

BC FINANCIAL SERVICES AUTHORITY

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

AND IN THE MATTER OF

BOBBY CHIC
(170143)

AND

BOBBY CHIC PERSONAL REAL ESTATE CORPORATION
(170143PC)

REASONS FOR DECISION REGARDING
ADMINISTRATIVE PENALTY RECONSIDERATION REQUEST

[These Reasons have been redacted before publication.]

DATE AND PLACE OF HEARING: Via Written Submissions

HEARING OFFICER: Gareth Reeves

Introduction

1. On May 22, 2026, the BC Financial Services Authority (“**BCFSA**”) issued a Notice of Administrative Penalty (the “**NOAP 1**”) in the amount of \$5,000 to Bobby Chic and Bobby Chic Personal Real Estate Corporation¹ (collectively, “**Mr. Chic**”) pursuant to section 57(1) and 57(3) of the *Real Estate Services Act*, SBC 2004, c 42 (“**RESA**”). NOAP 1 indicated that Mr. Chic had contravened section 30(a) of the *Real Estate Services Rules*, BC Reg 209/2021 (the “**Rules**”) but stated in the description of the contravention that he had contravened section 34 of the Rules. On July 16, 2026, I decided that BCFSA could issue a revised notice of administrative penalty naming the correct section, section 34 of the Rules: *Chic (Re)*, 2026 BCSRE 191. BCFSA issued the corrected notice of administrative penalty (“**NOAP 2**”) on July 17, 2026.
2. In the NOAP 2, BCFSA determined that Mr. Chic had contravened section 34 of the Rules as follows:

As the buyer’s agent, you failed to exercise reasonable care and skill, contrary to section 34 of the [Rules], when you submitted your clients’ offer on a property that included an addendum for a \$10,000 bonus commission payable to yourself upon completion. By introducing your remuneration into the terms of the offer in this manner, you created concern among the listing brokerage and its licensees, who

¹ Both notices of administrative penalty only name Bobby Chic specifically, but include his personal real estate corporation’s licence number in the style of cause. I have decided to specifically name his personal real estate corporation in the style of cause and in this decision.

reasonably questioned whether you were attempting to circumvent or obscure the true purchase price by redistributing funds within the transaction.

Although the investigation did not establish that you intended to improperly benefit either yourself or your clients through this arrangement, you failed to take reasonable steps, at the time the issue was raised, to clearly explain or rectify the structure of the bonus in a manner consistent with the explanation you later provided to BCFSA. You did not adequately address the concerns raised by the listing side regarding the purpose and recipient of the additional \$10,000.

Further, you were unable to produce any contemporaneous records demonstrating that your clients were informed of, and had consented to, the proposed bonus commission arrangement. Your failure to maintain or provide such documentation undermined your position during the investigation and reflects a lack of reasonable care in documenting material aspects of the transaction.

As a result, you failed to ensure transparency in the transaction, did not adequately protect the integrity of the offer process, and were unable to dispel reasonable concerns that your actions may have involved an attempt to circumvent the stated purchase price. This conduct constitutes a failure to exercise reasonable care and skill.

3. Mr. Chic 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 Mr. Chic 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.

General Background

10. Bobby Chic was first licensed as a representative in the trading services category on January 9, 2015. He added the rental property management services category to his licence on March 1, 2018.

Mr. Chic's licence lapsed for five days in January 2021 but otherwise he has been continually licensed since January 9, 2015. Bobby Chic Personal Real Estate Corporation was first licensed on September 23, 2016 and has been licensed in the same fashion as Mr. Chic since then.

11. This matter involves two licensees other than Mr. Chic: [Licensee 1] and [Licensee 2]. [Licensee 1] was the listing agent for a property at [Property 1], Maple Ridge (the "**Property**"). [Licensee 2] assisted [Licensee 1] with that listing during [Licensee 1]'s vacation in early December 2025.
12. On December 1, 2025, Mr. Chic texted [Licensee 1] to inquire about the Property. [Licensee 1] referred Mr. Chic to [Licensee 2]. Mr. Chic and [Licensee 1] then exchanged messages in which Mr. Chic indicated he would submit an offer on behalf of his client (the "**Buyer**"). He said his client's budget was \$885,000. He also stated the following:

"I will include my \$10k bonus to the offer. It covers some costs!
You may adjust the price accordingly."
13. [Licensee 1] expressed confusion about what Mr. Chic meant but asked him to send an offer in writing to [Licensee 2].
14. That day, Mr. Chic prepared a draft offer for the Property on behalf of the Buyer. In the offer, the Buyer offered to purchase the Property from [Licensee 1]'s client (the "**Seller**") for \$880,000 with a January 12, 2026 closing date, with various subjects and conditions. He also prepared an addendum (the "**Bonus Addendum**") that read as follows:

"The Seller agrees to pay an additional commission of Ten Thousand Dollars (\$10,000) to the Buyer's Brokerage payable on completion, in addition to any other commission obligations outlined in the listing or brokerage agreements."
15. I refer to the \$10,000 payment contemplated by the Bonus Addendum as the "**Bonus**" herein.
16. Mr. Chic emailed the offer to [Licensee 2] along with a listed outline of the offer that stated the following regarding the Bonus Addendum:

"The price includes a \$10k bonus for the buyer's agent. (The seller considers it in acceptance or counter offer)."

[sic]
17. [Licensee 2] provided the Seller's counteroffer to Mr. Chic that day. That counteroffer offered to sell the Property for \$915,000 without the Bonus.
18. After [Licensee 2] sent the counteroffer, Mr. Chic requested to speak with [Licensee 2]. As indicated below, I find that this call likely occurred, though the exact contents of the call are unclear to me. I say this in part because [Licensee 2] responds to Mr. Chic's text message request to speak with a text message (the "**No Bonus Text**") in which she writes, "If you're buyer wants to change the price to 915,000 & NO BONUS you are welcome to present another offer- have a lovely evening" [sic].
19. Around this same time, [Licensee 2] sent a text message (the "**[Licensee 2] Text**") to [Licensee 1] providing a summary of the negotiations as follows:

"Ok just to update you but only cause it's you- we got an offer on [Property 1] – met with [Sellers] – offer was \$880,000 AND the realtor wanted a \$10,000 selling bonus- didn't happen- countered \$915,000, NO BONUS, & realtor said \$905,000 & a \$10,000 bonus cause he wanted to help out his buyer lol- [Seller] said no the price & NO to the bonus – what a disgrace to our industry- I asked him if he though he was worth more why wouldn't he just share his earned commission with his client – have a good night [kiss heart emoji]"

Well well we have an accepted offer at \$915,000 & NO bonus – S/R Dec 9th”

[sic]

20. On December 2, 2025, Mr. Chic’s client then accepted the Seller’s \$915,000 price without the Bonus. The result of the above was that the Buyer and Seller agreed to a contract of purchase and sale for the Property in which the Buyer would pay \$915,000 for the Property with the Buyer’s subject removal to occur by December 9, 2025 and a February 19, 2026 completion date (the “**CPS**”). The Buyer and Seller crossed out the body of the Bonus Addendum and signed and initialed it. I note that the Buyer DocuSigned the CPS, as opposed to hand signing it.
21. I note that, pursuant to the disclosure of remuneration in [Licensee 1]’s brokerage’s file, the total commission on the transaction was to be \$27,375 plus tax. From that, [Licensee 1]’s brokerage would receive \$14,757.50 plus tax and Mr. Chic’s brokerage would receive \$12,627.50 plus tax.
22. On December 7, 2025, Mr. Chic sent a text message (the “**Termination Text**”) to [Licensee 1] to state the following, in part:

“I just had a conversation with the mortgage broker and I don’t have positive outcome. I already asked [Licensee 2] to consider \$10K bonus for me and adjust the price to \$925,000 but she didn’t understand the situation and disagreed. We will not remove the subject and will send you the release form by tonight.”
23. [Licensee 1] sent a text message (the “**Response Text**”) to state, in part, that Mr. Chic “cannot ask a seller to pay an additional \$10,000 into a contract to give back to [the Buyer].” She stated RESA and realty board rules precluded doing so.
24. Mr. Chic’s replied to the Response Text by stating “Sure, Thanks”.
25. Later that day, Mr. Chic sent a text message to [Licensee 1] to state that the Buyers could not get financing for a purchase over \$900,000 and that he would send a release for the CPS. He then emailed a release to [Licensee 2] and then to [Licensee 1].
26. On December 8, 2025, the Buyer and the Seller executed a release to terminate the CPS.
27. On December 8, 2025, [Licensee 1] reported the matter by email to her managing broker, [Managing Broker 1]. That email attached the [Licensee 2] Text. [Licensee 1]’s email states that she spoke with [Licensee 2], who was “very clear that Bobby clearly asked for a \$10,000 bonus to be written into the contract so that he could pay back to his client to ‘help her’ with her finances.”
28. [Managing Broker 1] submitted a complaint to BCFSA on December 11, 2025.
29. On January 12, 2026, Mr. Chic provided a written statement to his managing broker regarding his dealings with the Bonus Addendum. In that statement, he summarized the exchange of offers, noted that the first offer included the Bonus, and stated that the Buyer was informed of and consented to the Bonus. He stated that the Bonus was not intended to be paid to the Buyer.
30. BCFSA commenced an investigation and, on February 10, 2026, sent Mr. Chic an investigation letter summarizing the matter under investigation as follows:

“You requested the listing agent via text message that the seller pay an addition commission of \$10,000 to the buyer’s brokerage payable at completion in addition to any other commission obligation outlined in the listing or brokerage agreement. The addition \$10,000 was to go to your buyers to help with their finances.”

[sic]

31. The investigation letter required Mr. Chic to provide a detailed statement and to provide the following information:

- Provide a timeline of all events that took place.
- Advise what communication took place between you and your client.
- As well as the communication between you and your clients.]
- Explain what representations you made to your clients.”

[sic]

32. The investigation letter also required Mr. Chic to provide the following, among other things:

“[a]ll text message and email communication between yourself and the listing agents. As well as all communication with you buyers clients regarding the transaction in question.”

[sic]

33. Mr. Chic provided a statement on February 23, 2026, which included the following statements:

- a. he did not intend the Bonus to go to the Buyer “as a rebate, cashback, down payment assistance, or financial benefit to the buyer” but only as compensation for him;
- b. he included the Bonus in the Bonus Addendum and not in the CPS for clarity and to avoid obscuring it;
- c. he continued to negotiate the remainder of the terms of the CPS after the Seller rejected the Bonus;
- d. the Buyer was unable to secure financing for the purchase price in the CPS and decided not to proceed;
- e. the Termination Text may have created an unintentional connection between the Buyer’s inability to obtain financing and the Bonus;
- f. when preparing the first offer for the Property, he told his client that he intended to propose an additional \$10,000 in compensation and his client agreed to include that in the purchase price;
- g. he disclosed the \$10,000 to [Licensee 2] and [Licensee 1] and did not represent to them that the \$10,000 was intended to go to the Buyer; and
- h. that his client “elected to proceed with the counteroffer at \$915,000 without the proposed \$10,000 amount”.

34. Mr. Chic provided no correspondence between himself and the Buyer. He made no reference in his statement to any conversations between himself and [Licensee 2] or [Licensee 1]. He provided copies of the text messages and emails between himself and [Licensee 2] and himself and [Licensee 1].

35. There is one point of fact, regarding the negotiations on December 1, 2025 that requires some additional discussion: whether Mr. Chic spoke to [Licensee 2] on that date and, if so, what was said.

36. I note that there is no direct evidence of a conversation between Mr. Chic and [Licensee 2] in which he asked her to consider adjusting the price for the Property to \$925,000 and to include the Bonus for Mr. Chic. Similarly, there is no direct evidence of the exchange [Licensee 2] references in the [Licensee 2] Text, in which Mr. Chic purportedly countered with \$905,000 and the Bonus and stated he wanted to help out the Buyer. Further, the evidence includes no text message or email between [Licensee 2] and Mr. Chic in which she asks him to just share his earned commission, as she states she asked in the [Licensee 2] Text. I also have no statements, aside from [Licensee 2]’s statement in the [Licensee 2] Text and [Licensee 1]’s statement to her managing broker above, that speak to when these discussions occurred.

37. Considering the evidence before me, I find that the most likely explanation is that Mr. Chic and [Licensee 2] spoke after he asked to speak to her and before she sent the No Bonus Text. The time stamps in the text message exchange are not sufficiently precise for me to know exactly how much time elapsed between text messages under each stamp, given the extensive exchange regarding subjects that all fall under the same time stamp as the No Bonus Text and Mr. Chic's request for a call; however, the content of the No Bonus Text, in context, indicates that [Licensee 2] was responding to some conversation she and Mr. Chic had during the negotiations. Further, the only text message between Mr. Chic and [Licensee 2] after December 2, 2025, when the CPS was formed, is dated December 5, 2025 and is a message from [Licensee 2] to Mr. Chic asking about an inspection, Mr. Chic's response, if any, was not in the evidence before me. I also find it is unlikely that Mr. Chic and [Licensee 2] had a conversation to discuss the Bonus or the offers being made after the CPS was made. The only time it makes sense for them to have had the indicated discussions is during the negotiations, on December 1, 2025. I find therefore that, on a balance of probabilities, [Licensee 2] and Mr. Chic had a conversation on December 1, 2025 after [Licensee 2] delivered a counteroffer to Mr. Chic, in which they discussed the Bonus, the Bonus Addendum, and the purchase price for the Property.
38. I cannot determine what specifically was said in that conversation but there are some inferences I can draw from the surrounding circumstances. Mr. Chic, despite being specifically asked in BCFSa's investigation letter to provide details regarding those communications, provided only his text messages and emails with the listing agents and made no mention of any telephone calls. I note that those text messages are not voluminous and they include the No Bonus Text and the Response Text. Although Mr. Chic provided a categorical denial that he represented that the Bonus was intended to help his client, the evidence indicates that [Licensee 2] came away from their conversation with a firm understanding that Mr. Chic wanted to pay the Bonus to the Buyer. The [Licensee 2] Text and [Licensee 1]'s report to her managing broker were very clear in that regard. The [Licensee 2] Text, in particular, was contemporaneous with Mr. Chic's and [Licensee 2]'s conversations.

Submissions

39. Mr. Chic submits that his actions did not involve dishonesty, concealment, or an attempt to benefit himself or the Buyer improperly. He submits that NOAP 2 states that "the investigation "did not establish" improper intent". He submits that the Bonus Addendum was in writing and clear with all sides.
40. Mr. Chic submits that the transaction did not complete and he did not receive any funds and no party suffered any harm.
41. Mr. Chic submits that he "could have communicated the structure and purpose of the clause more clearly and maintained better contemporaneous documentation regarding client instructions and consent." He submits that he understands how the arrangement could cause concerns. He submits that this matter is about communication and documentation issues and not intentional misconduct or a lack of transparency.
42. Mr. Chic submits that the superintendent ought to consider his lack of discipline history, his cooperation with the investigation, the absence of dishonesty, and the lack of improper benefit.
43. Mr. Chic also submits that he is unable to "comfortably pay the administrative penalty" due to "severe financial hardship due to ongoing personal, legal, and financial obligations." He submits that taking this matter to a hearing would create greater hardship for him and may lead to him becoming insolvent. He requests that NOAP 1 be cancelled or reduced or that the payment deadline be extended to allow him time to pay. Along with his written submissions, Mr. Chic provided bank statements for May and June 2026 and a court order dated February 24, 2026 from a family law proceeding.

Reasons and Findings

Applicable Legislation

44. 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.
45. 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.
46. 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 34 of the Rules are placed in Category C. Section 27(3) of the Rules sets out that Category C contraventions may attract a monetary penalty of \$5,000 for a first contravention or \$10,000 for a subsequent contravention.
47. 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.
48. Section 34 of the Rules provides as follows:

Duty to act with reasonable care and skill

34 When providing real estate services, a licensee must act with reasonable care and skill.

Analysis

49. The decision to impose an administrative penalty under section 57 of RESA is discretionary. A request to reconsider the imposition of an administrative penalty often 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 or extenuating circumstances prevented compliance with the indicated section; however, where BCFSA alleges that a licensee failed to act with reasonable care and skill contrary to section 34 of the Rules, BCFSA has the onus of proving that the licensee failed to act with reasonable care and skill and the concept of due diligence is therefore subsumed within the determination of whether a contravention occurred: *Zeng (Re)*, 2026 BCSRE 116, at para 42.
50. The standard applied when considering if a licensee exercised reasonable care and skill is whether a reasonably prudent licensee in the applicant’s position would have acted differently. The standard is not perfection. BCFSA must therefore demonstrate that a licensee did not act in the way that a reasonably prudent licensee would in the circumstances.

Contravention

51. Framed in the context of this matter, the question before me is whether a reasonably prudent licensee in Mr. Chic’s position would have acted differently in dealing with the Bonus and the Bonus Addendum.

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52. BCFSA alleges that Mr. Chic's conduct "created concern" in the listing licensees, failed to clearly explain or rectify the structure of the proposed Bonus, and failed to take reasonable steps to document "material aspects of the transaction" by documenting his client's knowledge of and consent to the proposed Bonus. BCFSA alleges that Mr. Chic's conduct resulted in a lack of transparency in the transaction and a failure to "adequately protect the integrity of the offer process" because he was "unable to dispel reasonable concerns that [his] actions may have involved an attempt to circumvent the stated purchase price." BCFSA also alleges that Mr. Chic failed to explain the structure of the transaction to [Licensee 2] and [Licensee 1] in a way that was consistent with his explanation to BCFSA.
53. BCFSA does not take the position that Mr. Chic intended to pay the Bonus, or a portion of it, to the Buyer. It specifically notes in NOAP 2 that this was not established.
54. Regarding the creation of confusion, Mr. Chic's written communications in the text messages, his emails, and the Bonus Addendum themselves all indicate that the Bonus was to be paid to Mr. Chic's brokerage. The documentary record therefore indicates that the funds were, at least at first instance, to go to Mr. Chic's brokerage.
55. What is not before me is any evidence from Mr. Chic regarding what he told [Licensee 2] during their conversation on December 1, 2025. I reiterate that Mr. Chic, despite being specifically asked about his communications with the listing agents, provided no insight into his conversations with [Licensee 2] about the Bonus, he did not respond to the Response Text in any substantive way, and he did not provide any further information to clarify this in his submissions in this proceeding. The only explanation he provides in the materials before me regarding the reason for the Bonus is in his text messages in which he mentions the Bonus is to cover costs.
56. I note that there was clearly concern by [Licensee 2], [Licensee 1], and [Managing Broker 1] that the Bonus Addendum was put in place to provide for an improper refund to the Buyer. This is evidenced by the [Licensee 2] Text, [Licensee 2]'s report to [Managing Broker 1], and [Managing Broker 1]'s report to BCFSA. I note also that [Licensee 2] told [Licensee 1] that Mr. Chic wanted the Bonus to "help out his buyer" and that [Licensee 1] indicated she had spoken to [Licensee 2] and that [Licensee 2] had been "very clear" that Mr. Chic wanted the Bonus to pay funds to his client.
57. The fact that there was confusion regarding the purpose of the Bonus is supported as well by the Termination Text in which Mr. Chic stated that he tried to explain the Bonus to [Licensee 2] but she did not understand. Despite this misunderstanding, there is no evidence that Mr. Chic attempted to clarify.
58. It is further supported by the fact that Mr. Chic did not dispute [Licensee 1]'s allegation, in the Response Text, that Mr. Chic intended to pay the Bonus to the Buyer. In the context of this matter, given the CPS was being canceled, Mr. Chic may not have thought it worthwhile to respond to the Response Text and start an argument. This point was not directly put to Mr. Chic. So, this is not particularly strong evidence that he intended the Bonus to be paid to the Buyer. That said, [Licensee 1]'s text makes serious allegations regarding the issues with the Bonus Addendum and therefore calls for a response. The lack of even a simple denial by Mr. Chic does support the contention that he did not explain the Bonus Addendum or the Bonus to [Licensee 2] or [Licensee 1] well at the time.
59. In my view, the unusual nature of the Bonus Addendum called for a clear explanation. Mr. Chic was, at minimum asking for substantially more commission on the transaction than he would have usually received. He was also asking the other party to the transaction to pay that additional commission instead of arranging the payment directly with his own client. Further, BCFSA had published, on November 24, 2025, specific guidance on the dangers of using cash back clauses, particularly in addendums or side agreements: "Cash Back Clauses", BCFSA Advisory No 25-048,

November 24, 2025 online: <https://www.bcfesa.ca/industry-resources/real-estate-professional-resources/knowledge-base/advisory/cash-back-clauses> (accessed September 14, 2026). Although the Bonus Addendum was not a cash back clause providing for payment of funds directly to the Buyer, it was a separable document containing a payment which was highly unusual and would naturally have caused concern by the party receiving it and that concern would have been increased by the recent publication of regulatory guidance on side agreements requiring unusual payments. Although Mr. Chic called it out separately in his correspondence, he should have been prepared to provide a clearer and more fulsome explanation of the purpose of the Bonus.

60. Mr. Chic's own responses to the investigation indicate that there was some need to make the purpose of the Bonus clear, which he says he did by calling it out in his correspondence and placing it in a separate addendum. In my view, the placement of the Bonus in a separate addendum only added to the confusion and the concern that the Bonus Addendum was meant to obscure the true purchase price, particularly where the CPS included various conditions and terms added in by the parties, such that there was no need to include an addendum. In my view, Mr. Chic ought to have gone further than merely pointing out the Bonus Addendum. He ought to have explained its purpose clearly to [Licensee 2] and [Licensee 1].
61. I find that a reasonably prudent licensee in Mr. Chic's circumstances would have been very clear with [Licensee 2] and [Licensee 1] regarding the nature of the Bonus and its purpose and would have ensured they understood its nature and purpose.
62. Regarding BCFSA's allegation that Mr. Chic failed to take reasonable steps to clarify or correct the structure of the proposed Bonus, I find that the allegation that he failed to clarify the structure of the Bonus is subsumed within the above analysis regarding the confusion created by Mr. Chic's approach to the Bonus Addendum.
63. Regarding the alleged failure to correct the structure of the Bonus, Mr. Chic had no opportunity to do anything to rectify the structure because the Bonus was immediately and clearly rejected by [Licensee 2]. I do not find there was a failure to act with reasonable care and skill in Mr. Chic's failure to correct or rectify the structure of the Bonus.
64. I turn to the allegation that Mr. Chic failed to take reasonable steps to document the transaction in regard to his client's knowledge of and consent to the proposed Bonus. The record before me indicates that the Buyer DocuSigned the Bonus Addendum. There is no evidence that that signature was not what it would usually purport to be: the Buyer's consent to the Bonus on the terms expressed in the Bonus Addendum after having read and understood it.
65. Although the Bonus Addendum was unusual and required explanation to [Licensee 2] and [Licensee 1], and Mr. Chic ought to have explained it to the Buyer as part of his obligations as an agent, there is no evidence that Mr. Chic failed to explain the Bonus or the Bonus Addendum to the Buyer. Unlike with [Licensee 2] and [Licensee 1], there is no evidence that the Buyer was confused about the Bonus or the Bonus Addendum. Although there is no documentary evidence that Mr. Chic explained the Bonus Addendum to the Buyer and Mr. Chic's evidence is broad and lacks detail on the instructions given by the Buyer, his uncontested evidence is that the Buyer knew about the Bonus Addendum and agreed to it. It is entirely possible that Mr. Chic's interactions with the Buyer were substantially over the phone, as opposed to over text message or by email and therefore were not recorded.
66. It may be best practice for a licensee to keep contemporaneous written records of discussions with their clients or to reduce those discussions to an email or text message, I do not find that that is necessary in every case. It is entirely possible, on the record before me, that Mr. Chic discussed the matter with his client and that the substance of the discussion was reduced to writing in the form of the first offer Mr. Chic provided on the Property.

67. I note in this regard that Mr. Chic's own statements make only blanket reference to the Buyer's instructions and that he does not explain why he structured the Bonus in the way he did, but he is clear that his client was aware of the Bonus Addendum and consented to it and I have no evidence before me that contradicts Mr. Chic on that point. It may be that Mr. Chic's failure to provide further details did not comply with this obligations to cooperate with the investigation, but that issue is not before me and I decline to opine substantively on it other than to note that such a failure does not automatically give rise to a conclusion that the licensee engaged in misconduct.
68. BCFSA has the burden of proof in this case. In my view, BCFSA has not met that burden of proof in attempting to show that Mr. Chic failed to maintain some required record or failed to meet an industry or regulatory standard requiring him to document his client's instructions on the requisite standard.
69. Therefore, I find that Mr. Chic failed to act with reasonable care and skill when he failed to adequately explain the nature of the Bonus to [Licensee 2] and [Licensee 1] and his inadequate explanations resulted in their misunderstanding the purpose of the Bonus and the Bonus Addendum. I find that BCFSA has not proven Mr. Chic failed to act with reasonable care and skill in failing to correct or rectify the Bonus Addendum or in failing to document the Buyer's instructions.

Penalty Amount

70. The penalty amount imposed by NOAP 2 is \$5,000. That amount is the prescribed monetary administrative penalty available for a first contravention of a section designated in Category C. That includes section 34 of the Rules.
71. The superintendent's authority under section 57(4) of RESA to reconsider an administrative penalty is limited. The superintendent can only cancel the penalty or confirm it. If the cancellation arises because the superintendent considers that the matter is more appropriately dealt with by discipline hearing, the superintendent can issue a notice of discipline hearing. The superintendent has no authority to revise, reduce, or otherwise amend the penalty. My review of the penalty itself is therefore confined to a determination of whether the penalty is appropriate or, in other words, falls within the scope of reasonable regulatory responses to the identified misconduct. In doing so, I must consider the whole of the circumstances, including any mitigating and aggravating factors, and the goals of regulatory enforcement, which include specific deterrence, rehabilitation, general deterrence, and the maintenance of public confidence in the industry: *Applicant 115 (Re)*, 2026 BCSRE 212.
72. The obligation to act with reasonable care and skill is an important statutory obligation under RESA. It sets a minimum standard of reasonable conduct by licensees. A contravention of section 34 of the Rules means that a licensee has failed to act with the reasonable degree of care and skill expected of all licensees when providing real estate services. Some indication of the importance of this section is reflected in the Rules prescribing a minimum monetary penalty of \$5,000 for a first contravention of section 34 of the Rules, which is the highest minimum administrative penalty for a first contravention set by the Rules. That is not the minimum penalty because the superintendent could impose conditions or require remedial education, but it does indicate the seriousness within which the superintendent ought to consider a breach of that section.
73. Some failures to act with reasonable care and skill can have significant, sometimes disastrous, consequences for the parties to a real estate transaction; this is not one of those cases. The effect of Mr. Chic's failure to adequately communicate the nature and purpose of the Bonus Addendum was some confusion during the negotiation process. In addition, the [Licensee 2] text refers to Mr. Chic as "a disgrace to our industry". There is no evidence of what conversations [Licensee 2] had with the Seller regarding the Bonus addendum, but I find it likely, in light of the [Licensee 2] Text that she expressed some disapproval of Mr. Chic's use of the Bonus Addendum that would have diminished the Seller's view of the industry. Regardless, a seller who receives a buyer's

agent's request for more funds out of a purchase where the seller has already agreed to pay a commission to their agent and without a cogent explanation by the buyer's agent is likely to view that request negatively, even with a price adjustment to the property. That said, I cannot find that the impact on the reputation of the industry was large or that the consequences as a whole of Mr. Chic's misconduct were substantial. I find that the consequences that flowed from Mr. Chic's conduct were minor.

74. Further, BCFSA has not proven that the misconduct was intentional or dishonest. The best that the evidence before me shows is that Mr. Chic failed to clearly state the purpose of the Bonus to [Licensee 2]. If the evidence had shown that Mr. Chic had positively stated that the purpose of the payment was to pay the Bonus to the Buyer, the conduct would be much more serious and would likely warrant discipline proceedings as opposed to an administrative penalty. With the lack of direct evidence available to me regarding what Mr. Chic said to [Licensee 2] about the Bonus the most that I can say is that Mr. Chic was unclear and said something to [Licensee 2] that, in the context of their conversation, lead her to believe the Bonus would be paid to the Buyer. The fact that, on [Licensee 1]'s account, [Licensee 2] was "very clear" that Mr. Chic had said he would pay the Bonus to the Buyer indicates that there was something in that call that led [Licensee 2] to hold a firm conviction on this point. That fact, combined with Mr. Chic's complete omission in his statement and submissions, of any information regarding what he told [Licensee 2], leads me to conclude that Mr. Chic was very unclear in that conversation and not that he merely misspoke.
75. I accept that there was no concrete harm to the Seller in this case. I accept that Mr. Chic and the Buyer did not actually received funds from the Bonus Addendum, and that there was no plan for Mr. Chic to pay funds to the Buyer.
76. Considering the conduct as a whole, I find that Mr. Chic's contravention of section 34 of the Rules was relatively minor, though not merely technical.
77. I accept that Mr. Chic has no discipline history, but that is expected of a licensee and is not mitigating.
78. I do not find that Mr. Chic cooperated with the investigation substantively. He did respond to BCFSA's investigation letter within the timeline required of him, but he did not answer all the questions asked of him. In particular, he did not explain, despite being explicitly asked, what conversations he had with [Licensee 2] or [Licensee 1] regarding the Bonus and he did not provide detailed information about his conversations with and instructions from the Buyer. In my view, failing to answer direct questions and failing to provide details when specifically asked for them and making blanket denials or broad statements does not comport with the duty of cooperation imposed on licensees in regulatory investigations, which "requires the licensee to be honest, open, and helpful": see *Law Society of Ontario v Diamond*, 2021 ONCA 255, at para 50. I do not opine on whether Mr. Chic committed professional misconduct within the meaning of section 35(1)(e). That conclusion would require a more searching examination of Mr. Chic's responses and the reasons for their deficiencies. I do say here that I reject Mr. Chic's argument that he cooperated with the investigation to an extent necessary to consider his conduct mitigating. In my view, Mr. Chic's failure to answer questions directly posed of him by the regulator is slightly aggravating, as opposed to mitigating.
79. Regarding Mr. Chic's finances, I find that the evidence before me indicates that he is not presently able to pay a \$5,000 penalty with the funds in his accounts as of a few months ago. He also has significant spousal support obligations. That said, his income has, historically, been relatively significant. The court order in the materials before me indicates he had imputed income of over \$140,000, though I note the version before me is not filed and it is not clear on what basis that amount was imputed to him. Regardless, I find that Mr. Chic will be able to pay the penalty if given enough time.

80. In my view, there is some need for Mr. Chic to be specifically deterred. He indicates in his submissions that the issues in this case relate to communication and documentation, but he has not indicated what steps he has taken to correct these issues in his practice. In my view, an administrative penalty will ensure Mr. Chic learns the lessons and takes the necessary steps to be clear with other licensees or parties to a real estate transaction regarding unusual terms he proposes to place in contracts. I note also that, despite being the subject of a regulatory proceeding regarding the Bonus, Mr. Chic has still not provided a cogent explanation of why he inserted the Bonus Addendum into the negotiations in the first place. All he has said is that it was intended as compensation and he has provided no explanation for why he was seeking to nearly double his compensation from this transaction.
81. Regarding general deterrence, I find that there is some need for general deterrence in this case to demonstrate the importance of properly documenting and explaining the purpose of unusual terms in contracts. Receiving parties and licensees have a responsibility to identify the terms of the offers they receive, but licensees making offers have an obligation to ensure the terms they propose are clear and their purposes, where not apparent on their face, are clearly explained.
82. I further find that public confidence in the industry would be supported by an administrative penalty. In my view, the public needs to know that the licensees they deal with will properly document and communicate the purpose and nature of terms placed in offers, particularly where there are thousands of dollars at stake.
83. Again, in assessing the amount of the penalty, I am not to consider the matter afresh. I am only able to consider whether the penalty sought falls within the reasonable range of penalties that the superintendent could have imposed here. Those penalties include the prescribed monetary penalties, remedial education, licence conditions, or any combination of those. Considering all of the above, I find that Mr. Chic's contravention of a relatively significant regulatory obligation and his failure to positively cooperate with the investigation are sufficient to warrant the administrative penalty issued. In my view, remedial education would have fallen within the scope of appropriate orders and the \$5,000 is at the upper end of the scale of appropriate sanctions.
84. I find that the \$5,000 penalty is appropriate.

Conclusion

85. I find that Mr. Chic failed to act with reasonable care and skill when he failed to adequately explain the nature of the Bonus to [Licensee 2] and [Licensee 1] and his inadequate explanations resulted in their misunderstanding the purpose of the Bonus and the Bonus Addendum. I find that BCFSA has not proven Mr. Chic failed to act with reasonable care and skill in failing to correct or rectify the Bonus Addendum or in failing to document the Buyer's instructions.
86. I find that the \$5,000 administrative penalty imposed by NOAP 2 is appropriate.
87. I confirm NOAP 2.
88. The \$5,000 administrative penalty is now due and payable to BCFSA.

DATED at North Vancouver, BRITISH COLUMBIA, this 14th day of September, 2026.

"Original signed by Gareth Reeves"

Gareth Reeves
Hearing Officer