the original Agreement for Purchase and Sale from the first purchasers of unit 307 and a blank copy of the Agreement for Purchase and Sale for unit 307 which contained the Developer’s signature only.

    b. After the purchaser signed the Agreement for Purchase and Sale for unit 307, Patel signed the document as witness to the purchaser’s signature.

    c. Patel personally accepted remuneration from the purchaser in the form of a cheque addressed to Patel’s company 1074936 BC Ltd in the amount of $35,000 as a “finder’s fee.”

    d. Patel also accepted a cheque from the purchaser addressed to the Developer for $150,000 for unit 307.

<u>Renumeration paid by Patel for services provided by Chhina, Kambo and Flora</u>

Chhina

33. Patel through 1074936 BC Ltd paid the following amounts to Chhina’s company [Company 2] as a share in profit for the commissions Patel made from the sale of the units:

    a. Cheque 998917 dated August 5, 2016: $10,000
    b. Cheque 000001 dated August 18, 2016: $65,000
    c. Cheque 000005 dated August 25, 2016: $9,500
    d. Cheque 000007 dated September 15, 2016: $29,000

Kambo

34. Patel through 1074936 BC Ltd paid the following amounts to Kambo's company [Company 3] as a share in profit for the commissions Patel made from the sale of the units:
    a. Cheque 998916 dated August 5, 2016: $10,000
    b. Cheque 000002 dated August 18, 2016: $65,000
    c. Cheque 000006 dated August 25, 2016: $9,500
    d. Cheque 000008 dated September 15, 2016: $29,000

Flora

35. Patel through 1074936 BC Ltd paid Flora's company, Onkar Furniture Import Ltd, or Flora directly the following amounts for Flora's involvement in facilitating the sale of units 201, 202, 205, 212, 214 and 313 in the Development:
    a. Cash advance dated January 21, 2016 in the amount of $24,000
    b. Cheque 083 dated February 11, 2016 for $40,000
    c. Cheque 095 dated May 6, 2016 for $40,000
    d. Direct payment made on May 13, 2016 for $15,000
    e. Cheque 036 dated July 6, 2016 for $17,500
    f. Cheque 998915 dated August 19, 2016 for $50,000
    g. Cheque 043 dated February 21, 2017 for $6,000

PROPOSED FINDINGS OF MISCONDUCT

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

Between January 1, 2016 and August 1, 2017, Vasant P. Patel and 1073946 BC Ltd provided real estate services in British Columbia without being licensed to do so under the provisions of the RESA and without being otherwise exempt from licensing under RESA contrary to section 3(1) of the RESA, when Vasant Patel, in relation the development of [Development 1] located at [Property 1], Langley, British Columbia:

a. Provided trading services as that term is defined in the RESA, in respect of, but not limited to one or more of 16 purchasers, set out in "Schedule A" and attached hereto, including some or all of the following real estate services:
    i. Advising on the appropriate price for the real estate;
    ii. Making representations about the real estate;
    iii. Finding a party to acquire the real estate;
    iv. Showing the real estate;
    v. Negotiating the price of the real estate or the terms of the trade in real estate;
    vi. Presenting offers to acquire the real estate; and
    vii. Receiving deposit money paid in respect of the real estate.

PROPOSED ORDERS

Based on the facts herein and the Proposed Findings of Misconduct, Vasant Patel proposes that the Notice of (Discipline) Hearing in this matter be resolved through the following Orders being made by the Superintendent without conducting a hearing:

4. Vasant Patel pay a penalty to BCFSA in the amount of $10,000 within the time period as directed by BCFSA, pursuant to section 49(2)(d)(ii) of the RESA;
5. 1074936 BC Ltd pay a penalty to BCFSA in the amount of $20,000 within the time period as directed by BCFSA, pursuant to section 49(2)(d)(i); and
6. Vasant Patel pay the costs of investigation to BCFSA in the amount of $10,000 within the time period as directed by BCFSA, pursuant to section 49(2)(c) of the RESA.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

1. Vasant Patel and 1074936 BC Ltd 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. Vasant Patel and 1074936 BC Ltd 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 Vasant Patel and 1074936 BC Ltd are making the Proposal with full knowledge of the contents and the consequences if the Proposal is accepted.
3. Vasant Patel and 1074936 BC Ltd 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. Vasant Patel and 1074936 BC Ltd 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, Vasant Patel and 1074936 BC Ltd will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is intended to restrict Vasant Patel and 1074936 BC Ltd from making full answer and defence to any civil or criminal proceeding(s).
6. The Proposal and its contents are made by Vasant Patel and 1074936 BC Ltd with the sole purpose of resolving the 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 Vasant Patel and 1074936 BC Ltd in any civil proceeding with respect to the matter.

"Original signed by Vasant Patel"

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VASANT PATEL on his own behalf and on behalf of 1074936 BC Ltd

Dated _19__ day of November, 2024