



# Report from Council

December 2006 Volume 42, No. 3

## Disclosure of Material Latent Defects

**A**t common law, a seller, and correspondingly, a seller's agent must disclose all known material latent defects. A latent defect is one that is not visible upon ordinary inspection but which materially affects the property's use or value. On the other hand, a patent defect is one that is readily visible and/or obvious upon ordinary inspection. A patent defect may also materially affect the property's use or value.

Section 5-13 of the Council Rules requires disclosure of known material latent defects and that section defines a material latent defect as follows: "material latent defect means a latent defect that cannot be discerned through a reasonable inspection of the property, including any of the following:

- (a) a defect that renders the real estate
  - (i) dangerous or potentially dangerous to the occupants,
  - (ii) unfit for habitation, or
  - (iii) unfit for the purpose for which a party is acquiring it, if
    - (A) the party has made this purpose known to the licensee, or

- (B) the licensee has otherwise become aware of this purpose;
- (b) a defect that would involve great expense to remedy;
- (c) a circumstance that affects the real estate in respect of which a local government or other local authority has given a notice to the client or the licensee, indicating that the circumstance must or should be remedied;
- (d) a lack of appropriate municipal building and other permits respecting the real estate."

Further, section 5-8 of the Council Rules requires that disclosure to be in writing and separate from any agreement under which real estate services are provided and separate from any agreement giving effect to a trade in real estate.

As a result of recent amendments to the Council Rules, a licensee is not required to disclose a known material latent defect to a buyer **if** the seller has already disclosed all known material latent defects, in writing, to the buyer. For example, disclosing the material latent defect on the Property Disclosure Statement (PDS) may now

satisfy the requirements of the Council Rules. **Timing of the disclosure is critical. Written disclosure of all known material latent defects must be provided to the buyer before there is an accepted offer. This applies whether the PDS, or some other document is to be used to disclose these defects.**

A licensee acting for the seller must ensure that the written disclosure of the material latent defect was provided to the buyer prior to the acceptance of the offer by the seller. Licensees should include the following wording

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**STATISTICS**

(DECEMBER 2006)  
REPRESENTATIVES: 15,005  
ASSOCIATE BROKERS: 1,919  
MANAGING BROKERS: 1,372  
BROKERAGES: 1,408

**Role of the Council**

The Real Estate Council is a regulatory agency established by the provincial government. Its mandate is to protect the public interest by enforcing the licensing and licensee conduct requirements of the *Real Estate Services Act*. The Council is responsible for licensing individuals and brokerages engaged in real estate sales, rental and strata property management. The Council also enforces entry qualifications, investigates complaints against licensees and imposes disciplinary sanctions under the Act.

**Report from Council**

The *Report from Council* newsletter is published six times per year. Past issues can be found at [www.recbc.ca](http://www.recbc.ca).

For further information, contact:  
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# A Note From The Chair

Licensees will note that the first article in this Report highlights an important change that the Council has made with respect to disclosure of material latent defects. This change, along with a number of other recent Rule changes (see August 2006 *Report from Council*), more closely matches current industry practice while still maintaining a high level of consumer protection.

As licensees are aware, the Council's Relicensing Education Program (REP) is set to begin next year. A new Council Rule (see page 3) has now been approved and enables the Council to

proceed with the program. The introduction of REP marks a significant milestone for the real estate industry in British Columbia and the Council is confident that REP will help facilitate a new era in professionalism and competence.

This Report contains an important reminder urging licensees and managing brokers to ensure that they are properly licensed at all times. This not only includes the requirement to maintain a current licence, but also to ensure that you are properly licensed for the type of service you are rendering to consumers. You must be licensed for



**Philip Jones**

either trading services (sales), rental property or strata management services in order to provide any or all of those services to consumers.

Finally, on behalf of the Council, I would like to take this opportunity to wish you and your family a happy holiday and best wishes for the New Year.

*On behalf of the Council,  
Philip Jones, Chair*

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## Disclosure of Material Latent Defects ...Continued from Cover

in the Contract of Purchase and Sale whenever a material latent defect is disclosed.

**“ T h e b u y e r acknowledges having received separate written disclosure of a material latent defect relating to (general reference to**

**issue).”**

Licensees must keep in mind that trading services includes offering real estate for rent or lease. As a result, written disclosure of a material latent defect is required regardless of whether the real estate is offered for sale or for rent or lease.

Section 5-13 of the Council Rules also provides that if the client instructs the licensee to not disclose the material latent defect, the licensee must refuse to provide further trading services to the client in respect of the trade in real estate.

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## Council Office Closures

The Council office will be closed on the following dates:

December 15, 2006: Closing at noon  
December 25, 2006 for Christmas Day  
December 26, 2006 for Boxing Day  
January 1, 2007 for New Year's Day

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# Property Inspections

There has been a substantial amount of media attention recently concerning property inspection services, and the relationship between real estate licensees and property inspectors.

Licensees are reminded that providing a property inspection is not a regulated activity, meaning that, while there are a number of business associations of which property inspectors may be members, there are currently no mandatory requirements to be met before an individual may

offer these services to the public.

While it is appropriate that licensees advise their clients to seek independent professional advice with respect to any issues that are outside of that licensee's expertise, licensees must be careful not to 'steer' their clients either towards, or away from, specific individuals. If a licensee intends to assist clients in obtaining a property inspection, the safest approach is to provide a list of professionals whom the licensee has confidence in to provide a qualified, unbiased opinion of the condition of

the property. The client then should call, interview, and select the inspector they believe is best suited to their needs.

This is consistent with the Council's long standing advice to licensees regarding directing business to other professionals. Licensees should review page 49 of the Licensee Practice Manual 6<sup>th</sup> Edition regarding this advice, as well as pages 159-161 for more detailed information regarding property inspections and inspectors.

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## REP Rule Approved

As licensees are aware, the Real Estate Council recently approved a continuing education program that will require licensees to complete education for licence renewal. The Relicensing Education Program (REP) requires licensees to complete two courses every licensing cycle as a condition of continued licensing. The first cycle begins on January 1, 2007. This means that licensees must complete two REP courses in the 2007-2009 licensing cycle in order to renew their licence in 2009-2010.

The Council, at its meeting on November 25, 2006, approved the following Rule change that enables the REP program to take effect:

### **"2-8.1 Educational requirements for licence renewal**

(1) This section applies to a licence renewal that takes effect on or

after January 1, 2009.

- (2) In order to have a licence renewed, an applicant for licence renewal must
- (a) have completed the applicable continuing education courses respecting the real estate services and the level of licence in relation to which the application is made, and
  - (b) have passed the examinations corresponding to those courses prior to the date the licence is renewed."

As noted above, the purpose of this rule is to establish the requirement for all licensees to complete continuing education requirements, which will be established from time to time by the Council, as a condition of renewing their licence. This rule creates flexibility for the Council to change

these requirements to reflect emerging needs, and thus assist licensees to maintain current knowledge. Further, the rule allows the Council to establish different continuing education requirements for licensees depending on the type of real estate services they are licensed to provide (i.e. trading services, rental property management services, and strata management services), and/or their level of licence (i.e. managing broker, associate broker, or representative). It should be noted that subsection (2) (b) would only apply where the completion of a course includes the requirement to pass an examination. Some courses which have been approved for REP have such a requirement.

Further information about the REP program has been posted on the Council's website at [www.recbc.ca/licensee\\_info/rep.htm](http://www.recbc.ca/licensee_info/rep.htm).

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# Relationships Between Brokerages Operating From the Same Location

Separate brokerages may choose to operate from the same location for a variety of reasons, including convenience. For example, ABC Realty may have a licensee who wishes to form their own brokerage but continue to provide real estate services from the ABC Realty location. This could result in separately licensed brokerages, e.g. ABC Realty and ABC Sally Smith Realty, operating from one location.

It is very important that licensees in these circumstances understand that these are separately licensed brokerages. These brokerages are independently accountable to comply with all aspects of the *Real Estate Services Act* (RESA) related to the operation of brokerages, e.g. separate trust accounts and books and records, annual reporting, etc.

RESA requires that an individual licensee only provides real estate services in the name of and on behalf of the brokerage with which that licensee is engaged. This means that a licensee engaged by ABC Realty must only provide real estate services on behalf of ABC Realty. That licensee must not provide services on behalf of ABC Sally Smith Realty; nor should any licensee engaged by ABC Sally Smith Realty provide real estate services on behalf of ABC Realty.

What happens when Sally Smith of ABC Sally Smith Realty enters into a service agreement (a listing contract) to market a seller's home? That listing is taken in the name of ABC Sally Smith Realty, which becomes the

agent of the seller. Neither ABC Realty nor any licensee engaged by ABC Realty has an agency relationship with that seller. So if a licensee engaged by ABC Realty finds a buyer interested in this listing, ABC Realty typically acts as agent for the buyer, and ABC Sally Smith Realty acts as agent for the seller. This is not dual agency – there are two separate brokerages involved in this trade in real estate and both the seller and the buyer have independent representation.

This is based on a number of assumptions, including:

- the licensees engaged by these two brokerages understand these are distinct brokerages and do not act as though they are engaged by the same brokerage;
- there is no sharing of personal or confidential information between licensees engaged by these separate brokerages regarding their respective clients (e.g. at joint sales meetings); and
- there is an effective separation of the files and activities of the two brokerages.

While these assumptions would reflect common practice when brokerages operate from different locations, they are practices that are not always easy to maintain when two or more brokerages operate from the same location. Often these brokerages share resources such as receptionists, sales administrators, fax machines, training, sales meetings, and accounting services, which can further blur the separation.

If, when Sally Smith takes this listing, it is the intention or indeed the practice that licensees from ABC Sally Smith Realty and ABC Realty are going to share information as they would if they were all engaged by one brokerage, then this should be reflected in the listing agreement. That is, this listing should be a co-listing with ABC Sally Smith Realty and ABC Realty both acting as agents for the seller. It would then follow that if a buyer who is represented by a licensee engaged by either of these brokerages wishes to make an offer on this co-listing, a dual agency situation exists that must be disclosed and consented to by both the seller and the buyer.

It is acceptable for brokerages operating from the same location to establish either of these two approaches so long as the clients of the brokerages are in agreement, and the brokerages and their related licensees act consistently with whichever approach is taken.

Brokerages that share office space should review their practices to determine which approach would best suit their collective needs, and the needs of their clients. Once that decision is made, care must be taken to ensure that service agreements, related agency disclosures, and licensee/administrative practices accurately reflect the chosen approach.

Licensees with questions may contact the Council at 604-683-9664, toll-free 1-877-683-9664 or email [info@recbc.ca](mailto:info@recbc.ca).

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# Duties of Disclosure Under Court Ordered Sales

Licenses should be aware that the Schedule “A”, which typically forms part of Contracts of Purchase and Sale for court ordered sales, often contains a clause that may read as follows:

*“The purchasers expressly agree that neither the seller nor its agents or representatives have any liability, responsibility, duty or obligation to disclose to the purchasers any information or knowledge that they have with respect to the condition of the lands and premises or any latent or patent defects thereto.”*

The wording of this clause may change, depending on who has drafted the Schedule “A”, however, the intent of the clause remains the same; to relieve the seller and the seller’s agents and representatives from any liability or responsibility for disclosure to the purchaser, about defects that may exist in the property.

Licenses are reminded that, despite any clause such as the example above, contained on a Schedule “A”

or otherwise included in a Contract of Purchase and Sale, licenses are not able to contract out of their obligation of written disclosure of latent defects, as required under section 5-13 of the Council Rules. Section 5-13(2) of the Council Rules sets out a licensee’s positive obligation, when providing trading services to a client who is disposing of real estate to “...disclose to all other parties to the trade, promptly but in any case before any agreement for the acquisition or disposition of the real estate is entered into, any material latent defect in the real estate that is known to the licensee.” Section 5-8 of the Council Rules requires that the disclosure be made in writing, prior to the acceptance of an offer.

**Further, section 5-13(3) of the Council Rules requires that, in the event that a client instructs a licensee to withhold disclosure, the licensee must refuse to provide further trading services to or on**

**behalf of the client, relating to the trade.**

It is important that licenses explain to all of their seller clients the licensee’s obligation to disclose known material latent defects, to a buyer, prior to any agreement being entered into. This explanation to sellers is particularly crucial in court ordered sales where a seller may be relying on a clause, like that set out in our example, to relieve the licensee of their obligation of disclosure. Licenses must ensure that their sellers are advised and fully understand that licenses cannot contract out of their obligations of disclosure under section 5-13 of the Council Rules and if they are instructed by a seller not to disclose, they must withdraw and cease acting for that seller.

Licenses with questions may contact the Council at 604-683-9664, toll-free 1-877-683-9664 or email at [info@recbc.ca](mailto:info@recbc.ca).

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## Strata Management Service Agreements Must be in Compliance with the *Real Estate Services Act* by July 1, 2007

The Real Estate Council has extended the date by which strata management brokerages must bring strata management service agreements into compliance with the *Real Estate Services Act*. Section 10-4(3) of the Council Rules was amended this fall and extends the deadline for compliance to July 1, 2007 instead of January 1, 2007. While many strata managers may have already brought their service agreements into compliance, there are a number who have not yet made the necessary changes.

Strata managers must ensure that

their service agreements with strata corporations reflect the requirements set out in section 5-1 of the Council Rules. Section 5-1 contains a number of important elements including the duration of the agreement, a general description of services to be provided by the brokerage, the remuneration to be paid under the agreement and the circumstances in which it will be payable and provision respecting the use and disclosure of personal information. In addition, subsection 5.1 of the Council Rules also requires agreements to include a number of provisions that specifically relate to

strata management including the scope and authority of the brokerage to sign cheques or make disbursements on behalf of a strata corporation, enter into contracts on behalf of a strata corporation or invest money held by the brokerage on behalf of the strata corporation.

A copy of the Council Rules can be found on the Council’s website at [www.recbc.ca](http://www.recbc.ca). Strata management brokerages with questions about strata management service contracts may be directed to the Council by email at [info@recbc.ca](mailto:info@recbc.ca).

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# Proper Licensing: A Shared Responsibility

Individual licensees and managing brokers have a shared responsibility to ensure that they are properly licensed at all times.

Individuals must ensure that their licence is kept current and renewed when required. Any lapses in licensing can have serious consequences, including having to re-write the licensing examination. In addition, licensees must ensure that they are properly licensed for the type of service they are rendering to

consumers. There are three categories of real estate services in British Columbia: trading services (sales), rental property management services and strata management services. In order to render service in any or all of these categories, you must be licensed to do so.

Managing brokers also share in the responsibility for ensuring proper licensing of individuals related to the brokerage. Managing brokers must have controls in place to ensure that

any licensees who transfer into the brokerage file the necessary transfer forms and fees with the Council office. In addition, managing brokers must ensure that individuals do not provide real estate services until the Council issues a licence to do so.

Licensees with questions about their licence category or expiry date may check the licence certificate at their brokerage or view the Licensee Search page on the Council's website at [www.recbc.ca](http://www.recbc.ca).

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## Message From the Superintendent of Real Estate

Recently the Superintendent's office has received a number of complaints from licensees regarding "referral" businesses believed to be operating in contravention of the licensing requirements of the *Real Estate Services Act* ("Act"). Some of these complaints assert that unlicensed businesses:

- actively seek out names of prospective real estate vendors or purchasers;
- provide or refer those names to licensees, for or in expectation of a fee; and
- that by engaging in this referral activity, the business is providing real estate services contrary to the licensing requirement on the Act.

The Superintendent cannot take enforcement action on a complaint unless the activity of the referring business:

- falls within the definition of real estate services;
- is done for or in expectation of remuneration; and
- is not exempted by Regulation.

In assessing whether a business is engaged in real estate services, the definitions of "trading services" and "trade in real estate" are considered. After review, it was unclear whether a business that simply finds and refers prospective client names to a licensee (who provides trading services) would be engaged in providing real estate services.

The Superintendent recently sought legal clarification on this issue. Based on this advice:

- it has been concluded that a licence is not required under the Act for businesses that make referrals to licensees, unless the

activity of the business goes beyond simple name referrals to licensees and involves the provision of real estate services;

- the Superintendent has brought this matter to the attention of the Financial and Corporate Sector Policy Branch, as Regulation 2.11 (exemption for persons providing referral services) does not appear to be consistent with the Act.

The Superintendent's office will investigate where there are clear indications that an unlicensed business has gone beyond providing simple client name referrals and has engaged in real estate services in contravention of the Act. Complaints received from licensees regarding concerns about vague or unclear advertisements, or regarding businesses with no connection to BC, will not likely receive attention.

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# Disciplinary Decisions

Since the October 2006 *Report from Council* newsletter, the following actions have been taken as a result of disciplinary hearings and Consent Orders conducted by the Council.

**COMPLAINT** Contravention of section 39 of the *Real Estate Act* and section 9.12 of Regulation 75/61 of Regulation 75/61 under the *Real Estate Act*/Negligence

**ISSUE** Dale Richard Shortt, representative, Nanaimo Realty Co. Ltd. dba Royal LePage Nanaimo Realty, Nanaimo, was negligent within the meaning of section 9.12 of Regulation 75/61 under the *Real Estate Act* in that he:

- a. failed to date the Contract of Purchase and Sale Subject Removal Addendum September 8, 2004 which was the actual date it was signed by the buyer;
- b. failed to draft an addendum to the Contract of Purchase and Sale for the signatures of both the buyer and seller, setting out their acknowledgement and agreement that the buyer had removed in writing all of the subject conditions on September 8, 2004, rather than on September 7, 2004, which was the actual date on the Subject Removal Addendum, and that the transaction could proceed;
- c. failed to ensure that the buyer had accepted and initialed the change in the closing date made by the seller in the contract in a timely manner;
- d. failed to ensure that section 39 of the *Real Estate Act* was complied with in connection with statements to be delivered to the buyer by the seller in respect of the acquisition of a business; and
- e. had the buyer remove the subject to assuming the mortgage clause in the contract before the buyer was able to obtain and/or verify all of the mortgage assumption details.

**RESULT** Dale Richard Shortt's licence was suspended for twenty-one (21) days from December 6, 2006 to December 26, 2006 (inclusive) for negligence as described above. In addition, as a condition of continued licensing, he is required to successfully complete the disciplinary education assignments applicable to Chapter 10 (The Law of Contract) and Chapter 12 (The Law of Agency) of the Real Estate Trading Services Licensing Course, to enroll in and attend the first available Commercial Trading Services Applied Practice Course and to pay enforcement expenses to the Council in the amount of \$2,978.30.

**COMPLAINT** Contravention of section 9.12 of Regulation 75/61 under the *Real Estate Act*/Negligence

**ISSUE** Brittany Phuong-Nam Vu, representative, Coronation Park Holdings Ltd. dba Royal LePage Coronation Park, Surrey, was negligent within the meaning of section 9.12 of Regulation 75/61 under the *Real Estate Act* in that she falsely represented that a property had "great potential" and a "potential to subdivide", when the facts did not support such statements, and without adequately investigating the facts.

**RESULT** Brittany Phuong-Nam Vu was reprimanded for negligence as described above after an Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver was entered into between the Real Estate Council and Brittany Phuong-Nam Vu, and a Consent Order was issued. In addition, as a condition of continued licensing, Ms. Vu is required to successfully complete the disciplinary education assignments applicable to Chapter 2 (*Real Estate Services Act*) and Chapter 9 (Professional Ethics) of the Real Estate Trading Services Licensing Course, to enroll in and attend the next

available "Professionalism it Pays! Be Safe or Be Sued" and enroll in and attend the next available "Electronic Title Searching" course and to pay enforcement expenses to the Council in the amount of \$750.00.

**COMPLAINT** Contravention of section 35(1)(a) and (d) of the *Real Estate Services Act*/Professional misconduct – incompetence

**ISSUE** Chettie Lee MacDonald, representative, Coast Country Properties Ltd. dba Royal LePage in the Comox Valley, Courtenay, was incompetent within the meaning of section 35(1)(d) of the *Real Estate Services Act* and therefore committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* in that she represented or led the buyers to believe that the seller was responsible to pay GST with respect to the said property which she knew or ought to have known was untrue or misleading.

**RESULT** Chettie Lee MacDonald was reprimanded for incompetence as described above after an Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver was entered into between the Real Estate Council and Chettie Lee MacDonald, and a Consent Order was issued. In addition, as a condition of continued licensing, she is required to enroll in and attend the first available "Professionalism it Pays! Be Safe or Be Sued" or "Legal Update" course and to pay enforcement expenses to the Council in the amount of \$500.00.

**COMPLAINT** Contravention of section 9.12 of Regulation 75/61 under the *Real Estate Act*/Negligence

**ISSUE** Randy Philip Evans, representative, Homelife Benchmark Realty Corp., Langley, was negligent

within the meaning of section 9.12 of Regulation 75/61 under the *Real Estate Act* in that he prepared certain addenda to Contracts of Purchase and Sale which amended the contracts so that they failed to disclose the true purchase price of the property which the licensee ought to have known could affect a financial institutions consideration of any subsequent application by the buyer for mortgage financing.

Michael Kim Dreyer, managing broker, Homelife Benchmark Realty Corp., Langley, was negligent within the meaning of section 9.12 of Regulation 75/61 under the *Real Estate Act* in that he was not in active charge of the transaction in question as he had no office policy warning licensees against the use of separate addenda or other means to conceal the true price to be paid by the buyers which are not disclosed to the lender in order for the buyer to obtain financing. Further he took no active steps to bring this to Mr. Evans' attention given the admission by Mr. Evans that he had used separate addenda on previous transactions.

**RESULT** Mr. Evans was reprimanded for negligence as described above and as a condition of continued licensing, he is required to successfully complete the first available CPE courses "How to Write Enforceable Contracts", "Agency", "Professionalism it Pays! Be Safe or Be Sued" and "Legal Update" and to pay enforcement expenses to the Council in the amount of \$3,000.00. Mr. Dreyer was reprimanded for negligence as described above and as a condition of continued licensing, he is required to enroll in and attend the first available CPE Agency course and to pay enforcement expenses to the Council in the amount of \$1,000.00.

**COMPLAINT** Contravention of section 35(1)(a) of the *Real Estate Services Act*, sections 3-1-(3)(b) and 7-7(1) of the Council Rules under the *Real Estate Services Act*/Professional misconduct

**ISSUE** Action Realty (1991) Inc. dba Re/Max Action Realty, Fort St. John, committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* by contravening section 7-7(1)(b) of the Council Rules in that it failed to file an Accountant's Report with the Real Estate Council by the prescribed date.

**ISSUE** Raymond Charles Petersen, managing broker, Action Realty (1991) Inc. dba Re/Max Action Realty, Fort St. James, committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* by contravening section 3-1(3)(b) of the Council Rules in that he failed to ensure that an Accountant's Report was filed with the Council by the prescribed date.

**RESULT** Action Realty (1991) Inc. dba Re/Max Action Realty was reprimanded for the contravention described above. Raymond Charles Petersen and Re/Max Action Realty are jointly and severally liable to pay enforcement expenses to the Council in the amount of \$500.00.

**RESULT** Raymond Charles Petersen, managing broker for Re/Max Action Realty, was reprimanded for professional misconduct as described above. In addition, as a condition of continued licensing, Re/Max Action Realty and Raymond Charles Petersen are jointly and severally liable to pay enforcement expenses to the Council in the amount of \$500.00.

**COMPLAINT** Contravention of section 35(1)(a) of the *Real Estate Services Act*, sections 3-1-(3)(b) and 7-7(1)(b) of the Council Rules under the *Real Estate Services Act*/Professional misconduct

**ISSUE** Capital Pacific Realty Ltd., Vancouver, committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* by contravening section 7-7(1)(b) of the Council Rules in that it failed to file an Accountant's Report with the Real Estate Council by the prescribed date.

**ISSUE** Mary Sau-Ling Lau, managing broker, Capital Pacific Realty Ltd., Vancouver, committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* by contravening section 3-1(3)(b) of the Council Rules in that she failed to ensure that an Accountant's Report was filed with the Council by the prescribed date.

**RESULT** Capital Pacific Realty Ltd. was reprimanded and ordered to pay a fine in the amount of \$1,000 to the Council for the contravention described above. In addition, as a condition of continued licensing, Mary Sau-Ling Lau and Capital Pacific Realty Ltd. are jointly and severally liable to pay enforcement expenses to the Council in the amount of \$500.00.

**RESULT** Mary Sau-Ling Lau, managing broker for Capital Pacific Realty Ltd., was reprimanded for professional misconduct as described above. In addition, as a condition of continued licensing, Capital Pacific Realty Ltd. and Mary Sau-Ling Lau are jointly and severally liable to pay enforcement expenses to the Council in the amount of \$500.00.