

BC FINANCIAL SERVICES AUTHORITY

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

**AND IN THE MATTER OF
MICHAEL LAURIE GIORDANO
(170934)**

**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 November 21, 2025, the BC Financial Services Authority (“**BCFSA**”) issued a Notice of Administrative Penalty (the “**NOAP**”) in the amount of \$4,000 to Michael Laurie Giordano pursuant to section 57(1) and 57(3) of the *Real Estate Services Act*, SBC 2004, c 42 (“**RESA**”).
2. In the NOAP, BCFSA determined that Mr. Giordano had contravened section 29(1) of the *Real Estate Services Rules*, BC Reg 209/2021 (the “**Rules**”) in four instances by failing to promptly provide his managing broker with a copy of all substantive records in relation to real estate services provided by Mr. Giordano regarding transactions regarding four properties in Victoria. Those properties included properties at [Property 1], Victoria (“**Property 1**”) and [Property 2], Victoria (“**Property 2**”). The NOAP imposed a \$1,000 administrative penalty in relation to each of the four properties.
3. Mr. Giordano applied for a reconsideration of the NOAP under section 57(4) of RESA challenging only the administrative penalties issued in regard to Property 1 and Property 2. The application proceeded by written submissions.

Issues

4. The issue is whether the two administrative penalties in the NOAP challenged by Mr. Giordano should be cancelled or confirmed.

Jurisdiction and Standard of Proof

5. 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.

6. 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.
7. The superintendent has delegated the statutory powers and duties set out in section 57 to Hearing Officers.
8. The standard of proof is the balance of probabilities.

Background

9. The evidence and information before me consists of an investigation report completed by BCFSA, the tabs thereto, and the information provided by Mr. Giordano in the application for reconsideration. The following is intended to provide some background to the circumstances and to provide context for my reasons. It is not intended to be a recitation of all of the information before me.
10. Mr. Giordano was first licensed as a representative in the trading services category on May 5, 2015 and has been so licensed since that date, except for five days in May 2021 during which he was unlicensed. Mike Giordano Personal Real Estate Corporation was first licensed on October 24, 2016 and has been licensed in the same fashion as Mr. Giordano since.
11. The conduct at issue relates to real estate services Mr. Giordano allegedly provided in relation to a land assembly by [Developer 1] (the “**Developer**”) that was intended to involve Property 1 and Property 2, among other properties.
12. In the course of that land assembly, Mr. Giordano had contacted several owners to see if they were interested in him representing them for the purpose of selling their properties to the Developer. He approached the owners by letter delivery and by door knocking. In regard to the owners of Property 1 and Property 2, Mr. Giordano either received no response or received a firm rejection to him representing them. Mr. Giordano did represent other owners in regard to prospective sales to the Developer.
13. On March 9, 2022, Mr. Giordano prepared a Disclosure of Remuneration form disclosing to the Developer that he anticipated receiving a commission in relation to the sale of Property 2. The Developer’s name was inserted in the “Notice to (*name of client*)” [*emphasis original*] field. The Developer signed the Disclosure of Remuneration.
14. On March 10, 2022, Mr. Giordano also prepared a draft contract of purchase and sale for Property 2 on behalf of the Developer in which the Developer offered to purchase Property 2 (the “**Property 2 Offer**”). The Developer executed the Property 2 Offer and initialed the Property 2 Offer in the clause which stated that Mike Giordano Personal Real Estate Corporation was the designated agent for the Developer.
15. Also on March 10, 2022, Mr. Giordano prepared a Disclosure of Remuneration form disclosing to the Developer that he anticipated receiving a commission in relation to the sale of Property 1. The Developer’s name was inserted in the “Notice to (*name of client*)” [*emphasis original*] field. Mr. Giordano also prepared a draft contract of purchase and sale for Property 1 on behalf of the Developer in which the Developer offered to purchase Property 1 (the “**Property 1 Offer**”). The Developer executed both the Disclosure of Remuneration and the Property 1 Offer and initialed the Property 1 Offer in the clause which stated that Mike Giordano Personal Real Estate Corporation was the designated agent for the Developer.

16. Mr. Giordano's evidence is that he dropped the Property 2 Offer and the Property 1 Offer at the door of the respective properties and did not hear back from the owners.
17. On June 10, 2022, BCFSA Investigations requested the deal files for various properties including Property 1 and Property 2 from Mr. Giordano's managing broker (the "**Responding Broker**") by email.
18. On June 16, 2022, the Responding Broker responded to BCFSA Investigations to forward an email from his brokerage's Provincial Transaction Team Lead advising, among other things, that "Nothing has been uploaded at all for [Property 1] and [Property 2]."
19. On August 24, 2022, BCFSA Investigations emailed the Responding Broker to follow up on, among other things, the reason why no records were provided for Property 1 and Property 2.
20. The evidence indicates that Mr. Giordano delivered the Disclosures of Remuneration, the Property 1 Offer, and the Property 2 Offer to his brokerage between August 24 and September 7, 2022.
21. On September 7, 2022, the Responding Broker responded that Mr. Giordano had informed him that he had not done any contracts for Property 1 and Property 2 and that was why they were not submitted and that Mr. Giordano had thought his administration person had uploaded them. The Managing Broker advised that the documents were uploaded once requested from Mr. Giordano.
22. On March 15, 2024, Mr. Giordano provided a written statement to BCFSA Investigations in response to a February 13, 2024 investigation letter. In that statement Mr. Giordano apologized for not submitting paperwork on time. In regard to Property 1 and Property 2, he stated as follows:

"I am a bit confused why [Property 1 and Property 2] are referenced in the investigation. These owners never acknowledged any attempt I made to discuss an offer. No contract of purchase and sales were ever entered into."

[sic]
23. On September 23, 2024, Mr. Giordano attended an interview with BCFSA Investigations. In that interview, Mr. Giordano noted that he provided very little advice to the Developer during the offer process with those transactions in which he represented the Developer, given its sophistication and the fact that it had a clear understanding of what offers it wanted to make. He stated that he spoke to one of his managing brokers (the "**Advising Broker**"), though the Advising Broker, who had since moved brokerages and did not have access to his records, denied any knowledge of the transactions when asked by BCFSA Investigations in February 2024. Mr. Giordano advised that the Advising Broker told him to document the matter correctly. He was apologetic and took responsibility for the failure to have the documents delivered promptly to his brokerage. He advised that he has implemented better written communication recording and storage practices. He appeared reflective, honest, and candid in the interview.
24. In the interview and with regard to Property 1 and Property 2, Mr. Giordano stated that there was no contract in place for those properties and that he did write an offer on behalf of the Developer and dropped the offers off at the door of the respective properties.

Submissions

25. Mr. Giordano submits that there was no accepted offer for Property 1 and no meaningful activity by him in regard to that property. He submits that he might have had one brief telephone call about Property 1 but he did not draft, receive, negotiate, or present an offer for that property. He submits that no contract or agreement was contemplated, let alone created and there was no transaction underway, pending, or anticipated with regard to Property 1. He indicated that those owners who

did sign offers received deposit funds, but the transactions did not close and he received no remuneration.

26. Mr. Giordano submits that he had no verbal or written communication with Property 2's owners and provided them no real estate services. He submits that he did not prepare, receive, or discuss a listing agreement or contract of purchase and sale for Property 2. He submits that he had no agency relationship in regard to Property 1 and that he was not involved in a transaction with regard to Property 2. He submits that no transaction, contract, or agency relationship existed for Property 2.
27. Mr. Giordano further submits that his managing broker has confirmed that there were no brokerage records with regard to Property 1 or Property 2.
28. Mr. Giordano submits that there were no real estate services provided by him in relation to Property 1 and Property 2 and so no documents needed to be delivered to his brokerage.

Reasons and Findings

Applicable Legislation

29. Section 56 of RESA provides that BCFSA may designate specific provisions of RESA, the *Real Estate Regulation*, BC Reg 506/2004 (the "**Regulations**"), or 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.
30. Section 26(1) of the Rules indicates that for the purposes of section 56(1) of RESA, contraventions of 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.
31. At the time of the conduct at issue, section 26(2) of the Rules identifies four categories, Category A, B, C, and D, for designated contraventions for the purpose of determining the amount of an administrative penalty. Section 29(1) of the Rules was placed in Category D. Section 27(4) of the Rules provided that a contravention of a section designated in Category D may attract a discipline penalty including a base penalty amount of \$1,000 for a first contravention or \$2,000 for a subsequent contravention, plus a daily penalty amount of \$250 per day or part of a day that the contravention continues.
32. 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.
33. At the time of the conduct at issue, the Rules provided, in part, as follows:

Associate broker and representative responsibilities

- 29 (1) An associate broker or representative must promptly provide to the managing broker the original or a copy of all records referred to in any of the following sections that are in the possession of the associate broker or representative and that were prepared by or on behalf of the associate broker or representative, or received from or on behalf of a principal:

- (a) section 83 [*general records*];
- (b) section 84 [*trading records*];

...

...

General records

83 (1) A brokerage must retain the following records:

- (a) written disclosures under section 30 (j) [*conflicts of interest*], Division 2 [*Disclosures*] of Part 5 [*Relationships with Principals and Parties*] or Part 9 [*Licensee Exemptions*] and any related acknowledgments;
- (b) written service agreements and any other records that establish the scope of authority of the brokerage respecting the provision of real estate services to a client;
- (c) annual financial reports under section 75 [*annual financial statements, accountant's report and brokerage activity report*];
- (d) notices under section 8.2 [*assignment of contracts for the purchase and sale of real estate*] of the Real Estate Services Regulation.

...

Trading records

84 (1) A brokerage must retain the following records with respect to trades in real estate in relation to which it provides trading services:

- (a) the contracts for the acquisition or disposition of real estate;
- (b) any accounting statements prepared by or on behalf of the brokerage that are provided to a party by the brokerage in relation to a trade in real estate;

...

Analysis

34. 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 a licensee 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 licensee believes a Hearing Officer should consider.

Contravention

35. The evidence establishes that Mr. Giordano prepared Disclosures of Remuneration in relation to both Property 1 and Property 2 and had them signed by the Developer. It establishes that Mr. Giordano prepared the Property 1 Offer and the Property 2 Offer, had them signed by the Developer, and delivered them to the respective properties.
36. Contrary to Mr. Giordano's submissions, it is clear that he at least provided real estate services to the Developer by preparing and delivering the Property 1 Offer and the Property 2 Offer.
37. The Disclosure of Remuneration form is a record required under section 56 of the Rules, which is included in Division 2 of Part 5 of the Rules. Section 83(1)(a) of the Rules requires brokerages to retain those records. Section 29(1)(a) of the Rules requires licensees to deliver the original or a

copy of those records to their managing broker promptly. These requirements were in place in 2022, when the conduct at issue occurred.

38. Although section 84 of the Rules currently requires brokerages to retain offers received or delivered by licensees, between August 1, 2021 and September 30, 2022, section 84 of the Rules did not require brokerages to retain such offers. That requirement was not added until February 1, 2024.
39. Despite having the Disclosures of Remuneration prepared and signed in early March 2022, Mr. Giordano did not provide them to his brokerage until late August 2022, at least five months later. In my view, that is not prompt.
40. The evidence therefore establishes that Mr. Giordano failed to comply with section 29(1)(a) of the Rules by failing to promptly deliver the Disclosures of Remuneration in relation to Property 1 and Property 2 to his managing broker.

Due Diligence

41. The evidence indicates that Mr. Giordano provided the Disclosures of Remuneration to his administrative staff, who then failed to deliver the documents to his brokerage. There is no evidence before me regarding what systems Mr. Giordano had in place to ensure that this occurred. The length of the delay, being more than five months, speaks to a lack of diligence in this case.
42. Mr. Giordano has not established that he exercised due diligence.
43. I therefore find that Mr. Giordano contravened section 29(1) of the Rules by failing to promptly deliver the Disclosures of Remuneration in relation to Property 1 and Property 2 to his managing broker.

Penalty Amount

44. My authority under section 57(4) of RESA is limited to cancelling the administrative penalty, confirming the administrative penalty, or, if I find the matter would be more appropriately dealt with by discipline hearing, cancelling the administrative penalty and issuing a notice of discipline hearing. I cannot vary the administrative penalty. In reviewing the penalty amount, the scope of my authority is therefore limited to determining whether the administrative penalty falls within a reasonable range of regulatory responses to the misconduct in the circumstances of the case.
45. The penalty amounts imposed in the NOAP are the base penalty amounts prescribed for a contravention of a section designated in Category D, which included, at the relevant time, section 29(1) of the Rules.
46. The conduct here appears to have been largely unintentional. Mr. Giordano was in consistent contact with the Advising Broker regarding the transaction. Although the Advising Broker does not recall this, it appears there was nothing in writing and I find it likely that the Advising Broker would likely have forgotten a series of oral conversations. Mr. Giordano appears to be contrite and to have learned from the experience dealing with his regulator. He was candid and honest in his interview and appeared to truly reflect on his conduct. He appears to have implemented systems to ensure he keeps better records. There does not appear to have been any harm that resulted from Mr. Giordano's failure to deliver the Disclosures of Remuneration.
47. That said, the obligation to deliver disclosure forms to a licensee's managing broker is part of the general supervisory framework of RESA and allows managing brokers, and in turn the superintendent, to ensure licensees comport themselves correctly. The delivery of those forms provides notice of what services a licensee is providing, to whom, and in what context. These forms are not mere paperwork. In the context of this transaction, the forms were important to ensure that

Mr. Giordano's managing broker had the opportunity to understand how Mr. Giordano intended to represent the Developer and the prospective sellers in the land assembly transactions, the duties owed by Mr. Giordano and the brokerage, and to properly advise Mr. Giordano regarding the handling of any conflicts that might arise from his roles. These forms are required by the brokerage regardless of whether any offers are made or contracts are formed to permit this supervision.

48. I note also that the conduct was not entirely isolated but related to at least four properties, as indicated by the above reasons and Mr. Giordano's admissions regarding the other allegations in the NOAP. There appears to therefore have been a degree of systemic failure in Mr. Giordano's operations at the time indicated by the conduct here.
49. In my view, the above considerations weigh in favour of an administrative penalty in this case. The total amount of the administrative penalties issued here is reasonably substantial and likely at the upper end of what is appropriate in response to the circumstances here. But in my view, compliance with the obligation to promptly deliver disclosure documents to a licensee's managing broker is sufficiently important to warrant a regulatory intervention and both the individual and the global monetary penalties are relatively low compared to the penalties generally available under RESA for misconduct. Administrative penalties in the amounts issued here are within the scope of appropriate responses to this type of unintentional misconduct.
50. I therefore confirm the \$2,000 administrative penalties issued in the NOAP in relation to Mr. Giordano's contraventions of section 29(1) in failing to promptly deliver the Disclosures of Remuneration in relation to Property 1 and Property 2 to his managing broker.

Conclusion

51. I find that Mr. Giordano contravened section 29(1) of the Rules by failing to promptly deliver the Disclosures of Remuneration in relation to Property 1 and Property 2 to his managing broker. I find that he has not demonstrated he exercised due diligence in attempting to comply with his obligations.
52. I find that the administrative penalties challenged by Mr. Giordano, totaling \$2,000, are appropriate in this case.
53. I confirm the \$2,000 in administrative penalties challenged by Mr. Giordano in this proceeding.
54. The \$4,000 in administrative penalties is now due and payable to BCFSA.

DATED at North Vancouver, BRITISH COLUMBIA, this 29th day of December, 2025.

"Original signed by Gareth Reeves"

Gareth Reeves
Hearing Officer