

BC FINANCIAL SERVICES AUTHORITY

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

AND IN THE MATTER OF
CHUNG (ANTHONY) TUNG CHENG

REASONS FOR DECISION REGARDING
ADMINISTRATIVE PENALTY RECONSIDERATION REQUEST

[These Reasons have been redacted before publication.]

DATE AND PLACE OF HEARING: Via Written Submissions

HEARING OFFICER: Gareth Reeves

Introduction

1. On September 3, 2025, the BC Financial Services Authority (“**BCFSA**”) issued a Notice of Administrative Penalty (the “**NOAP**”) in the amount of \$6,000 to Chung “Anthony” Tung Cheng pursuant to section 57(1) and 57(3) of the *Real Estate Services Act*, RSBC 2004, c 42 (“**RESA**”).
2. In the NOAP, BCFSA determined that Mr. Cheng had contravened section 3(1) of RESA by providing rental property management services to the owner of a property in Richmond, BC (the “**Property**”) and receiving remuneration for those services. Those services included finding tenants, showing the Property to prospective tenants, collecting the deposit and rent, facilitating the tenancy agreement, and supervising contractors.
3. In determining the amount of the NOAP, BCFSA considered the fact that the conduct was reported to BCFSA by a member of the public, that this was Mr. Cheng’s first contravention, that Mr. Cheng has never been licensed in British Columbia and has not completed the required courses to become licensed, the services were confined to the Property from September to November 2024, there was a need for general deterrence to prevent the risk of harm to the public arising from unlicensed persons providing real estate services, and there was no evidence of missing funds.
4. Mr. Cheng applied for an opportunity to be heard regarding the NOAP under section 57(4) of RESA. The application proceeded by written submissions.

Issues

5. The issue is whether the NOAP should be cancelled or confirmed.

Jurisdiction and Standard of Proof

6. This application for reconsideration is brought pursuant to section 57(4) of RESA, which requires the Superintendent of Real Estate (the “**superintendent**”) to provide a person who receives an administrative penalty with an opportunity to be heard upon request.
7. Section 57(4) of RESA permits the superintendent to cancel the administrative penalty, confirm the administrative penalty, or, if the superintendent is satisfied that a discipline hearing under section 40 of RESA would be more appropriate, cancel the administrative penalty and issue a notice of discipline hearing.
8. The superintendent has delegated the statutory powers and duties set out in section 57 to Hearing Officers.
9. The standard of proof is the balance of probabilities.

Background

10. The evidence and information before me comprise an investigation report completed by BCFSA, the tabs thereto, and the information provided by Mr. Cheng in the application for reconsideration. The following is intended to provide some background to the circumstances and to provide context for my reasons. I have not recited all the information before me.
11. Mr. Cheng has never been licensed under RESA and has never completed the licensing courses required for licensing under RESA.
12. Mr. Cheng is not a registered owner of the Property, which is located at [Property 1], Richmond, BC.
13. On September 1, 2024, the complainant in this matter (the “**Complainant**”) and Mr. Cheng exchanged text messages in which Mr. Cheng asked the Complainant if he was interested in renting the Property. The Complainant said he was and was available that afternoon at about 3:00 pm and Mr. Cheng replied “OK”.
14. On September 4, 2024, the Complainant emailed Mr. Cheng. That email purports to attach application materials, including bank, employment, and credit information; however, the version provided to me does not include the attachments. Mr. Cheng confirmed receipt of those materials the same date.
15. The Complainant and Mr. Cheng also exchanged text messages in which Mr. Cheng asked for prepayment of a \$1,000 deposit, which he then lowered to \$500. In those messages, Mr. Cheng provides [Email 1] as his email for payment of the deposit. It is not clear exactly when these messages were sent, but Mr. Cheng’s messages indicate that the lease agreement will be sent on Tuesday or Wednesday. The below mentioned Residential Tenancy Agreement is dated September 8, 2024, which is a Tuesday. I infer that these messages were exchanged at some point between September 4, 2024 and September 8, 2024.
16. On September 8, 2024, the Complainant and another tenant signed a fixed term Residential Tenancy Agreement (the “**Lease**”) to rent the Property from its owners (the “**Landlords**”) for the period from October 1, 2024 to September 30, 2025 for \$5,500 per month payable on the first day of each month. The Lease provided for a deposit of \$2,750 payable by October 1, 2024. In the portion of the Lease indicating the Landlords’ address for service, the box next to “landlord’s agent” was checked. The address for service for the Landlords’ agent in the Lease was [Property 2], Richmond, BC (the “**Service Address**”), which was owned by Mr. Cheng’s former spouse, [Individual 1]. Mr. Cheng advised BCFSA Investigations that this address was used as a service

address because Mr. Cheng frequently travels to China and New Zealand. The daytime phone number listed for the Landlords' agent was Mr. Cheng's phone number.

17. On September 10, 2024, Mr. Cheng and the Complainant exchanged messages regarding a meeting at the Property to occur around 5:30 pm.
18. Also on September 10, 2024, the Lease was signed on behalf of the Landlords.
19. On September 11, 2024, the Complainant made an e-transfer payment to [Email 1] in the amount of \$2,249.00. I find that this payment was for payment of the balance of the deposit required under the Lease after deducting the \$500 initial deposit referenced in the text messages discussed above. The messages indicate that Mr. Cheng considered the amount of the deposit owing to be \$2,250. It is not clear to me why the amount paid is \$1 less than the full amount, but I accept that this payment is most likely meant to be the balance of the deposit required under the Lease Agreement.
20. On September 28, 2024, the Complainant made an e-transfer payment to [Email 1] in the amount of \$5,500.00. I find that this was payment of rent for October 2024 under the Lease.
21. On October 19, 2024, Mr. Cheng emailed the Complainant to advise that he had booked a technician to repair the washing machine and dryer at the Property for October 23, 2024 and would discuss the issue with the landlord. Mr. Cheng also confirmed that the Landlords had received October's rent and the security deposit and advised that the Complainant could deduct the cost of a refrigerator from the rent for November. He further indicated that he would bring the Complainant a refund, approved by the landlord, of tenant insurance and battery costs. He went on to discuss issues with the air-conditioner and HRV system and indicated that he and the Landlords "are working actively to resolve [the issues] to minimize its impact on your use and enjoyment of the [P]roperty." He further indicated that he could not "find support with the Residential Tenancy Branch" for compensation for the Complainant. He concluded by advising that interest would be paid on the deposit at the end of the tenancy and that he would advise the Landlords.
22. On October 22, 2024, Mr. Cheng was issued an invoice from Trail Appliances for the purchase, delivery, and installation of a new washing machine and removal of the existing one at the Property. The invoice was in the amount of \$1,344.53.
23. BCFSA received a complaint on October 25, 2024 from the Complainant.
24. On November 13, 2024, Mr. Cheng appeared before the Residential Tenancy Branch in regard to a dispute resolution application filed by the Complainant. The decision describes Mr. Cheng as "the Landlord's agent". The other details of that proceeding are not relevant to this proceeding.
25. On February 18, 2025, BCFSA Investigations took screenshots of online rental property advertisements for three properties at [Property 3], Richmond, BC (the "[Property 3] Property"); [Property 4], Richmond, BC (the "[Property 4] Property"); and [Property 5], Richmond, BC (the "[Property 5] Property"). All three advertisements list Mr. Cheng's phone number as a contact. The advertisements for [Property 3] and [Property 5] list [Email 2] as the email contact. The [Property 3] advertisement shows it was last updated on March 13, 2023. The [Property 4] advertisement shows a date of May 10, 2024. The [Property 5] advertisement shows a date of March 11, 2018 and explicitly mentions Mr. Cheng as a contact.
26. On April 1, 2025, BCFSA Investigations sent Mr. Cheng an investigation letter in which it requested the following from Mr. Cheng:
 - a. Tenancy agreements for the Property, [Property 3], [Property 4], [Property 5], and certain other named properties;
 - b. An explanation of Mr. Cheng's relationship with [Individual 1];

- c. His relationship with the Landlords;
 - d. Employment contracts from January 2000 to April 2025;
 - e. Bank statements from September 2024 to March 2025; and
 - f. 2023 and 2024 T4 summaries.
27. On April 15, 2025, Mr. Cheng responded to the Investigation Letter. His response enclosed his 2023 T1s, copies of his bank statements from [Bank 1], a decision in the above noted Residential Tenancy Branch proceeding, and a written statement from Mr. Cheng.
28. Regarding the Property, Mr. Cheng stated that he was close friends with the Landlords for over 25 years and that the Landlords had moved back to China in the mid-2000s leaving the Property unoccupied. He said that the Landlords asked him to find a tenant for the Property and that he was "reimbursed for [his] cost and paid for labour for helping the party communicate and enter into an agreement, cleaning the unit and moving furniture before the tenant moves in" [sic]. He stated he facilitated repairs in September and October 2024 but stopped helping once the Complainant became unreasonable. He described some of the issues with the Complainant and mentioned that the Complainant filed four Residential Tenancy Branch dispute applications, one of those was dismissed in the decision noted above and the others were settled prior to hearing.
29. Regarding [Property 3], he stated that the owner of that property is his friend and that he was compensated for his labour in opening the door to prospective tenants and referring interested tenants to the owner and for performing minor repairs. He said that the owner and the tenants negotiated their own agreements, but he witnessed their signatures. He stated that he did not provide ongoing management for [Property 3].
30. Regarding [Property 4], he stated that he is friends with the owner who left [Property 4] vacant when the owner moved to Hong Kong and the owner's daughter moved to Toronto. He stated that he posted advertisements for [Property 4], showed it to prospective tenants, cleaned, performed minor repairs and was paid for his work. He stated that he did not provide ongoing management for [Property 4].
31. Regarding [Property 5], he stated that he lived there for a time and then found someone to take over his tenancy.
32. He also stated that [Individual 1] was his former spouse who owned the Service Address. He stated that he used that address in some tenancy agreements on behalf of landlords because he frequently travels to China and New Zealand and needs an address at which documents can be served and responded to promptly.
33. I note that Mr. Cheng's bank statements show no record of his receipt of the above e-transfer payments made in relation to the Lease.

Submissions

34. Mr. Cheng submits that his actions did not contravene RESA. He submits that he did not post an advertisement for the Landlords to find a tenant for the Property. He submits that prospective tenants were scheduled through the Landlords to come to the Property when Mr. Cheng was present cleaning, clearing out furniture, or conducting repairs. He submits that the Landlords had engaged him in September 2024 to wrap and move furniture, clean the Property, tow the Owner's vehicle to the shop, replace lightbulbs, test the air-conditioning and HVAC system, test and replace locks, drain irrigation pipes, and remove rust from and lubricate a gate. He provided some photographs to demonstrate the work done. Mr. Cheng submits that the Landlord used the damage deposit and rent funds to reimburse Mr. Cheng for cleaning, clearing, and repair costs.

35. Mr. Cheng submits that the allegation that he facilitated the tenancy agreement and supervised contractors was a broad allegation.
36. Mr. Cheng submits that, in his view, he was supervising movers and tradespersons. He submits that prospective tenants viewed the property "on their terms". He submits that he did not represent himself as an agent or act as one and that the Landlords and Complainant communicated directly and he did not represent the Landlords or their interests as regards the tenancy.
37. Mr. Cheng requests that the penalty be cancelled because he did not intend to contravene RESA and has been informed by correspondence with the regulator what constitutes real estate services.

Reasons and Findings

Applicable Legislation

38. Section 56 of RESA provides that BCFSA may designate specific provisions of RESA, the Real Estate Regulation (the "**Regulations**"), or the *Real Estate Services Rules*, BC Reg 209/2021 (the "**Rules**") as being subject to administrative penalties, and may establish the amounts or range of amounts of administrative penalty that may be imposed in respect of each contravention of a specified provision. Pursuant to section 56(2), the maximum amount of an administrative penalty is \$100,000.
39. Section 26(1) of the Rules indicates that for the purposes of section 56(1) of RESA, contraventions the provisions of RESA, the Regulations or the Rules listed in section 26(2) of the Rules are designated contraventions to which Division 5 (Administrative Penalties) of Part 4 of RESA applies.
40. Section 26(2) of the Rules identifies six categories, Category A, B, C, D, E, and F, for designated contraventions for the purpose of determining the amount of an administrative penalty. Section 3(1) of RESA is placed in Category F. Section 27(6) of the Rules sets out that contraventions of Category F provisions may attract an administrative penalty between \$5,000 and the maximum amount provided for in section 56(2) of RESA, being \$100,000, for a first contravention or between \$10,000 and that maximum for a subsequent contravention.
41. Section 57(1) of RESA sets out that if the superintendent is satisfied that a person has contravened a provision of RESA, the Regulations, or the Rules designated under section 56(1)(a) of RESA, the superintendent may issue a notice imposing an administrative penalty on the person. Section 57(2) requires that a notice of administrative penalty indicate the rule that has been contravened, indicate the administrative penalty that is imposed, and advise the person of the person's right to be heard respecting the matter.
42. RESA provides, in relevant part, as follows:
 - 1 In this Act:
 - ...
 - "real estate services"** means
 - (a) rental property management services,
 - (b) strata management services, or
 - (c) trading services;
 - ...
 - "remuneration"** includes any form of remuneration, including any commission, fee, gain or reward, whether the remuneration is received, or is to be received, directly or indirectly;

"rental property management services" means any of the following services provided to or on behalf of an owner of rental real estate:

- (a) trading services in relation to the rental of the real estate;
- (b) collecting rents or security deposits for the use of the real estate;
- (c) managing the real estate on behalf of the owner by
 - (i) making payments to third parties,
 - (ii) negotiating or entering into contracts,
 - (iii) supervising employees or contractors hired or engaged by the owner,
or
 - (iv) managing landlord and tenant matters

...

"trading services" means any of the following services provided to or on behalf of a party to a trade in real estate:

- (a) advising on the appropriate price for the real estate;
 - (b) making representations about the real estate;
 - (c) finding the real estate for a party to acquire;
 - (d) finding a party to acquire the real estate;
 - (e) showing the real estate;
 - (f) negotiating the price of the real estate or the terms of the trade in real estate;
 - (g) presenting offers to dispose of or acquire the real estate;
 - (h) receiving deposit money paid in respect of the real estate
- but does not include an activity excluded by regulation;

Requirement for licence to provide real estate services

3(1) A person must not provide real estate services to or on behalf of another, for or in expectation of remuneration, unless the person is

- (a) licensed under this Part to provide those real estate services, or
- (b) exempted by subsection (3) or the regulations from the requirement to be licensed under this Part in relation to the provision of those real estate services.

Analysis

43. The imposition of an administrative penalty under section 57 of RESA is a discretionary decision. A request to reconsider the imposition of an administrative penalty requires a Hearing Officer to consider not only whether a contravention of RESA, the Regulations, or the Rules has occurred, but also whether the applicant exercised due diligence, that is: took reasonable steps or precautions, to prevent the contravention of the designated sections identified in the notice of administrative penalty. A Hearing Officer may also consider information on any extenuating circumstances that prevented compliance, or any other information the applicant believes a Hearing Officer should consider.

Contravention

44. BCFSA alleges that Mr. Cheng contravened section 3(1) of RESA by providing rental property management services to the Landlords in relation to the Property. It alleges that those services included finding tenants, showing the Property to prospective tenants, collecting the deposit and rent, facilitating the tenancy agreement, and supervising contractors.
45. Section 3(1) of RESA precludes anyone from providing real estate services in the expectation of remuneration unless they are licensed under RESA to provide those services or exempted from the requirement to be licensed.
46. Mr. Cheng is not licensed under RESA and never has been. He also has not argued that he is exempted from the requirement to be licensed and I find that he is not. The question before me regarding the contravention at issue, then, is whether Mr. Cheng provided rental property management services to the Landlords regarding the Property as alleged.
47. Under RESA, real estate services includes rental property management services, which includes collecting rent, negotiating or entering into contracts, supervising employees or contractors, managing landlord and tenant matters, and trading services in relation to a rental property. Showing real estate and finding a party to acquire real estate, in other words a tenant, are included in the definition of trading services.
48. I will address each of the alleged instances of rental property management services set out in the NOAP below.
49. First, I will address whether Mr. Cheng was engaged in “finding tenants”. There is no evidence before me regarding how Mr. Cheng first came to be in contact with the Complainant or that he was advertising the Property for rent. I do have the initial text message exchange between Mr. Cheng and the Complainant, but that only discloses that Mr. Cheng somehow came into possession of the Complainant’s phone number such that he could text message the Complainant. Mr. Cheng does say that he “helped find a suitable tenant”, but it is not clear to me what Mr. Cheng means by this and whether that means that he was finding prospective tenants or handling the tenants once found by the Landlords.
50. The evidence does demonstrate that Mr. Cheng received the Complainant’s application and supporting materials in relation to the prospective tenancy. In my view, that involved Mr. Cheng in the processes of vetting the Complainant and therefore involved him in the process of finding tenants that were suitable to the Landlords to rent the Property. Therefore, I find that Mr. Cheng was finding tenants for the Property.
51. Second, the evidence does establish that Mr. Cheng showed the Property to the Complainant. The text messages clearly establish that Mr. Cheng arranged a time for the Complainant to come to the Property to view it. I reject Mr. Cheng’s account that the showing was arranged through the Landlord or that the Complainant and Landlord communicated directly, the text messages belie that account. Further, Mr. Cheng’s statements indicate that the Landlords live in China and therefore they would likely not be present to attend a showing. In my view, the only reasonable conclusion from the above is that Mr. Cheng showed the Property to the Complainant. Whether he was conducting a detailed walkthrough and explained the features of the Property to the Complainant or not, he was present and provided access on behalf of the Landlords to allow the Complainant to view the Property.
52. Third, and regarding the allegation that Mr. Cheng collected rent or the deposit, the evidence before me consists of the rental and deposit e-transfer confirmations in September 2024 and Mr. Cheng’s text messages providing an email address through which to make those payments along with Mr. Cheng’s statements and submissions. None of that evidence conclusively demonstrates where

those funds went. The username of the email address used to receive the e-transfers included a combination of Mr. Cheng's and [Individual 1]'s initials, but there is no definitive confirmation in the materials that this email address belongs to Mr. Cheng, [Individual 1], both, or neither. The payments are not shown as deposits to Mr. Cheng's [Bank] Account in the materials before me.

53. Mr. Cheng does say in his submissions that the Landlords used the rental and deposit money to reimburse him for his costs and, in that context, he says he received the rent and damage deposits. In my view, Mr. Cheng's admission that he received the damage deposit and rent to reimburse him for his expenses is sufficient, in addition to the text messages and the email address used for the e-transfers, to lead me to conclude that Mr. Cheng in fact collected the damage deposit and the rent for October 2024. Although not conclusive, the preponderance of evidence indicates that Mr. Cheng did in fact receive that money from the Complainant. I therefore find that Mr. Cheng collected the rent and the damage deposit.
54. Fifth, regarding "facilitating the rental agreement", it is not clear to me what portion of the definition of "rental property management services" or "trading services" this might fall under. The applicable definitions include negotiating prices, presenting offers, and negotiating or entering into contracts. Mr. Cheng clearly received the Complainant's application and supporting documents and arranged to have the Lease provided to the Tenant. It appears that he also received the Lease from the Complainant on September 10, 2024, though it is unclear who signed the Lease on behalf of the Landlords. There is no clear evidence regarding how the Complainant and the Landlords came to a price for the monthly rent or an amount for the deposit, except that the deposit is half the monthly rent. Reviewing the above, I find that the evidence establishes that Mr. Cheng, at minimum, received the signed Lease from the Complainant and either signed it on behalf of the Landlords or presented the Lease to the Landlords for their signatures. That activity is sufficient to be captured as presenting offers to acquire real estate. The evidence does not establish that Mr. Cheng delivered the Lease to the Complainant to sign or that he negotiated any of its terms.
55. Sixth, and regarding supervising contractors, the evidence indicates that Mr. Cheng booked a washing machine and dryer repair technician to attend at the Property. He also placed the order for the washing machine and dryer in his own name. It appears that he was also involved in some capacity with an HRV or air-conditioning repairperson attending the Property on behalf of the Landlords. Given the Landlords were not in the country, Mr. Cheng must have been involved in procuring that service and, as a result, in supervising that service on the Landlords behalf. In my view, Mr. Cheng has admitted that he performed these services for the Landlord. Further, Mr. Cheng's initial response to BCFSIA Investigations indicated that it was the Complainant who raised issue with the HVAC and air-conditioning system and Mr. Cheng's October 19, 2024 email confirms he was dealing with this issue on behalf of the Landlords. Mr. Cheng also says that he facilitated repairs in September and October 2024. I find that Mr. Cheng was involved in supervising contractors in relation to the Property and that that facilitation was related to the Property being tenanted. In my view, Mr. Cheng was acting on behalf of the Landlords in doing so and as a result those contractors were hired or engaged by the owner as contemplated by subparagraph (c)(iv) of the definition of "rental property management services" in RESA.
56. I therefore find that Mr. Cheng provided real estate services in relation to the Property by doing the following:
 - a. finding tenants
 - b. showing the Property to the Complainant;
 - c. presenting the Lease to the Landlords for their execution or signing it himself;
 - d. collecting the October 2024 rent for the Property and the damage deposit under the Lease; and
 - e. supervising contractors on behalf of the Landlords.

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57. The next question is whether Mr. Cheng performed these services in expectation of remuneration.
58. Mr. Cheng's bank statements do not clearly disclose whether he was paid for his services. The only evidence that he was paid for his work is in his initial statement to BCFS Investigations where he stated the following in regard to his payment for the work on the Property:
- "I was reimbursed for my cost and paid for labour for helping the party communicate and enter into an agreement, cleaning the unit and moving furniture before the tenant moves in."
- [sic]
59. In my view, that is an admission that Mr. Cheng was in fact paid for at least the portion of his real estate services associated presenting the Lease to the Landlords. In my view, that would also cover finding tenants and showing the Property to the Complainant, which would be part of the preliminary work of helping the parties enter into an agreement, and collecting the rent and damage deposit, which would be the culmination of that work. In my view, Mr. Cheng's submission that he was paid only for his work to clean and repair the Property and to reimburse him for his costs is not credible for two reasons.
60. First, this submission is connected to Mr. Cheng's submission that he only scheduled meetings at the Property through the Landlords and for times when he was present at the Property doing other work, which I reject for two reasons. The evidence clearly shows that Mr. Cheng was communicating directly with the Complainant and was not working through the Landlords to do so. Further, there is no indication in the text messages before me that Mr. Cheng was only there to do other work and instead it appears that the Complainant initiated meetings at the Property for showings or to sign the Lease and that Mr. Cheng made himself available. It may be that Mr. Cheng was already planning to be at the Property to do other work but the text messages do not disclose that and I find it unlikely that the Complainant's requests and Mr. Cheng's plans would overlap so fortuitously.
61. Second and more importantly, Mr. Cheng's submission directly conflicts with his initial admission that he was paid for his labour in arranging the Lease and communicating between the parties. In my view, that admission indicates that, even if Mr. Cheng did other work at the Property while showing the Property to the Complainant or meeting to exchange documents, Mr. Cheng did the work to arrange the Lease expecting compensation and aligned his work with the Tenant's requests to attend at the Property. In my view, Mr. Cheng's admission and the coincidence of his availability at the times and on the dates the Complainant requested meetings strains any inference that Mr. Cheng was only going to the Property to clean or conduct repairs and added on showings as completely ancillary work.
62. Regarding Mr. Cheng's work supervising contractors, this work occurred in October 2024. There is no evidence that Mr. Cheng received payment in October 2024, but given that the Lease required the Complainant to pay rent for November 2024 on November 1, 2024 and that the Complainant had been paying the rent through Mr. Cheng, I conclude that Mr. Cheng likely expected to receive some compensation for this work.
63. I therefore find that Mr. Cheng provided rental property management services to the Landlords in expectation of remuneration by finding tenants for the Property, showing the Property to the Complainant, collecting the October 2024 rent and the damage deposit required under the Lease, presenting the Lease to the Landlords, and supervising the contractors hired by the Landlords.
64. The NOAP does not raise any particular allegations regarding Mr. Cheng's activities at other properties or in regard to his work appearing before the Residential Tenancy Branch. I therefore decline to address those issues in this context.

Due Diligence

65. Mr. Cheng has not raised any argument that he exercised due diligence. He does say that in his mind he was not contravening RESA and he did not intend to contravene it, but there is no evidence that he did anything to confirm what the lawful scope of his role in assisting the Landlords was.
66. I therefore find that Mr. Cheng did not exercise due diligence in attempting to comply with section 3(1) of RESA.
67. As a result of the above, I find that Mr. Cheng contravened section 3(1) of RESA by providing rental property management services to the Landlords in expectation of remuneration by finding tenants for the Property, showing the Property to the Complainant, collecting the October 2024 rent and the damage deposit required under the Lease, presenting the Lease to the Landlords, and supervising the contractors hired by the Landlords.

Penalty Amount

68. In reviewing the amount of the penalty, I can only cancel or confirm the penalty. If I cancel the penalty and I find that the matter would be more appropriately dealt with by a hearing, I can order the issuance of a notice of hearing. I cannot vary the penalty. Therefore, my review is confined to determining whether the penalty is appropriate. This involves considering whether the penalty, in the circumstances demonstrated before me, is within the range of reasonable regulatory responses to the contravening conduct.
69. The penalty amount imposed in this case is \$6,000. Section 3(1) of RESA is designated in Category F. Section 27(6) of the Rules, when read together with section 56(2) of RESA, provides that a first contravention of a section designated in Category F may attract a monetary discipline penalty of a minimum of \$5,000 and a maximum of \$100,000. The penalty issued in this case is only \$1,000 above the minimum of that range.
70. I also note that the other orders contemplated by section 57(1) of RESA, besides monetary penalties, do not clearly have application to cases involving real estate services provided by unlicensed persons. First, the respondent will inevitably not have a licence which can be restricted or upon which conditions can be imposed under section 57(1)(c) of RESA. Second, a requirement to complete a course of study or training pursuant to section 57(1)(b) of RESA will generally not be appropriate or useful because the goal of the sanction in the case of unlicensed conduct is to prevent future unlicensed conduct, both individually and generally, to protect the public. Therefore, monetary penalties will, generally, be the most appropriate form of regulatory intervention where a regulatory response is required from the superintendent.
71. In this case and as acknowledged by the NOAP, this is the first time Mr. Cheng has been sanctioned under RESA, there was no proven harm or loss caused by Mr. Cheng's actions, and the services at issue were provided only over a relatively short period. These tend to indicate that a smaller penalty or no penalty could be warranted.
72. That said, the evidence does indicate that Mr. Cheng is involved in assisting his friends with their properties and may have so been for some time. The evidence further demonstrates that Mr. Cheng may not fully understand that his conduct was contrary to RESA or if he does understand this, his understanding is only very recent. Further, it is not clear to me exactly how much profit Mr. Cheng derived from his activities, but he received at least \$7,759 from the Complainant in the form of deposit and rent payments. It appears that he did spend a portion of this money on purchasing a washer for the Property and he likely paid for some expenses for the other tasks he references in his submissions, but I find it unlikely that all the money was spent on those tasks. Whatever portion of those funds he did keep in relation to his real estate services he was not entitled to keep them pursuant to sections 3(1) and 4(1) of RESA. Any order made in this context should seek to ensure

Mr. Cheng does not receive the benefit of those funds. I therefore find that Mr. Cheng does require specific deterrence to ensure that he does not continue to provide real estate services in the expectation of remuneration without a licence.

73. Further, I find that this case calls for some general deterrence. Mr. Cheng not only arranged a tenancy for the Landlords but he also handled both deposit and rent monies. Permitting unlicensed individuals, who are not obliged to handle funds in accordance with the protections in place under RESA, presents a significant risk to the public that should be discouraged. It should also be discouraged because the funds held by such persons are not subject to the protections afforded by the special compensation fund under Part 5 of RESA. In my view, these considerations weigh significantly in favour of a need to ensure a message is sent to the public that unlicensed real estate services, particularly those that involving the handling of funds that should be paid into trust, will be addressed with appropriate sanctions by the regulator. In addition, that sanction should demonstrate to those who might consider providing real estate services without a licence that their work will not be profitable. There is some general deterrent value in deterring unlicensed individuals from engaging in real estate services, but I find that the most significant factor in this case is Mr. Cheng's handling of deposit and rent monies, even if there is no evidence of misappropriation.
74. Finally, I find that a regulatory response in this case will help maintain public confidence in the real estate industry. In my view, the public ought to be confident that the individuals they deal with when renting property or renting out their property are licensed and appropriately supervised by the superintendent. I note that the Complainant in this case appears to have assumed Mr. Cheng was so licensed, and the fact that he was not erodes public confidence in the licensing system if it is not addressed.
75. I therefore find that some regulatory response is required in this case.
76. As noted above, the response in this case was to impose a monetary penalty in an amount \$1,000 more than the minimum. Since Mr. Cheng's contravening conduct was relatively short in duration and resulted in no demonstrated harm, but that there is a need for specific deterrence, general deterrence, and an order that helps maintain public confidence in the industry, I find that a \$6,000 penalty is appropriate in this case.

Conclusion

77. I find that Mr. Cheng contravened section 3(1) of RESA by providing rental property management services to the Landlords in expectation of remuneration by finding tenants for the Property, showing the Property to the Complainant, collecting the October 2024 rent and the damage deposit required under the Lease, presenting the Lease to the Landlords, and supervising the contractors hired by the Landlords.
78. I find that the \$6,000 penalty issued in the NOAP is appropriate.
79. I confirm the \$6,000 penalty issued in the NOAP.
80. The \$6,000 penalty in the NOAP is now due and payable to BCFS.

DATED at North Vancouver, BRITISH COLUMBIA, this 17th day of November, 2025.

"Original signed by Gareth Reeves"

Gareth Reeves
Hearing Officer