Citation: Zarshenas (Re), 2025 BCSRE 117
Date: 2026-04-21
File No. 25-5865

BC FINANCIAL SERVICES AUTHORITY

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

AND

IN THE MATTER OF

AFSANEH ZARSHENAS also known as AFSI DASHTI

(139431)

Corrected Decision: Corrections have been made to the text on May 6, 2026 and the corrigendum is appended to this decision.

DECISION ON LIABILITY AND SANCTION

[This Decision has been redacted before publication.]

DATE AND PLACE OF HEARING:	September 25, 2025; November 6, 2025, and Written submissions
COUNSEL FOR BCFSA:	Simon Adams
COUNSEL FOR RESPONDENT:	Jeffrey Scouten
HEARING OFFICER:	Andrew Pendray

Introduction

1. On June 23, 2025, the BC Financial Services Authority ("BCFSA") issued a Notice of Discipline Hearing (the "NODH") to Afsaneh Zarshenas, also known as Afsi Dashti.

2. The allegations against Ms. Zarshenas were that she had committed professional misconduct within the meaning of sections 35(1)(a) and/or 35(1)(e) of the *Real Estate Services Act* ("RESA") when, between April 4, 2025 and May 29, 2025, she failed to provide all information requested by BCFSA contrary to section 37(4) of RESA and section 21 of the *Real Estate Services Rules* (the "Rules").

3. Ms. Zarshenas entered into an Agreed Statement of Facts and Proposed Findings of Misconduct (the "ASF") the day prior to the liability hearing in this matter. On the scheduled date of the liability hearing, I accepted the ASF and admissions made by Ms. Zarshenas, and the proposed findings of misconduct, which mirrored the allegations set out in the NODH. I issued an oral ruling to that

effect, and found that Ms. Zarshenas was liable in respect of the allegations set out in the Notice of Discipline Hearing.

4. This decision relates to the appropriate orders to be issued against Ms. Zarshenas in respect of her admitted misconduct. An oral hearing was held on the issue of sanctions, with written submissions following.

5. BCFSA seeks an order that that Ms. Zarshenas' licence be cancelled pursuant to section 43(2)(c) of RESA, and that she be ordered to pay enforcement expenses in the amount of $9,235.28 pursuant to section 43(2)(h) of RESA.

6. Ms. Zarshenas submits that a suspension of 60 days or such other length as is found to be appropriate, which suspension would take effect upon her compliance with the other conditions she currently needs to meet to have her licence reactivated. Ms. Zarshenas is in agreement that the enforcement expenses sought by BCFSA are appropriate.

7. I find that a suspension for a period of 6 months is the appropriate sanction to be issued in this case pursuant to section 43 of RESA, with that suspension to take effect immediately upon the lifting of the current suspension order imposed on Ms. Zarshenas. I also find that Ms. Zarshenas must pay enforcement expenses in the amount of $9,235.28. My reasons for having reached this conclusion follow.

Issues

8. The issues before me are what orders should be made under section 43 of RESA including the following:
    a. The sanction or sanctions that should be ordered pursuant to section 43(2) of RESA; and
    b. Whether Ms. Zarshenas should be ordered to pay any expenses pursuant to section 43(2)(h) of RESA, and if so, in what amount.

Jurisdiction and Standard of Proof

9. Pursuant to section 2.1(3) of RESA, the Superintendent of Real Estate (the "superintendent") may delegate any of its powers in writing. The Senior Hearing Officer and Hearing Officers of BCFSA's Hearings Division have been delegated the statutory powers and duties of the superintendent under sections 42 through 53 of RESA.

10. The superintendent must also afford procedural fairness to a respondent where a decision may affect his or her rights, privileges or interests. This includes a right to be heard. The superintendent affords every respondent an opportunity to respond to the case against him or her by providing advance notice of the issues and the evidence, and an opportunity to present evidence and argument. The superintendent must determine facts and decide issues based on evidence. The superintendent may, however, apply its individual expertise and judgment to how it evaluates or assesses evidence.

Factual Background

11. The evidence and information before me includes the ASF, a Book of Documents, the testimony of the witnesses at the sanctions hearing, and further documentary evidence entered by Ms. Zarshenas at the sanctions hearing.

Liability Hearing

The ASF

12. The factual background is largely set out in the ASF. The summary below includes information from the ASF and the Book of Documents entered as an exhibit in the liability hearing.

13. Ms. Zarshenas was first licensed as a trading services representative on May 17, 2004. Her licence, at the time of the liability hearing, had been suspended for failing to comply with the terms of a consent order issued by the superintendent pursuant to section 41(4)(a) of RESA on February 4, 2025.

14. During the time period at issue in the NODH, Ms. Zarshenas was licensed as a trading services representative with RE/MAX Sabre Realty Group ("RE/MAX Sabre").

15. BCFSA issued an investigation letter to Ms. Zarshenas on April 4, 2025. That letter was issued in connection with complaints received by BCFSA regarding Ms. Zarshenas allegedly being involved with a possible investment fraud. In general terms, the complaints received by BCFSA alleged that Ms. Zarshenas received money from the complainants as prospective real estate clients under the guise that RE/MAX Sabre was providing financing for short-term lending and mortgages to clients, and that Ms. Zarshenas was offering monthly high-interest payments to those who invested money in that regard.

16. The April 4, 2025 investigation letter indicated that the investigation was being conducted to determine whether Ms. Zarshenas had:

    - Leveraged her position as a licensee to collect funds from prospective real estate clients under the guise of investments into mortgage financing, for which she was reported to have promised regular interests payments, but which said payments had ceased and the original investments had not been returned to investors; and

    - Filed for bankruptcy on March 13, 2025, and failed to promptly notify the superintendent of this and the circumstances surrounding the investigation.

17. The April 4, 2025 investigation letter requested that Ms. Zarshenas provide a detailed statement of her involvement regarding the above noted investigatory matters. It further required that Ms. Zarshenas provide the following information to BCFSA no later than April 18, 2025:

    - Personal information including names, addresses, email addresses, and phone numbers for all investors who you took money from, and the amounts of money involved, and dates that you received it.

    - Copies of all financial contracts/promissory notes for the investors that you took money from.

    - Copies of all communications with investors or prospective investors, including – emails, WhatsApp messages, social media direct messages, and text messages.

    - Copies of all real estate deal files for any transactions that have occurred through your brokerage for all named investors.

    - All financial statements and a general ledger for all money received from investors.

    - A list of all bank (or other financial institution) accounts, including account numbers, and branch numbers that you have control over.

- A detailed account of how you spent the money that was received from the investors, including but not limited to, how the funds were invested, and details about any assets acquired (dates and dollar amounts spent).
- Details of all other individuals involved in the operating of this investment scheme, including other real estate licensees, and their involvement.
- Evidence that you disclosed the bankruptcy proceeding promptly in writing to the Superintendent.
- Any other information that you would like us to consider.

18. Ms. Zarshenas did not respond to the April 4, 2025 investigation letter.

19. As a result, on April 22, 2025, BCFSA issued a Non-Compliance Reminder Letter (the "NCRL") to Ms. Zarshenas, notifying her that a response to the April 4, 2025 investigation letter had not been received, and outlining the requirement that Ms. Zarshenas provide a response to BCFSA, with a new deadline of April 25, 2025. In the NCRL, BCFSA noted that refusal to cooperate with an investigation under section 37 of RESA could be found to be professional misconduct under section 35(1)(e) of RESA, and that section 21 of the Rules required a licensee to respond to inquiries made by the superintendent "promptly".

20. On April 24, 2025 counsel for Ms. Zarshenas wrote to BCFSA to inform it that he had been retained, and to request an extension to May 8, 2025 to respond to the April 4, 2025 investigation letter. BCFSA responded on April 25, 2025 and informed Ms. Zarshenas that her request for an extension was declined, providing reasons for that decision. After further discussion between a BCFSA investigator and counsel for Ms. Zarshenas, an extension was granted to May 2, 2025.

21. BCFSA did not receive a response to the April 4, 2025 investigation later on May 2, 2025. On May 5, 2025, Ms. Zarshenas' legal counsel wrote to indicate that a response had been completed and would be sent to BCFSA that day, however, the response did not follow.

22. On May 6, 2025, BCFSA issued a Non-Compliance Warning Letter ("NCWL") to Ms. Zarshenas which outlined a compliance warning period from May 6, 2025 to May 13, 2025 to provide the requested documents and information. The NCWL noted contraventions of section 21 of the Rules and section 37(4) of RESA.

23. BCFSA did not receive a response to the NCWL by May 13, 2025.

24. On May 14, 2025, Ms. Zarshenas, through her legal counsel, provided a response to BCFSA. That response included a statement and some documents. In the statement, Ms. Zarshenas focused on four people who had brought civil claims against her, outlined her relationship with those four people and the personal loans she had taken from them, and she provided some general information about the financial issues she was having and her bankruptcy.

25. The documents provided by Ms. Zarshenas in the May 14, 2025 letter included Supreme Court of BC documents, four promissory notes, a copy of a contract of purchase and sale, a screenshot of a message relating to a disparaging comment made about her on the internet, and two audio files and three attachments of writing in a language believed to be Farsi.

26. In response, BCFSA wrote to Ms. Zarshenas on May 14, 2025 and indicated that the statement and documents provided were insufficient and that BCFSA considered her to continue to be in contravention of her requirements to provide the documents and information requested by BCFSA. BCFSA listed the outstanding documents and information from Ms. Zarshenas as follows:

- Although the document Notice of Bankruptcy lists fifteen people under "loans from individuals," you shared information about only four individuals from whom you took loans. Please provide similar information for the other eleven people.

- Personal information, including names, addresses, email addresses, and phone numbers for all individuals from whom you took money from as loans, the amounts of money involved, and dates that you received it. Note, this also covers additional people you borrowed money from beyond those currently listed on the Notice of Bankruptcy.

- Copies of all financial contracts/promissory notes for the investors that you took money from (this includes all fifteen individuals listed in the Notice of Bankruptcy under "loans from individuals" and any additional people not included in the Notice of Bankruptcy).

- Copies of all communications with people that you took loans from, including emails, WhatsApp messages, social media direct messages, and text messages.

- All financial statements and a general ledger for all money received as loans and interest payments made. If you have since closed bank accounts and do not have access to the records of those accounts, please make a request for statements (covering the complete period when you received loans and made interest payments) and in the interim, provide a copy of the written requests completed with the relevant financial institutions.

- A list of all bank (or other financial institution) accounts, including account numbers and branch numbers that you have (or had) control over. Note this request covers the complete period for when you received loans and made interest payments.

- A detailed account of how you spent the money that was received from all the individuals who provide you with loans, including but not limited to how the funds were used, and details about any assets acquired (dates and dollar amounts spent).

27. BCFSA indicated that the noted information and documents were required by no later than May 28, 2025, and that a failure to respond fully may result in referral for further regulatory intervention.

28. Ms. Zarshenas' legal counsel wrote to BCFSA on May 28, 2025 and indicated that Ms. Zarshenas had been unable to gather all of the documents and information and requested a further extension to June 6, 2025. BCFSA responded on May 29, 2025 and declined the request for extension.

29. As of September 24, 2025, the day prior to the liability hearing in this matter, Ms. Zarshenas had not provided any further response, requested documents, or information as required by BCFSA's May 14, 2025 letter.

30. Ms. Zarshenas agreed, in the ASF, that the requests made by BCFSA were:

> …to provide necessary information for the investigation by BCFSA into very serious complaints made against A. Zarshenas. That investigation specifically pertains to allegations of serious fraud, involving millions of dollars. The failure by

A. Zarshenas to provide the requested information is delaying the investigation into those allegations.

Previous Consent Order

31. Prior to the commencement of the investigation that led to this matter, Ms. Zarshenas entered into a consent order with BCFSA, which was issued on February 4, 2025 (the "Consent Order").

32. In that consent order, Ms. Zarshenas was found to have committed professional misconduct within the meaning of section 35(1)(a) of RESA, and sections 30(a), 33, and 34 of the Rules, as well as found to have committed conduct unbecoming a licensee within the meaning of section 35(2) of RESA. As a result of those findings, Ms. Zarshenas was ordered to pay a discipline penalty in the amount of $50,000 within six months of the date of the Consent Order, as well as take a remedial education course and pay enforcement expenses of $5,200 within two months of the date of the Consent Order.

33. The Consent Order Proposal set out the facts that Ms. Zarshenas had agreed to when entering into the Consent Order.

34. As a general summary, Ms. Zarshenas admitted that from 2011 to 2018 she had referred 14 buyer clients to a former mortgage broker, Jay Chauhdary. Mr. Chaudhary's registration as a mortgage broker had been suspended in 2008.

35. Ms. Zarshenas admitted in the Consent Order Proposal that as a licensed trading services representative she had a duty to verify the credentials of professionals she recommended to her clients, including verifying that those professionals possessed any licenses or registrations required in order to provide their services. She further admitted that she had not taken any steps to verify Mr. Chaudhary's registration as a mortgage broker prior to referring her buyer clients to him.

Sanctions Hearing

New Documents

36. On the day of the Sanctions Hearing, November 6, 2025, counsel for Ms. Zarshenas provided a letter to BCFSA which indicated that Ms. Zarshenas was providing iPhone text messages and WhatsApp messages that she had exchanged with 13 people she had borrowed money from in the past. In that November 6, 2025 letter Ms. Zarshenas indicated that that information had only been able to be extracted from her phone in the past week.

37. Ms. Zarshenas indicated that in providing these additional documents attached to her November 6, 2025 letter, along with the documents that she had provided to BCFSA just prior to the Liability Hearing, she was of the view that she had now provided all records that she was able to related to persons from whom she had borrowed money over the years.

38. Ms. Zarshenas also provided a Certificate of Recognition from the Legislative Assembly of BC which she had been awarded On March 5, 2025 in recognition of her contributions to culture through arts and activism and her dedication to preserving and fostering appreciation for Iranian heritage.

Witnesses

[Investigator 1]

39. [Investigator 1] is an investigator with BCFSA. He explained that the investigation into Ms. Zarshenas resulted from five complaints received from members of the public who had loaned

money to Ms. Zarshenas. [Investigator 1] indicated that the general explanation of the complaints was that these individuals had loaned money to Ms. Zarshenas under the belief that the money was going to be used to assist other individuals in buying real estate, and that they would receive interest payments on their loans. [Investigator 1] indicated that the amounts loaned to Ms. Zarshenas varied, but were up to the hundreds of thousands, and that there was an ongoing bankruptcy proceeding which indicated the amounts owing.

40. [Investigator 1] indicated that as of the date of the Sanctions Hearing, he had still not received any response directly from Ms. Zarshenas or her legal counsel to the May 14, 2025 letter he had sent indicating that her response had not provided all of the information requested.

41. In making that statement [Investigator 1] indicated that he had reviewed the 466 page document that Ms. Zarshenas had provided just in advance of the Liability Hearing[1]. [Investigator 1] noted that despite Ms. Zarshenas' provision of that document, she still had not provided a list of personal information, including names, addresses, and emails for all persons she took money from, as well as had not provided a list of amounts of money borrowed and dates she received that money.

42. [Investigator 1] further noted that he had asked for copies of all communication from persons she took money from, but that he had still not received that information. Finally, [Investigator 1] noted that he had asked for financial statements, a general ledger, and a list of all bank or financial institution accounts Ms. Zarshenas held, including account and branch numbers, as well as a detailed accounting of how the borrowed money was spent, including but not limited to how funds were invested or spent, details of any assets acquired, details of any other individuals involved in the loans and anyone else involved in this activity. [Investigator 1] noted that all of those requests remained outstanding.

43. [Investigator 1] acknowledged in cross examination that there would have been a large amount of documents for Ms. Zarshenas to provide in response to the investigation requests. He further acknowledged that he was aware that Ms. Zarshenas had made an assignment into bankruptcy.

Afsaneh Zarshenas

44. Ms. Zarshenas indicated at the outset of her evidence that she wanted to apologize to the regulator for having arrived at this position. Ms. Zarshenas described having been a licensee at RE/MAX Sabre for 21 years, only doing residential work. She indicated that she had immigrated to Canada 28 years ago, and prior to getting into real estate she had a daycare and worked as a French teacher at a school.

45. Ms. Zarshenas indicated that in addition to her work as a real estate agent, she had engaged in volunteer work, assisting new immigrants and women who were being abused. Ms. Zarshenas indicated she also did volunteer work helping new immigrants improve their language skills. She indicated that she had done this type of work for a variety of local organizations, and that a good portion of her time was devoted to her volunteer activities.

46. When asked about the investigation into her activities commenced by BCFSA in April 2025, Ms. Zarshenas acknowledged that the investigation related to a considerable amount of money that she had borrowed over time.

47. While Ms. Zarshenas acknowledged that she had been found liable for not having produced the information requested by BCFSA, she indicated that she felt that this was a miscommunication. Ms. Zarshenas indicated that she had believed that her trustee in bankruptcy was going to send

[1] The respondent had intended to enter a book of documents at the Liability Hearing, however with the ASF, that Book of Documents was not in fact entered as an exhibit.

the requested information to BCFSA. She explained that as she had entered an assignment into bankruptcy she did not have access to her bank accounts.

48. Ms. Zarshenas indicated that she had tried to provide information as requested to BCFSA, but that she had not done so on time. She noted with respect to initially providing information relating to only four individuals, that her understanding was that those were the only complainants and so she had simply provided information for those people.

49. With respect to the additional documents she provided just prior to the Liability Hearing, Ms. Zarshenas indicated that she could not recall where she had located the various promissory notes relating to lenders, but that once she had found them she provided them to her legal counsel. She stated that additional documents were obtained by her legal counsel, and from the trustee in bankruptcy.

50. Finally, with respect to the new communication and text messages Ms. Zarshenas provided on November 6, 2025, she indicated that those were extracted from her telephone the day prior and she instructed her legal counsel to provide those to BCFSA.

51. In general terms, Ms. Zarshenas acknowledged that she had to comply with requests from BCFSA, and stated that she had not intended to be late in providing the requested information.

52. From a personal standpoint, Ms. Zarshenas described that some of the people who had loaned her money had threatened her, and made public statements about her in the community, causing her to lose real estate clients. She noted that she remained an undischarged bankrupt and that she had no ability to pay "for things that are extra", including her ability to pay for legal representation and to provide the documents requested.

53. Ms. Zarshenas explained that she was under a suspension order issued by BCFSA, because she had not yet paid the fine she consented to, as the money she has must be subdivided to her creditors. She indicated that she hoped to return to the real estate industry, and that she had many clients who wished to continue working with her.

54. In cross examination, Ms. Zarshenas was asked if the 13 people she listed in her November 6, 2025 letter to BCFSA were all the people from whom she had borrowed money, and was taken to bankruptcy documents that indicated that there was at least one additional person from whom Ms. Zarshenas had borrowed money. Ms. Zarshenas indicated that she would send BCFSA information regarding that individual.

55. Ms. Zarshenas was also asked why she could not access her banking documents, and she indicated that her bankruptcy trustee had broken the cards and that she could not use any of her banks at all. She was then asked about a cheque for $5,000 that she had written to BCFSA on April 11, 2025, after she entered into bankruptcy. Ms. Zarshenas explained that the cheque was provided from her only bank account that is open.

[Individual 1]

56. [Individual 1] indicated he was involved with various community organizations promoting multiculturalism Iranian culture, and other community minded endeavours. He stated that he had met Ms. Zarshenas when he was president of a multicultural society, and that she had been active in helping produce a cultural celebration event. In general terms, [Individual 1] described having the view that Mr. Zarshenas was a professional person who would assist the organization when she said she would.

[Individual 2]

57. [Individual 2] is the managing broker and owner of [redacted]. He indicated that he had held a real estate licence for more than 30 years, and that he had known Ms. Zarshenas as a realtor for close to 20 years. He described recognizing her as a warm and caring person, with her real estate dealings being generally uneventful.

Liability

Applicable Law

58. Section 35(1)(a) set out that a licensee commits professional misconduct where the licensee contravenes RESA, the Real Estate Services Regulations, or the Rules. Section 35(1)(e) provides that a licensee commits professional misconduct where the licensee fails or refuses to cooperate with an investigation under section 37

59. Section 21 of the Rules, "Licensee Must Respond Promptly to Superintendent, requires that:

> **21** (1)A licensee must respond promptly to any inquiry addressed to the licensee by the superintendent.
>
> (2)The licensee's response
>
> (a)must be in writing, unless the superintendent allows it to be provided otherwise, and
>
> (b)if applicable, must be provided to the superintendent no later than the date set by the superintendent.

60. Section 37 of RESA provides that:

> **37** (1) The superintendent may conduct an investigation to determine whether a licensee may have committed professional misconduct or conduct unbecoming a licensee.
>
> (2) [Repealed 2021-2-59.]
>
> (3) For the purposes of an investigation, the superintendent may do one or more of the following:
>
> (a)at any time during business hours, inspect and remove or copy records that are located on the business premises of
> (i)a licensee or former licensee, or
> (ii)an officer, director, controlling shareholder or partner of a licensee or former licensee;
>
> (b)require a person referred to in paragraph (a) to
> (i)answer, or meet with the superintendent to answer, inquiries relating to the investigation, and
> (ii)produce information, records or other things in the person's possession or control for examination by the superintendent.
>
> **(4) A person referred to in subsection (3) (a) must not withhold, destroy, conceal or refuse to provide any information or thing reasonably required for the purposes of an investigation under this section.**
>
> [emphasis added]

Discussion

61. As indicated above, I determined at the September 25, 2025 liability hearing that the allegations in the NODH had been made out on a balance of probabilities.

62. The facts in this case are clear. Ms. Zarshenas received an investigation letter from the superintendent on April 4, 2025. That letter required that she provide information and documents to BCFSA by April 18, 2025. Ms. Zarshenas did not reply to that letter.

63. Ms. Zarshenas was then issued an NCRL on April 22, 2025. That letter noted the requirements of section 37(4) of RESA and section 21 of the Rules, the fact that failure to cooperate with an investigation constituted professional misconduct, and that failure to comply with the timelines set out by BCFSA could result in administrative penalties.

64. While Ms. Zarshenas did respond to the April 22, 2025 letter, it was only to request an extended deadline for reply provided by that letter. Even after an extension was granted to May 2, 2025, Ms. Zarshenas did not in fact provide any information to BCFSA until May 14, 2025, some 8 days after the NCWL was issued to her on May 6, 2025.

65. I have reviewed Ms. Zarshenas' May 14, 2025 response. It is clear that, as Ms. Zarshenas has admitted in the ASF, that the May 14, 2025 response is not a fulsome one to the requests made by BCFSA in the April 4, 2025 investigation letter. Ms. Zarshenas simply provided information regarding four individuals and with whom she had entered into loan agreements in 2023, and who had brought civil actions against her. Ms. Zarshenas further indicated that she had made an assignment into bankruptcy on March 14, 2025, and that she had assumed that her trustee would "inform my creditors and all other relevant authorities, including BCFSA, that I had done so."

66. Ms. Zarshenas did not in fact provide a further response to the May 14, 2025 letter to BCFSA until providing her Book of Documents to BCFSA legal counsel on September 24, 2025. Even that Book of Documents did not provide the entirety of the information requested by BCFSA Investigations. Regardless, the provision of the information requested some 5 months after it was initially requested by investigators is clearly not a prompt response as required by section 21 of the Rules. Rather, it is clear that for that period of time until September 24, 2025, and in fact continuing until November 6, 2025 when she provided still further of the requested information, Ms. Zarshenas was withholding or refusing to provide the required information, contrary to section 37(4) of RESA.

67. Having taken the above into account, and as I indicated at the liability hearing, I make the following findings in respect of Ms. Zarshenas' liability in this matter:

> Afsaneh Zarshenas committed professional misconduct within the meaning of sections 35(1)(a) and/or I of the RESA by failing to provide all the information requested by BCFSA between April 4, 2025 and May 29, 2025, contrary to section 37(4) of the RESA and section 21 of the Rules, and otherwise failing to or refusing to cooperate with the investigation, including by doing one or more of the following:
>
> 40. failing to provide BCFSA as requested, the personal information including names, addresses, email addresses and phone numbers of all investors who she took money from, and the amounts of money involved and the dates that she received it;
>
> b. failing to provide BCFSA on further request, information including the names, addresses, email addresses, phone numbers, amounts borrowed, and dates she received the loans from all of the 15 individuals listed under "loans from individuals" in her Notice of Bankruptcy;

c. failing to provide BCFSA as requested, copies of all financial contracts/promissory notes from all the investors she took money from;

d. failing to provide BCFSA as requested, copies of all communication with individuals she received loans from, including emails, WhatsApp messages, social media direct messages, and text messages;

e. failing to provide BCFSA as requested, all financial statements and a general ledger for all money received as loans and interest payments made;

f. failing to provide BCFSA as requested, a list of all bank or other financial institution accounts, including account numbers and branch numbers that she has or had control over;

g. failing to provide BCFSA as requested, a detailed account of how she spent the money lent to her from all her individual lenders, including but not limited to how she used the funds, and details about any assets she acquired; and

h. generally failing to respond to and provide all the documents and information requested by BCFSA in its written correspondence to her.

Sanctions

BCFSA's Submissions

68. BCFSA takes the position that Ms. Zarshenas' failure and/or refusal to cooperate with BCFSA's investigation, seen in her lengthy delay and failure to respond to the investigator's requests for documents and information, directly interfered with BCFSA's ability to carry out its primary mandate to protect the public.

69. BCFSA submits that not only were the allegations that it was attempting to investigate of a serious nature, as they involved fraud and harm to the community at large, but also that the obstruction of the investigation also constituted serious misconduct because it was preventing investigation into the allegations of fraud and harm. In BCFSA's submission, the longer that a licensee's obstruction into an investigation can be seen to continue, the more serious the misconduct should be found to be.

70. In BCFSA's submission, Ms. Zarshenas' lengthy failure to cooperate with BCFSA's investigation, combined with her failure to pay the consent order penalty amount of $50,000 she had agreed to on February 5, 2025 (which led to her licence being suspended again), clearly suggested that Ms. Zarshenas was ungovernable.

71. BCFSA submitted that it appeared that in order to ensure the protection of the public, any penalty applied to Ms. Zarshenas would have to be more serious than that which she had agreed to in the February 5, 2025 consent order, given that she had not abided by that consent order. BCFSA reiterated that having consideration not only to specific deterrence, but also the protection of the public and the need to protect public confidence in the real estate industry, the appropriate sanction in the circumstances was cancellation of Ms. Zarshenas' licence.

Ms. Zarshenas' Submissions

72. Ms. Zarshenas submitted that her misconduct in this case was more properly understood to be a matter of negligence, rather than deliberate wrongdoing. She references the fact that the ASF refers

to her "failing" to do specific things, rather than deliberately not doing so. Ms. Zarshenas emphasized that she made no admission that she had deliberately withheld, destroyed, concealed, or refused to provide the information or documents she was required to. Rather, she says that she admits that she failed to take the steps required of her.

73. In Ms. Zarshenas' submission, while the information and documents she provided in response to the investigation requests remained to some degree incomplete, and was admittedly provided late, she had in fact taken steps to provide extensive information and documents. Ms. Zarshenas submitted that she could not be said to have simply ignored or disregarded the requests made of her.

74. Ms. Zarshenas noted that she had tried but been unable to obtain statements from bank accounts involved in the handling of the funds she had borrowed as a result of her bankruptcy. She noted that the single bank account she continued to have available to her did not have any record of transactions involving loans from any of the individuals she borrowed money from.

75. Ms. Zarshenas submitted that the total cancellation of her licence would be excessively harsh in the circumstances, and that cancellation ought to be reserved for cases where a licensee had acted dishonestly, in flagrant disregard of professional obligations, or where the harm caused by the licensee's misconduct had been great. In her submission, Ms. Zarshenas' misconduct in this case did not bear any of those features.

76. Ms. Zarshenas takes the position that the more fitting penalty would be an order that her licence would remain suspended for an additional period of 60 days after her current suspension associated with non-compliance of the Consent Order was lifted.

Reasons and Findings

Applicable Legislation

77. Section 43(2) of RESA provides that if the superintendent finds that a licensee has committed professional misconduct or conduct unbecoming then the superintendent must make an order doing one or more of the following:

> (2) If subsection (1) (a) applies, the discipline committee must, by order, do one or more of the following:
>
> (a) reprimand the licensee;
>
> (b) suspend the licensee's licence for the period of time the committee considers appropriate or until specified conditions are fulfilled;
>
> I cancel the licensee's licence;
>
> (d) impose restrictions or conditions on the licensee's licence or vary any restrictions or conditions applicable to the licence;
>
> I require the licensee to cease or to carry out any specified activity related to the licensee's real estate business;
>
> (f) require the licensee to enrol in and complete a course of studies or training specified in the order;

> (g) prohibit the licensee from applying for a licence for a specified period of time or until specified conditions are fulfilled;
>
> (h) require the licensee to pay amounts in accordance with section 44 (1) and (2) *[recovery of enforcement expenses]*;
>
> (40)require the licensee to pay a discipline penalty in an amount of
>
> > (40)not more than $500 000, in the case of a brokerage or former brokerage, or
> > (ii) not more than $250 000, in any other case;
>
> (j) require the licensee to pay an additional penalty up to the amount of the remuneration accepted by the licensee for the real estate services in respect of which the contravention occurred.

Discussion: Sanction

78. The parties are in general agreement as to the appropriate principles to be applied in determining the sanction to be applied under RESA. Those principles have been set out in many prior decisions of the superintendent. Below I provide a general summary of the agreed upon principles.

79. In general terms, where the intention of the regulatory scheme is consumer or public protection, such as is the case with RESA, sanctions serve multiple purposes, including:

- denouncing non-compliance or misconduct, and the harms caused by those;
- preventing future non-compliance or misconduct by rehabilitating specific respondents through corrective measures;
- preventing and discouraging future non-compliance or misconduct by specific respondents through punitive measures (specific deterrence);
- preventing and discouraging future non-compliance or misconduct by other respondents (general deterrence);
- educating industry participants and the public about rules and standards; and
- maintaining public confidence in the industry.

80. BCFSA has referred in its submissions to the framework set out in *Law Society of British Columbia v Dent*, 2016 LSBC 5 ("**Dent**"), at paras 20-23, which sets out a list of factors to consider when determining an appropriate regulatory sanction as follows:

> **Nature, gravity and consequences of conduct**
>
> [20] This would cover the nature of the professional misconduct. Was it severe? Here are some of the aspects of severity: For how long and how many times did the misconduct occur? How did the conduct affect the victim? Did the lawyer obtain any financial gain from the misconduct? What were the consequences for the lawyer? Were there civil or criminal proceedings resulting from the conduct?

Character and professional conduct record of the respondent

[21] What is the age and experience of the respondent? What is the reputation of the respondent in the community in general and among his fellow lawyers? What is contained in the professional conduct record?

Acknowledgement of the misconduct and remedial action

[22] Does the respondent admit his or her misconduct? What steps, if any, has the respondent taken to prevent a reoccurrence? Did the respondent take any remedial action to correct the specific misconduct? Generally, can the respondent be rehabilitated? Are there other mitigating circumstances, such as mental health or addiction, and are they being dealt with by the respondent?

Public confidence in the legal profession including public confidence in the disciplinary process

[23] Is there sufficient specific or general deterrent value in the proposed disciplinary action? Generally, will the public have confidence that the proposed disciplinary action is sufficient to maintain the integrity of the legal profession? Specifically, will the public have confidence in the proposed disciplinary action compared to similar cases?

81. Although I am not bound by the framework set out in *Dent,* that framework has regularly been applied by the superintendent in discipline and enforcement decisions under RESA, and I am of the view that it is useful to follow that framework in assessing this matter. I note that the factors set out in *Dent* are not exhaustive, and I must determine the appropriate sanction for Ms. Zarshenas in light of the whole of the circumstances.

Nature, Gravity, and Consequences of Conduct

82. I consider the nature and gravity of Ms. Zarshenas' misconduct to be serious.

83. While there has been no direct harm to any member of the public in terms of Ms. Zarshenas' failure to provide the materials requested by the investigation in a prompt manner, the allegations against Ms. Zarshenas are of a type that relate directly to potential harm to the public. The April 4, 2025 investigation letter indicated the following:

> This letter is to advise you that the Superintendent of Real Estate (the "Superintendent") of the BC Financial Services Authority ("BCFSA") has received a complaint against you and has commenced an investigation into your conduct, in your capacity as a real estate licensee. The complaint is in connection with your involvement in a possible investment fraud in which you are alleged to have taken money from prospective real estate clients under the guise of the brokerage proving financing for mortgages which these complainants provided funding towards, in exchange for regularly paid interest on the investments made.

84. Despite the obvious seriousness of the allegations set out above, Ms. Zarshenas did not respond in any way to the April 4, 2025 investigation letter. It was only after receiving the NCRL on April 22, 2025 that Ms. Zarshenas replied to BCFSA at all, which reply was to request an extension. I note, with respect to my conclusion that the allegations against Ms. Zarshenas were obviously serious, that Ms. Zarshenas admitted in the ASF that the investigation involved allegations of serious fraud involving millions of dollars. I consider that the seriousness of the allegations against her would have been clear to Ms. Zarshenas, upon receipt of the April 4, 2025 investigation letter.

85. Even after being granted an extension to the NCRL, from April 25 to May 2, 2025, Ms. Zarshenas did not provide a response to the April 4, 2025 investigation letter until May 14, 2025.

86. Upon receipt of Ms. Zarshenas' response on May 14, 2025, BCFSA wrote to Ms. Zarshenas again to inform her that her response was inadequate, and did not provide the documents and information requested by BCFSA. BCFSA reiterated in that May 14, 2025 letter to Ms. Zarshenas what further information was required, and despite that further delineation, Ms. Zarshenas did not provide any further, though still not complete, documentation and information to BCFSA until September 24, 2025 with Ms. Zarshenas ultimately providing further requested information to BCFSA on November 6, 2025. On her evidence at the Sanctions Hearing, Ms. Zarshenas acknowledged that even in her November 6, 2025 response she had failed to provide information relating to at least one of the people from whom she was alleged to have borrowed money, thereby suggesting that her November 6, 2025 response remained incomplete.

87. In sum, it is apparent that Ms. Zarshenas did not provide what could be considered to be a fulsome response to the investigation until November 6, 2025, some 7 months after BCFSA issued the April 4, 2025 investigation letter. While I acknowledge that Ms. Zarshenas did provide a degree of response on May 14, 2025, the vast majority of the documentary information requested was not provided until September 24, 2025, with still further information provided in November 2025.

88. Ms. Zarshenas engaged in a lengthy and repeated failure to comply with the requirements of section 37(4) of RESA and section 21 of the Rules, thereby limiting BCFSA's ability to conduct an investigation into serious allegations against Ms. Zarshenas concerning conduct that may well have caused harm to members of the public while financially benefitting Ms. Zarshenas. In my view, her failure to comply with the investigation and the requirements of RESA and the Rules is serious in nature.

89. I note, in reaching the conclusion above, that Ms. Zarshenas describes her lack of compliance as really being a "failure to comply fully with her obligation to cooperate", and submits that her actions in that regard did not rise to the level of thwarting the superintendent's ability to investigate the compliant all together. Rather, in Ms. Zarshenas' submission, her failure to comply fully "at worst" made the superintendent's path to understanding the loan transactions that were the subject of the complaints "more difficult, time-consuming or potentially more costly". Ms. Zarshenas suggested that those impacts could be addressed in the form of an award of costs should the superintendent ultimately decide to proceed with discipline proceedings as a result of the investigation. Ms. Zarshenas' submitted that the superintendent had other powers available to it in order to complete its investigation, such as compelling Ms. Zarshenas' banks to provide information, or through interviewing the complainants or any other persons Ms. Zarshenas had borrowed money from.

90. I do not consider that Ms. Zarshenas' misconduct can fully be described in the manner that she submits. I reiterate that Ms. Zarshenas initially did not respond, at all, to the April 4, 2025 investigation letter, and that it was only after receipt of the April 22, 2025 NCRL that she apparently retained counsel, who then contacted BCFSA on April 24, 2025. The failure to respond at all to the initial investigation letter suggests, in my view, a degree of intentionally ignoring the regulator's investigatory requests.

91. Even when Ms. Zarshenas did eventually reply to BCFSA's investigatory requests on May 14, 2025, she was quickly informed, in fact on the same day her May 14, 2025 response to the NCRL was received by BCFSA, that her response was inadequate. Despite this fact, no further documentation and information was provided by Ms. Zarshenas from May 14, 2025 until September 24, 2025.

92. I consider it to be of note, with respect to a consideration of the intentionality of Ms. Zarshenas' misconduct, that BCFSA's May 14, 2025 letter specifically informed her that there were 15 people who she was alleged to have taken loans from, that she had only provided information about four of those individuals, and that similar information was required in respect of the additional 11 parties,

due by May 28, 2025. While I acknowledge that Ms. Zarshenas' legal counsel wrote to BCFSA on May 28, 2025 to indicate that it had not been possible to gather the information relating to the additional 11 parties by that date and requested an extension, there has, in my view, been no real explanation of why information such as the names, addresses, email addresses and phone numbers of those additional parties, or "financial contracts/promissory notes" for each of those 11 parties would not have been readily available to Ms. Zarshenas. I note that the requests for that information was made in the initial April 4, 2025 investigation letter, which specifically set out that BCFSA was seeking that information for "all investors who you took money from".

93. While Ms. Zarshenas did eventually provide further promissory notes on September 24, 2025, when she was asked in her direct examination at the sanctions hearing where she had located those additional promissory notes, she indicated that she did not know. I consider this lack of explanation for the delay in finding and providing documents which were very likely within Ms. Zarshenas' control throughout the relevant period of time, to demonstrate a degree of intentionality in ignoring the regulator's legitimate investigatory requests, beyond mere negligence.

94. Turning to Ms. Zarshenas' submission regarding whether BCFSA's investigation was thwarted by her failure to comply with section 37(4) of RESA and section 21 of the Rules, I accept that BCFSA's ability to investigate the complaints was not necessarily fully thwarted. I do not, however, consider the fact that BCFSA may have other avenues through which it is able to engage in investigatory activities to decrease the level of responsibility imposed on a licensee under those sections. The reality is that the legislation makes clear that licensees have a responsibility to respond to investigations conducted by their regulator. The misconduct in question before me relates to that responsibility. It does not relate to the regulator's ability to conduct investigations in a variety of different manners.

95. I consider the reality of the situation before me is that regardless of whether BCFSA was potentially able to obtain some of the documents it was requesting from Ms. Zarshenas in other ways, Ms. Zarshenas had the responsibility to provide those documents and that information as required by the law. She also had the ability to provide it and simply did not do so. I consider it to be likely that the intention behind the legislation at issue is to ensure that BCFSA is able to efficiently conduct investigations into allegations regarding licensees. Where a licensee does not comply with the requirements of the legislation, they engage in professional misconduct. In my view, given the public protection mandate ascribed to the superintendent under RESA, where a licensee fails to comply with the requirements of an investigation they are impeding the protection of the public and are engaging in misconduct that is appropriately described as serious in nature.

96. I consider the nature, gravity and consequences of Ms. Zarshenas' misconduct to be an aggravating factor.

Respondent's Character and Conduct Record

97. With respect to Ms. Zarshenas' general character, it would appear that she has been deeply dedicated to assisting members of her community since immigrating to Canada. This has included working at shelters for battered women, teaching English as a second language, and generally engaging in positive community activities including the promotion of her culture. These are laudable activities, but in my view have little mitigating effect with respect to the misconduct at issue.

98. Turning to her conduct record, as noted above, Ms. Zarshenas has been licensed for more than 20 years. Prior to the Consent Order, she did not have any disciplinary record. The Consent Order demonstrates that Ms. Zarshenas did engage in professional misconduct by failing to ensure that the individual she was referring buyer clients to for the purposes of obtaining a mortgage was in fact registered as a mortgage broker, but, as Ms. Zarshenas submits, it does not demonstrate anything further than that. In short, I accept that the Consent Order demonstrates past professional misconduct on the part of Ms. Zarshenas, but I find that it falls short of demonstrating that that past professional misconduct was intentional in nature such that she could be found in this proceeding

to have a past history of deliberately sending her clients to an unregistered/suspended mortgage broker for illegitimate purposes.

99. Both parties focused to a degree on Ms. Zarshenas' testimony with respect to the Consent Order, including her statement that "I didn't do anything wrong", and that she had signed the Consent Order to avoid spending money on a hearing on that matter. In my view, little turns on that testimony. The Consent Order sets out the facts that Ms. Zarshenas and the superintendent agreed upon, and the finding of professional misconduct that was issued. While Ms. Zarshenas may continue to be of the view that she did nothing wrong in referring clients to Mr. Chaudhary without first determining whether he was a registered mortgage broker, she is of course, by virtue of the Consent Order, incorrect in that view.

100. As a result of the Consent Order, Ms. Zarshenas has a previous discipline history. That previous discipline history resulted from professional misconduct that occurred over a number of years, with a number of clients. While the facts contained in the Consent Order may not demonstrate deliberate wrongdoing or dishonesty, the facts and the nature of the discipline penalty do demonstrate misconduct that was serious. I consider, on the basis that Ms. Zarshenas' previous discipline history was serious in nature, that this discipline history can be seen to be an aggravating factor. The significance of the nature of that aggravating factor is limited due to the difference in the type of misconduct, and the fact that the misconduct at issue in the Consent Order is somewhat dated.

101. I note, however, in finding that Ms. Zarshenas' discipline history should be found to be an aggravating factor, that I do not agree with BCFSA's submission that Ms. Zarshenas' failure to pay the discipline penalty associated with the Consent Order suggests that she is ungovernable. Rather, I accept Ms. Zarshenas' evidence that she has simply been unable to pay the discipline penalty as a result of her bankruptcy. Ms. Zarshenas has been suspended as a result, which strikes me as the appropriate outcome in the circumstances.

Acknowledgment and Remedial Action

102. It is readily apparent from the ASF that Ms. Zarshenas has now acknowledged her misconduct. She has also made efforts to provide the required documents and information, just prior to and subsequent to the Liability Hearing. I consider this to be a somewhat mitigating factor, as the remedial steps taken by Ms. Zarshenas occurred only once the Liability Hearing arrived.

Specific and General Deterrence and Public Confidence

103. I turn to the question of deterrence and public confidence. This includes a consideration of the adequacy of the specific and general deterrent effect of the proposed orders, the rehabilitative effect of the orders, the impact of the proposed orders on public confidence in the integrity of the industry and licensees, and the relationship between the proposed orders and similar cases.

104. Ms. Zarshenas says that a penalty in the form of an extended period of suspension after she has paid the $50,000 penalty which was imposed in the Consent Order would be sufficient to maintain public confidence in the real estate profession and in the discipline process. Ms. Zarshenas did not address the issue of specific deterrence in her submissions.

105. BCFSA says that there is a need for a sanction that imposes both specific deterrence on Ms. Zarshenas, as well as provides general deterrence and maintaining public confidence in the real estate industry.

106. I find that specific deterrence is required in this case. As I have indicated above, while Ms. Zarshenas has described her lack of compliance with section 37(4) as a "failure to comply fully with her obligation to cooperate", the fact remains that she had the responsibility to provide the requested documents and information, and the ability to provide that information, but that she simply did not do so. Given that she had the ability to provide the required documents and information, I consider

the appropriate conclusion to be that Ms. Zarshenas intentionally failed to comply with her duties. This intentionality on the part of Ms. Zarshenas demonstrates the need for specific deterrence, and a penalty that provides such deterrence.

107. There is also a significant regulatory response required in order to achieve general deterrence and to maintain public confidence. Licensees must be made aware of their regulatory obligations to comply with relevant investigatory requests from the superintendent. Without a sanction demonstrating such obligations to licensees, the regulator will not be able to effectively execute its statutory mandate to protect the public. It would degrade public confidence in the real estate industry in general, and in the regulator, if licensees were left to effectively avoid their statutory obligations without being subject to a penalty of significance.

Sanction Decision

108. In determining the appropriate sanction in this case, I reiterate that public protection and encouraging compliance are the primary goals of regulatory sanctions. Sanctions should not be purely retributive or denunciatory, and even if a sanction imposes a significant burden on an individual, that burden should be imposed to achieve specific deterrence and general deterrence, rehabilitate the respondent, protect the public, and enhance public confidence in the process, the industry, and the regulator: *Thow*, at para. 38.

109. As I have set out above, there is a need for specific and general deterrence in this case. I consider that specific deterrence is required in order to ensure that Ms. Zarshenas properly complies with her obligations to the regulator in the future. General deterrence and public confidence are also primary drivers of the sanction to be imposed in this case.

110. At the outset of my consideration of the appropriate sanction to be imposed, I note that it is generally the case that in determining the appropriate sanction, decision makers will consider previous sanctions ordered by the superintendent and other regulators. Such previous orders are not binding on me, but consistency with prior orders of the superintendent is desirable in ensuring public confidence in the industry and the disciplinary process and in ensuring appropriate general deterrence.

111. In this case, the parties did not cite any previous decisions or sanctions orders. BCFSA noted in its submissions that there were no recent disciplinary decisions relating specifically to the same specific type of misconduct as in Ms. Zarshenas' case, that is limited to the breaching of section 37(4) of RESA and section 21 of the Rules by failing or refusing to respond to requests from the regulator for significant periods of time.

112. Although not raised by the parties, I note that *Kanda (Re), 2024 BCSRE 40*, involved a licensee who was found to have committed professional misconduct within the meaning of section 35(1)(a) of RESA when he failed to notify the former Real Estate Council of British Columbia of having been charged with and subsequently convicted of criminal offences; as well as having contravened sections 37(4) and 35(1)g) of RESA by withholding information, concealing material facts, and withholding or refusing to provide documents relating to his criminal proceedings when requested to do so by investigators for the regulator. Of note, the licensee in *Kanda* was found to have delayed providing requested documentary information relating to his criminal proceeding, with no explanation for the delay, for a period of approximately 15 months. The licensee was issued a $10,000 monetary discipline penalty, as well as a one year suspension of his licence, despite the fact that he was no longer licensed at the time the decision was issued: *Kanda (Re),* 2024 BCSRE 64. In issuing that sanction the hearing officer indicated that:

> 40. I find that Mr. Kanda's misconduct showed a clear lack of recognition of the expectations of licensees under RESA. The appropriate sanction in the circumstances of this matter must send a clear message to Mr. Kanda and other licensees that the Superintendent will not tolerate the failure to promptly disclose

> charges and convictions, or the failure to be forthcoming and honest during investigations. While Mr. Kanda is not currently licensed, I believe that, in addition to the disciplinary penalty, a suspension of a significant period is required to adequately achieve the objectives of specific and general deterrence, public protection and public confidence in the integrity of the licensing regime under RESA.

113. While the parties did not cite any previous decisions, BCFSA did note that pursuant to the Rules, the superintendent was, since 2024, able to impose an administrative penalty for violations of both section 37(4) of RESA and section 21 of the Rules. Some consideration of the administrative penalties available associated with breaches of section 37(4) of RESA and section 21 of the Rules is appropriate in the circumstances.

114. Prior to amendments to the Rules issued on July 1, 2024, there were no administrative penalties in effect for violations of section 37(4) of RESA. From my review of past consent orders (of which there were few) associated largely with professional misconduct related to a licensee's failure to comply with their obligations under section 37(4) led only to imposition of reprimands or brief periods of suspension[2].

115. The July 1, 2024 amendments to the Rules provided new administrative penalties associated with a licensee who had breached their obligations under section 37(4) of RESA, pursuant to section 26(2) of the Rules, under a new category of designated contraventions, Category E. Section 27(5) of the Rules was amended to provide that each contravention of a provision in Category E would have an administrative penalty amount of $1,000 for a first contravention, $5,000 for a subsequent contravention, and an additional penalty of $1,000 for each day on which the contravention of the specified provision continues up to the maximum amount of $100,000 set out in section 56(2) of RESA.

116. Breaches of section 21 of the Rules continued to carry, pursuant to section 27(4) of the Rules, a $1,000 penalty for a first contravention for failure to respond promptly, $2,000 for a subsequent contravention, and an additional $250 daily penalty for each day on which the contravention continued up to the maximum amount of $100,000.

117. In BCFSA's submission, Ms. Zarshenas' contravention had continued for 163 days, up until November 6, 2025, which would have put an applicable administrative penalty beyond the $100,000 maximum allowable penalty. I note, in passing that if BCFSA had issued a Notice of Administrative Penalty pursuant to section 57 of RESA on June 23, 2025, the date that the Notice of Discipline Hearing was issued, Ms. Zarshenas' administrative penalty, including accumulating daily penalty amounts, would not have reached the statutory maximum of $100,000.

118. BCFSA submitted that a finding of professional misconduct under section 35 of RESA was a more serious finding than a finding of a contravention under the administrative penalty regime under section 56 of RESA, and that Ms. Zarshenas' misconduct was therefore deserving of a more serious sanction than that provided for under that regime. BCFSA submitted that the starting point for a sanction in this case ought therefore to be seen as the $100,000 fine permitted by the administrative penalty regime, but that as Ms. Zarshenas had a prior discipline history, including serious professional misconduct and the breach of a consent order, along with the fact that her current misconduct "goes to the heart of the regulator's ability to protect the public", a penalty of more significance was warranted.

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[2] See for example: *MSQ Business Services Ltd. dba (Re)*, 2010 CanLII 21625 (BC REC); *Tai Kam (Re)*, 2009 CanLII 101445 (BC REC).

119. While I accept that the administrative penalty regime can provide some guidance regarding an appropriate monetary penalty, I am not convinced that a necessary starting point for a sanction related to a finding of professional misconduct under section 35 of RESA is the dollar amount of the administrative penalty that may have been applicable to a matter had the superintendent chosen to pursue that matter under section 56 of RESA. Nor am I convinced that in each case an order of cancellation, as sought by BCFSA in this case, or suspension, as sought by Ms. Zarshenas, should automatically be taken to be a more significant consequence to a licensee and to carry a stronger message of disapproval for a licensee's conduct than a monetary sanction. Rather, I consider that the significance of the impact of a disciplinary sanction, the effectiveness of that disciplinary sanction on the individual respondent, and its impact on general deterrence and public confidence, is dependent on, and must be assessed on, the facts of each case.

120. I do not consider that the appropriate sanction in this case involves a monetary penalty. Ms. Zarshenas has already been subjected to a monetary penalty, through the Consent Order. That monetary penalty remains unpaid, and as a result her licence has been suspended. Assuming she does come into compliance and pays her monetary penalty, I do not consider that a further monetary penalty would serve to provide sufficient specific deterrence to Ms. Zarshenas in order to emphasize the need to avoid further misconduct of the nature engaged in here.

121. I consider that in order to meet the overarching goal of public protection mandated by RESA, it is necessary that licensees who engage in a lengthy delay in responding to the regulator, and in doing so who delay an investigation into allegations of a serious nature, receive a penalty of sufficient significance that demonstrates not only to the individual licensee, but to licensees in general, that such actions cannot be tolerated by the industry. While in some cases a monetary penalty may provide such demonstration, I consider that, on the facts of this case, a removal from the industry, whether through cancellation or a suspension of definite duration, will better serve that purpose.

122. Cancellation of a licence has been described in previous decisions as the "most severe form of punishment available"[3]. While not a permanent expulsion from the industry, in that cancellations allow for re-admission of the individual on application for a fresh licence, individuals applying for readmission must show that they are of good reputation and suitable to be licensed as required by section 10 of RESA and must do so in light of the misconduct that lead to their cancellation.

123. Ms. Zarshenas did not fully comply with the investigatory requests from BCFSA, and at times took months to respond at all. She did, however, make some efforts, over time, to provide the information requested, and, as of the date of the sanctions hearing, provided what she said was the majority of all records requested. While it became clear during Ms. Zarshenas' cross-examination that there was likely still some outstanding requested information relating to individuals she had borrowed money from, I consider that Ms. Zarshenas had largely, as of the sanction hearing date, made efforts to comply with her obligations. I accept this fact as an indication that Ms. Zarshenas is not ungovernable. While ungovernability is not the only criteria to be considered in determining whether cancellation of a license is warranted (the nature of the misconduct, including intentional dishonesty, or the significance of the harm caused are also relevant considerations), it is an important consideration in making a determination as to whether cancellation or suspension of a licence is the appropriate discipline with respect to the overarching view of public protection.

124. I agree with Ms. Zarshenas' submission that the more fitting penalty in this case would be an order that her licence remain suspended for an additional period of time after her current suspension associated with her failure to comply with the Consent Order is lifted.

125. I do not, however, agree with Ms. Zarshenas' submission that an additional suspension period of 60 days would provide sufficient specific and general deterrence given the circumstances of this case.

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[3] *James Sydney Parsons v. Real Estate Council of British Columbia*, 2015 BCFST 9, para. 91.

126. In my view, the appropriate period of suspension in this case would be of six months duration from the date that Ms. Zarshenas' current suspension is lifted.

127. In reaching that conclusion, I have taken into account the serious nature of Ms. Zarshenas' misconduct, the aggravating fact of her previous non-compliance with the Consent Order, and the mitigating aspect of her acknowledgement and her efforts to comply with her statutory obligations to provide the information requested by BCFSA.

128. I have also considered the fact that although the Notice of Discipline Hearing references the specific period of time during which Ms. Zarshenas did not comply with the requests set out in the April 4, 2025 investigation letter through to the requirement set out in the May 14, 2025 letter from BCFSA requiring a response from Ms. Zarshenas by May 28, 2025. The reality of this case, however, is that Ms. Zarshenas provided no further response to the May 14, 2025 letter from BCFSA until September 24, 2025, and then a further response on November 6, 2025.

129. In sum, Ms. Zarshenas failed to meet her statutory obligations under section 37(4) of RESA and section 21 of the Rules for a period of essentially six months time (April 18 through November 6, 2025 with some information appearing to remain outstanding as of that latter date). As I have indicated above, while BCFSA's ability to investigate the complaints into Ms. Zarshenas was not necessarily fully thwarted by her failure to comply with her statutory obligations, I consider it likely that Ms. Zarshenas' failure to comply would have created barriers to an investigation being conducted to protect the public interest.

130. I consider that it must be made clear, to Ms. Zarshenas and to licensees generally, that there will be significant consequences to actions which impede BCFSA's ability to conduct investigations into potential misconduct. The imposition of a period of suspension equal to the period of time in which the licensee has engaged in such actions is, in my view, the type of sanction that will provide such specific and general deterrence. A suspension equal to the duration of non-compliance will also indicate to the public that licensees who create barriers to the regulator's ability to investigate misconduct will be subject to discipline that ensures compliance with future investigations.

Enforcement Expenses

131. Sections 43(2)(h), 44(1), and 44(2) of RESA permit the superintendent to require a licensee to pay the expenses, or part of the expenses, incurred by BCFSA in relation to either or both of the investigation or the hearing to which the order relates. Section 44(2)(a) provides that the amounts ordered must not exceed the prescribed limits for the type of expenses claimed as set out in section 4.4 of the *Real Estate Services Regulation*, BC Reg 506/2004 (the "Regulations"). The awarding of enforcement expenses is a matter of discretion: *Siemens (Re)*, 2020 CanLII 63581, at paras 62-63.

132. BCFSA submitted an appendix of enforcement expenses totaling $9,235.28, for expenses related to items allowed by section 4.4 of the Regulations. Those expenses appear to be reasonable in the circumstances of this case. Given the discretionary nature of an award of enforcement expenses, BCFSA's success in the matter, and the fact that Ms. Zarshenas indicated in her submissions that she did not oppose the imposition of the enforcement expenses sought by BCFSA, I am satisfied that the amount sought by BCFSA should be ordered.

Orders

133. I have found that Ms. Zarshenas committed professional misconduct within the meaning of section 35(1)(a) and/or 35(1)(e)of RESA by failing to provide all of the information required by BCFSA between April 4, 2025 and May 29, 2025, contrary to section 37(4) of RESA and section 21 of the

Rules, and otherwise failing or refusing to cooperate with BCFSA's investigation. As a result of that finding, I make the following orders:

a. Pursuant to section 43(2)(b) of RESA, that Ms. Zarshenas' licence is suspended for a period of 6 months, with that suspension commencing on the date that her current suspension for non-compliance with the consent order entered into on February 4, 2025 is lifted.

b. Pursuant to 43(2)(h) of RESA, Ms. Zarshenas pay enforcement expenses in the amount of $9,235.28 within 60 days of the date of this order.

134. Pursuant to section 54(1)(e) of RESA, Ms. Zarshenas has the right to appeal the above orders to the Financial Services Tribunal. Ms. Ms. Zarshenas has 30 days from the date of this decision to file any such appeal: *Financial Institutions Act*, RSBC 1996, c 141, s 242.1(7)(d) and *Administrative Tribunals Act*, SBC 2004, s 24(1).

DATED at Kelowna, BRITISH COLUMBIA, this 21st day of April, 2026

"Original signed by Andrew Pendray"

_____
Andrew Pendray
Senior Hearing Officer

Corrigendum of the Decision

Corrigendum #1 (dated 6 May 2026)

- The April dates in paragraphs 18 and 20 have been changed to 2025.