

BC FINANCIAL SERVICES AUTHORITY
IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*
SBC 2004, c 42 as amended
AND IN THE MATTER OF
[APPLICANT 73]
([Licence Number Redacted])
REASONS FOR DECISION REGARDING
ADMINISTRATIVE PENALTY RECONSIDERATION REQUEST

DATE AND PLACE OF HEARING: Via Written Submissions

HEARING OFFICER: Gareth Reeves

Introduction

1. On March 24, 2026, the BC Financial Services Authority (“**BCFSA**”) issued a Notice of Administrative Penalty (the “**NOAP**”) in the amount of \$2,500 to [Applicant 73] 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 [Applicant 73] had contravened section 29(2) of the *Real Estate Services Rules*, BC Reg 209/2021 (the “**Rules**”) by failing to keep his managing broker informed of the real estate services being provided, and other activities he performed on behalf of the brokerage when he failed to disclose secondary employment with [Company 1] (“**[Company 1]**”) to his managing broker; failed to keep his managing broker informed of the activities that overlapped with the real estate industry, including accepting and forwarding contracts and other transaction documents and drafting communications on behalf of the seller; and creating a perceived conflict of interest by working closely with a developer while being licensed under RESA. The allegations relate to [Applicant 73]’s work with [Company 1] in relation to a real estate development known as “[Development 1]” in Surrey (the “**Development**”).
3. [Applicant 73] applied for a reconsideration of the NOAP under section 57(4) of RESA. The application proceeded by written submissions.

Issues

4. The issue is whether the NOAP 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 [Applicant 73] 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.

Licensing Background

10. [Applicant 73] was first licensed as a representative in the trading services category on August 26, 2019. He remained so licensed until April 26, 2025 when he surrendered his licence. He was licensed with the following brokerages while licensed:
 - a. From August 26, 2019 to August 18, 2022 he was licensed with [Brokerage 1].
 - b. From August 19, 2022 to July 28, 2023 he was licensed with [Brokerage 2] doing business as “[Brokerage 2]”.
 - c. From July 28, 2023 to April 26, 2025 he was licensed with [Brokerage 3] doing business as “[Brokerage 3]”.
11. [Applicant 73] has no discipline history.

Evidence From Other Individuals

12. [Individual 1], one of the directors of [Company 1], stated to BCFSA Investigations during an interview that [Individual 2], one of the directors of [Company 1], had retained [Applicant 73] to “oversee operations at the very beginning of the project.” He also stated that [Applicant 73]’s role “was just primarily administrative, getting documents signed, picking up documents, sending correspondence, basic stuff.”
13. [Individual 4], a licensee, stated to BCFSA investigations during its investigation that he received a phone number for [Applicant 73] from [Individual 4]. He understood [Applicant 73] was a “Coordinator” for [Company 1]. On July 28, 2021, [Individual 3] messaged [Applicant 73] at that number, which was saved in his phone under the name “[Individual 2] Developer” *sic*. [Individual 3] received no response to that message. He says he also made multiple calls to that number and received no response. [Individual 3] also provided an email from [Individual 4] dated February 13, 2021 in which [Individual 4] forwards an email from [Individual 2] which copies [Applicant 73]’s email address with [Company 1]. That email references attachments, which BCFSA Investigations states included a purchase agreement and disclosure statements, but those attachments have not been provided to me.
14. [Individual 3] also stated to BCFSA investigations that [Applicant 73] answered phone calls to [Company 1]. He did not provide evidence regarding the content of those calls.

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15. Another licensee, [Individual 5], provided the following to BCFSA during its investigation:
- a. An April 21, 2020 email from [Applicant 73] and the following chain of emails, which appears to include [Individual 5], [Individual 6], and [Individual 7], seeking to schedule a conference call to discuss the selling of the property and various replies to those emails;
 - b. A July 20, 2020 email from [Applicant 73] asking questions regarding fire hydrant and water pump issues raised by the municipality;
 - c. An August 13, 2020 email from [Individual 2] to [Individual 6], [Individual 7], and [Individual 5] copying [Applicant 73] asking for a review of a contract of purchase and sale and disclosure statement for registration with the Financial Institutions Commission;
 - d. A September 19, 2020 email from [Applicant 73] to a strata manager seeking a quote for strata management services for the Development and the manager's September 21, 2020 response;
 - e. An October 8, 2020 email from [Applicant 73] to [Individual 5] providing links to architectural drawings;
 - f. A March 15, 2021 email from [Individual 5] to [Applicant 73] delivering an accepted offer for unit 52 in the Development;
 - g. A March 15, 2021 email from [Individual 5] to [Applicant 73] delivering an accepted offer for unit 53 in the Development;
 - h. A March 15, 2021 email from [Individual 5] to [Applicant 73] delivering an accepted offer for unit 56 in the Development;
 - i. A March 15, 2021 email from [Individual 5] to [Applicant 73] delivering an accepted offer for unit 57 in the Development;
 - j. Two November 26, 2021 emails from [Individual 5] to [Individual 2]'s email, [Individual 73]'s email, and [Applicant 73] providing addenda for units 10 and 11 in the Development;
 - k. A November 26, 2021 email from [Individual 5] to [Individual 7], [Individual 2], and [Applicant 73] delivering addendums for units 52, 53, 54, 56, and 57 in the Development; and
 - l. A November 29, 2021 email from [Individual 5] to [Applicant 73] asking for [Applicant 73] to have [Individual 2] sign completion date addendums that had been delivered the previous week.
16. [Individual 5] also stated that he understood [Applicant 73] was a [Company 1] employee and did not know if [Applicant 73] was a licensee.
17. BCFSA Investigations also received information from another licensee, [Individual 6], that [Applicant 73] was a coordinator for [Company 1]. [Individual 6] stated that she was contacted by [Applicant 73] and then met [Individual 2] and [Applicant 73] who said they wanted more than one realtor to work selling units in the Development. She said she believed [Applicant 73] was employed with [Company 1] and then later became a licensee. [Individual 6] also delivered the August 13, 2020 email provided by [Individual 5] as mentioned above and an email dated April 14, 2020 from [Individual 2] to [Individual 6] copying [Individual 7] and [Applicant 73] regarding a fire hydrant requirement for unit 58 in the development.
18. BCFSA Investigations also contacted [Applicant 73]'s brokerage at the relevant time, [Brokerage 1]. [Brokerage 1] confirmed that they had no record of any transactions related to the Development in relation to [Applicant 73].

Evidence from [Applicant 73]

19. [Applicant 73] provided a written statement to BCFSA Investigations and attended an interview.
20. In his written statement, he stated that he worked for [Individual 2] to provide administrative support because [Individual 2]'s first language was not English. He stated he drafted emails for [Individual 2] based on instructions provided in Punjabi and would correct grammar for [Individual 2] who reviewed them before they were sent out. He stated that he would also translate English communications for [Individual 2]. He denied that he provided any trading services and stated that he referred [Company 1] and [Individual 2] to other licensees.
21. In his interview, [Applicant 73] stated that he worked for 20 to 40 hours a week for [Individual 2] and expected to be paid \$20 to \$25 an hour. He stated that he helped translate emails between [Individual 2] and others, including the municipality. He stated that his work with [Individual 2] ended because [Individual 2] was not paying him and claimed he was owed more than \$10,000. He denied receiving calls from prospective buyers or agents and stated that he refused to write deals under his name. He denied reviewing disclosure statements or purchase agreements. He stated that [Individual 2] had access to his email and may have sent agreements through his email and that [Individual 2] had multiple email addresses on his phone and would use them without checking which email he was sending from. He stated that he started helping [Individual 2] before being paid for that work and that began in December 2019 or January 2020.
22. In his interview, [Applicant 73] confirmed that he did not inform his managing broker about his employment with [Company 1]. He stated that he spoke with his mentor, [Individual 8], and told [Individual 8] that he was working with [Company 1] and might be able to refer deals to [Brokerage 1].
23. [Applicant 73] also denied being an active part of any meeting with [Individual 6] and [Individual 2], saying he was just there when they met.

Submissions

24. [Applicant 73] submits that his failure to provide written notice to his managing broker of his work with [Company 1] was an oversight that arose because he had advised the mentor assigned by [Brokerage 1], [Individual 8], who he understood was his supervisor. He submits that he understood advising this mentor was sufficient and that he did not intend to avoid oversight by his brokerage. He submits that he would have advised his managing broker if he had known he was required to do so.
25. [Applicant 73] submits that [Company 1]'s owners had access to his [Company 1] email address and [Individual 2] would forward emails from [Applicant 73]'s email. He submits that he was "not involved in any real estate transaction conducted by [Company 1], and my real estate licence was never used in connection with any trade, marketing activity, contract or representation on behalf of that company." He submits that he did not receive any remuneration from transactions involving [Company 1].
26. [Applicant 73] submits that he provided limited assistance to [Company 1], that he was not involved in selling or marketing any units for [Company 1] and told [Company 1] to seek out other licensees to handle sales.
27. [Applicant 73] also submits that he surrendered his licence during the investigation because he "became very de-motivated" by the investigation. He submits that he has moved to Ontario to find better employment opportunities but has remained unemployed. He submits that his father-in-law passed away and he has taken responsibility for his mother-in-law, who is a cancer survivor. He submits that the costs he incurred to obtain and maintain his real estate licence were effectively

wasted. I presume he means by this that his low volume of real estate work while licensed was not sufficient to offset those expenses.

28. [Applicant 73] also points to his cooperation with BCFSA's investigation, his lack of disciplinary history, and the lack of financial benefit from his work with [Company 1] as mitigating factors to be considered.

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. Section 26(2) of the Rules identifies six categories, Category A, B, C, D, E, and F, for designated contraventions for the purpose of determining the amount of an administrative penalty. Section 29(2) of the Rules is placed in Category B. Section 27(2) of the Rules prescribes that contraventions of sections designated in Category B may attract a monetary penalty of \$2,500 for a first contravention or \$5,000 for a subsequent contravention.
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. Section 1 of RESA contains the following definitions:

Definitions

1 In this Act:

"providing", in relation to real estate services, includes

- (a) offering to provide such services,
- (b) holding oneself out as a person who provides such services, or
- (c) soliciting for the purposes of the provision of such services;

"real estate services" means

- (a) rental property management services,
- (b) strata management services, or
- (c) trading services;

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

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

34. Section 29(2) of RESA provides as follows:

Associate broker and representative responsibilities

29 (1) ...

(2) An associate broker or representative must

- (a) keep the managing broker informed of the real estate services being provided, and other activities being performed, by the associate broker or representative on behalf of the brokerage, and
- (b) immediately notify the managing broker if a deposit referred to in section 28 (5) (a) has not been received.

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Analysis

35. 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

36. After a careful review of the evidence, I find that BCFSa has not established the alleged contravention of section 29(2) for two reasons.

37. First, BCFSa has not established that [Applicant 73] was providing real estate services on behalf of [Company 1] during the time in question. There is no evidence that [Applicant 73] did any of the things set out in the definition of “trading services” in RESA such as advising on price, making representations about real estate, finding buyers, finding real estate to buy, showing real estate, negotiating price, receiving deposits, or presenting offers. There is also no clear basis on which it could be said that [Applicant 73] was providing rental property management services or strata management services.

38. The closest that the evidence comes to establishing that [Applicant 73] provided real estate services is in the emails in which [Applicant 73] receives accepted contracts for purchase of units

in the Development, the emails in which [Individual 5] asks [Applicant 73] to have [Individual 2] sign addenda, and the emails in which [Applicant 73] sets up a meeting regarding “selling” the Property. The first class of emails does not constitute real estate services because the documents it appears [Applicant 73] received were not offers but completed contracts. The second class of emails does not constitute real estate services because [Applicant 73] was not receiving the addenda and presenting them to [Individual 2] or [Company 1], but was merely being prodded by [Individual 5] to get [Individual 2] to attend to documents [Individual 2] already had. The third class of emails merely establishes that [Applicant 73] was arranging a meeting, but that is insufficient to establish whether [Applicant 73] provided any real estate services during that meeting. In my view, mere mention of “selling” in the emails does not lead to the conclusion that [Applicant 73] was providing or holding himself out as providing real estate services.

39. I note that “providing” within the meaning of RESA includes soliciting and holding oneself out as someone who provides real estate services. There is no evidence that [Applicant 73] held himself out as someone who provided real estate services for or on behalf of [Company 1] or [Individual 2] or solicited others to use his real estate services in that regard. There is evidence that some of the real estate licensees who had contact with [Applicant 73] knew he was a licensee, but that is not sufficient to establish that [Applicant 73] was holding himself out as a licensee in his work with [Company 1] or [Individual 2].
40. The evidence therefore does not establish that [Applicant 73] was providing real estate services on behalf of [Company 1] or [Individual 2] in relation to the Development or at all.
41. That said, section 29(2) of the Rules has two branches: “providing real estate services” and “other activities being performed”. So, one might think it possible to found a contravention on the second branch on the basis that [Applicant 73]’s activities were sufficiently connected to real estate services to constitute other activities being performed within the contemplation of section 29(2) of the Rules; however, that highlights the second, and more fundamental, reason the allegation in this proceeding cannot succeed.
42. To establish a contravention of section 29(2) of the Rules BCFSA must not only satisfy one of the above branches, they must show that the licensee was providing real estate services or engaging in other activities “on behalf of the brokerage”. There is insufficient evidence in this case to establish that [Applicant 73] was, in his activities with [Company 1] and [Individual 2], doing anything on behalf of his brokerage, [Brokerage 1], or holding himself out as doing anything on behalf of his brokerage. The evidence in fact establishes the contrary: [Applicant 73]’s work with [Company 1] was unconnected with his work with [Brokerage 1].
43. The facts, as established before me, therefore do not satisfy a crucial element of a contravention of section 29(2) of the Rules requiring disclosure of services a licensee provides or activities a licensee engages in on behalf of their brokerage. In my view, that element is crucial because it gives context to the words “other activities being performed” by clarifying that licensees are required to inform their managing brokers of all activities they engage in on their brokerage’s behalf, not just real estate activities. This then compliments the provisions in section 7(3) of RESA which requires all real estate services provided by a licensee to be provided on behalf of and through their brokerage and section 29(2) of the Rules ensures the managing broker is aware of all activities, whether real estate services or otherwise, are reported to the managing broker, who has statutory supervisory obligations by operation of sections 6(2) of RESA and section 28 of the Rules.
44. There may be a concern arising from the above that there will be a gap in the legislation where licensees work for developers in that they will not be required to report such work to their managing broker; however, this ignores the fact that licensees are strictly prohibited from providing real estate services to or on behalf of anyone except through their brokerage. Therefore, if they do provide such services to or on behalf of a developer and outside their brokerage, they are already offside RESA’s requirements. There is no legislative gap there because all permissible activities must be

reported and impermissible activities are prohibited. It would certainly be advisable for licensees to seek the advice of their managing brokers before doing any work for developers, because there is a clear risk that they will stray into providing real estate services, but that alone does not ground a contravention of section 29(2) of the Rules.

45. In my view, the role of section 29(2) of the Rules is not to fill a gap that requires licensees to disclose activities they are engaged in outside of the brokerage but to ensure that the brokerage is aware of all activities its licensees are engaged in on its behalf and section 7(3) of RESA carries the weight of ensuring licensees do not provide, solicit, or hold themselves out as providing any real estate services outside of their brokerage.
46. I also note that plain wording of section 29(2) of the Rules makes “on behalf of the brokerage” operate in relation to both “real estate services being provided” and “other activities being performed” by being placed after “the associate broker or representative”. It does not make grammatical sense to read that sentence such that “on behalf of the brokerage” operates only on the latter and not on the former because it clearly operates on “the associate broker or representative” who is providing real estate services or engaging in other activities.
47. For the above reasons the grammatical and ordinary sense of the words in section 29(2) of the Rules in the context of the legislative scheme and the purposes of the section indicate that the services and activities reportable under section 29(2) of the Rules are only those provided on behalf of the licensee’s brokerage: *Rizzo & Rizzo Shoes Ltd (Re)*, 1998 CanLII 837 (SCC), at para 21.
48. I do note that the above interpretation means that the same conduct by a licensee cannot contravene section 29(2) of the Rules and section 7(3) of RESA because contravening section 7(3) requires providing real estate services outside of a licensee’s brokerage and contravening section 29(2) of the Rules requires the licensee to act on behalf of the brokerage. This approach does run contrary to at least some of the prior regulatory actions taken by the superintendent and its predecessor regulatory, the Real Estate Council of British Columbia. Although there are some prior consent orders in which only contraventions of section 7(3) of RESA were found, there are also prior consent orders in which the same conduct was found to contravene section 7(3) of RESA and the predecessor to section 29(2) of the Rules: for examples of the former see *Rogers (Re)*, 2010 CanLII 56537 (BC REC); *Matsumoto (Re)*, 2013 CanLII 27273 (BC REC) ; *Seger (Re)*, 2015 CanLII 34699 (BC REC); and *Hart (Re)*, 2015 CanLII 67706 (BC REC); and for examples of the latter see *Ngan (Re)*, 2013 CanLII 16228 (BC REC); and *Safe (Re)*, 2025 BCSRE 64. I note that these are all consent orders and therefore reflect a compromise between the parties and may not have resulted from a detailed analysis of the separate legal bases for liability under the two sections at issue. They are therefore are not binding on me, and also carry less persuasive weight than a decision made in a contested proceeding. In my view, and for the reasons given above, considering contraventions section 29(2) of the Rules and section 7(3) of RESA as being mutually exclusive better aligns with the wording, purpose, and context of the provisions in question.
49. The above is sufficient to address the allegations that [Applicant 73] contravened section 29(2) of the Rules and I would cancel the NOAP on that basis; however, I would like to briefly address the final allegation in the NOAP concerning conflicts of interest and supervision.
50. The allegation of a perceived conflict of interest does not appear well founded to me. There is nothing that precludes a licensee from providing real estate services on behalf of a developer and to work closely with the developer so long as they do so through their brokerage and otherwise comply with RESA, the Regulations, and the Rules.
51. Regarding [Applicant 73]’s actions undermining his managing broker’s ability to supervise [Applicant 73], I would reiterate my point above that licensees who chose to work for developers take on a significant risk that their activities will fall afoul of section 7(3) of RESA along with various other obligations under RESA, the Regulations, and the Rules. In that regard, I note that if the

evidence before me had established that [Applicant 73] had received and presented offers on properties in the Development, the result would likely have been different. It would therefore certainly be advisable for licensees to consult with their managing brokers and perhaps other advisors before undertaking such work so that they understand the lines they cannot cross in that context.

Conclusion

52. I find that BCFSa has not proven that [Applicant 73] contravened section 29(2) of the Rules by failing to advise his managing broker of his employment with [Company 1], by failing to advise his managing broker of the real estate services he was providing on behalf of [Brokerage 1], or by creating a perceived conflict of interest that undermined his managing broker's ability to supervise him.

53. I cancel the NOAP.

DATED at North Vancouver, BRITISH COLUMBIA, this 19th day of May, 2025.

"Original signed by Gareth Reeves"

Gareth Reeves
Hearing Officer