

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

AND

IN THE MATTER OF

VINCENT EDWARD EIDSNESS
(077222)

AND

ECO-WORLD PROPERTY MANAGEMENT CORP.
(X029071)

CONSENT ORDER

RESPONDENTS: Vincent Edward Eidsness, Managing Broker,
Eco-World Property Management Corp., while
licensed with Realty Executives Eco-World

Eco-World Property Management Corp.

DATE OF REVIEW MEETING: September 18, 2019

DATE OF CONSENT ORDER: September 18, 2019

CONSENT ORDER REVIEW COMMITTEE: E. Duvall, Chair
M. Chan
M. Walker

ALSO PRESENT: E. Seeley, Chief Executive Officer
D. Avren, Vice President, Legal Services and
Compliance
K. Mactaggart Wright, Legal Counsel for
the Real Estate Council of BC

PROCEEDINGS:

On September 18, 2019, the Consent Order Review Committee (“CORC”) resolved to accept the Consent Order Proposal (the “Proposal”) submitted by Vincent Edward Eidsness on his own behalf and on behalf of Eco-World Property Management Corp.

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by Vincent Edward Eidsness and Eco-World Property Management Corp.

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that Vincent Edward Eidsness and Eco-World Property Management Corp. committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* (“RESA”), pursuant to section 43 of the RESA the CORC orders that:

1. Vincent Edward Eidsness and Eco-World Property Management Corp. each pay a discipline penalty to the Council in the amount of \$7,500 within three (3) months from the date of this Order;
2. Vincent Edward Eidsness, at his own expense, register for and successfully complete the Broker’s Remedial Education Course, as provided by the Sauder School of Business at the University of British Columbia in the time period as directed by the Council;
3. Eco-World Property Management Corp., at its own expense, arrange for an audit of Eco-World Property Management Corp. that includes but is not limited to payments to unlicensed persons, to be conducted by staff of the Council no later than August 2020; and
4. Vincent Edward Eidsness and Eco-World Property Management Corp. each pay enforcement expenses to the Council in the amount \$1,500 within two (2) months from the date of this Order.

If Vincent Edward Eidsness and/or Eco-World Property Management Corp. fails to comply with any term of this Order, the Council may suspend or cancel their licences without further notice to them, pursuant to sections 43(3) and 43(4) of the RESA.

Dated this 18th day of September, 2019, at the City of Vancouver, British Columbia.

ON BEHALF OF THE CONSENT ORDER REVIEW COMMITTEE

“Elain Duvall”

Elain Duvall, Chair
Consent Order Review Committee

Attch.

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

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IN THE MATTER OF

**VINCENT EDWARD EIDSNESS
(077222)**

AND

**ECO-WORLD PROPERTY MANAGEMENT CORP.
(X029071)**

**CONSENT ORDER PROPOSAL BY VINCENT EDWARD EIDSNESS AND
ECO-WORLD PROPERTY MANAGEMENT CORP.**

BACKGROUND AND FACTS

This Consent Order Proposal (the "Proposal") is made by Vincent Edward Eidsness ("Mr. Eidsness") and Eco-World Property Management Corp. (the "Brokerage") to the Consent Order Review Committee ("CORC") of the Real Estate Council of British Columbia (the "Council") pursuant to section 41 of the *Real Estate Services Act* ("RESA").

For the purposes of the Proposal, Mr. Eidsness, the Brokerage and the Council have agreed upon the following facts:

1. Mr. Eidsness (077222) was licensed as a representative for trading services and for rental property management services in 1988. In 1996, Mr. Eidsness became licensed as an Associate Broker in those same categories. In 2001, Mr. Eidsness became licensed as a Managing Broker in those same categories.
2. Mr. Eidsness' licensing alternated between Associate Broker and Managing Broker until 2008, when he became licensed as a Managing Broker with the Brokerage, then known as Eco-World Real Estate Corporation, for both trading services and rental property management, until the present.
3. The Brokerage held various names, all under the licence number X029071, from 2008 including Eco-World Real Estate Corporation, Realty World Eco-World, Realty Executives Eco-World, and is presently known as Eco-World Property Management Corp.
4. At all relevant times to this Proposal, Mr. Eidsness was licensed as a Managing Broker with the Brokerage, then known as Realty Executives Eco-World.

5. Mr. Eidsness is dually licensed from 2018 as the Managing Broker for an affiliated brokerage at the same physical address as the Brokerage.
6. In October 2016, the Council received a tip from a licensee at another brokerage, that a person may be providing unlicensed rental property management services through the Brokerage (the “Unlicensed Person”).
7. The Unlicensed Person appeared on the Brokerage’s website, under “Property Management”, with the slogan “Property Management Professional You Can Trust”, implying to a reasonable website reader that he was employed by and/or licensed through the Brokerage. The Unlicensed Person was neither licensed nor employed by the Brokerage.
8. In July 2017, the Council audited the Brokerage, and the Council staff later followed up the audit with an investigation. The Council staff discovered that from about May 2015 to July 2017, the Unlicensed Person:
 - a. provided support services to the Brokerage that included taking phone calls about, and showing, rental properties;
 - b. advertised about 11 properties in British Columbia for rent on the internet;
 - c. signed, between October 2016 and April 2017, collectively about five Move-In Condition or Mid-Rental Inspection Reports, and Form K forms (Notice of Tenant’s Responsibilities under the *Strata Property Act*);
 - d. referred about 58 new clients for the Brokerage’s rental property management business from his own personal contacts, without solicitation according to Mr. Eidsness, and received a fee for doing so; and
 - e. was paid remuneration by the Brokerage in the amount of about \$134,000, payable to the Unlicensed Person’s corporation, for services by the Unlicensed Person between July 2016 and July 2017, including referral fees for about 54 referrals of rental property owners.
9. In addition, one licensee of the Brokerage, then licensed only to provide trading services, had, based on that licensee’s admissions, answered enquiries from rental property owners and signed occasional Move-In and Move-Out Inspection Reports. These activities required licensing in the category of rental property management services.
10. The activities at paragraph 8(a)-(c) require licensing in the category of rental property management services, absent an exemption from the licensing requirement.
11. The Unlicensed Person had no written contract with the Brokerage and was not an employee of the Brokerage. Accordingly, the exemption in section 2.14 of the *Real Estate Services Regulation* for caretakers employed by brokerages was not available.
12. The volume of “unsolicited” referrals by the Unlicensed Person set out in paragraph 8(d) should attract scrutiny from Mr. Eidsness as the managing broker.

13. Likewise, the payments at 8(e) provided another red flag that ought to have alerted Mr. Eidsness that referrals were a central part of the Unlicensed Person's business and required the Unlicensed Person to be registered under the RESA.
14. Mr. Eidsness advises that the Unlicensed Person's contacts were informed about the referral fee that the Unlicensed Person would receive if they became clients of the Brokerage. However, any such disclosure was not made in writing or retained in the Brokerage's records. Moreover, the Brokerage failed to retain records of the referral fees related to rental property management services in a form approved by the Council.
15. Mr. Eidsness cooperated fully with the Council's audit and investigation, and he let the Unlicensed Person go in July 2017.
16. Neither Mr. Eidsness nor the Brokerage has a prior discipline history with the Council.
17. A Notice of Discipline Hearing was issued on July 2, 2019 and served on Mr. Eidsness.
18. A Notice of Discipline Hearing was issued on July 2, 2019 and served on the Brokerage.

PROPOSED FINDINGS OF MISCONDUCT

For the sole purposes of the Proposal and based on the facts outlined herein, Mr. Eidsness and the Brokerage propose the following findings of misconduct be made by the CORC:

1. Mr. Eidsness committed professional misconduct within the meaning of section 35(1)(a) of the RESA in that between about May 2015 and July 2017 and while the managing broker of the Brokerage, he:
 - a. permitted the Unlicensed Person to provide rental property management services on behalf of the Brokerage, although that person was not employed by the Brokerage and these services required licensing under the RESA, contrary to sections 3(1) of the RESA and to section 3-1(1) of the rules made under the RESA (the "Rules");
 - b. permitted a licensee of the Brokerage to provide rental property management services when they were not licensed in the appropriate category to provide those services, contrary to sections 3(1) and 5(5) of the RESA and to section 3-1(1) of the Rules;
 - c. failed to ensure that the Unlicensed Person was not paid by the Brokerage, or to maintain satisfactory records respecting referral fees paid by the Brokerage, contrary to sections 3-1(3), 3-4, 6-1(1), and 8-5.2 of the Rules; and
 - d. failed to ensure that the business of the Brokerage was carried out competently and in accordance with the RESA, regulations, rules and bylaws, contrary to section 6(2) of the RESA, and to section 3-1 of the Rules.

2. The Brokerage committed professional misconduct within the meaning of section 35(1)(a) of the RESA in that between about May 2015 and July 2017, the Brokerage:
 - a. provided real estate services through an unlicensed person, contrary to section 7(5)(a) of the RESA;
 - b. paid remuneration to a person in relation to rental property management services performed for or on behalf of the Brokerage, where the person was required to be licensed in relation to those services but was not, contrary to section 6-1(1) of the Rules; and
 - c. failed to maintain books, accounts, and other records, that would have allowed the Brokerage to identify referral fees paid to an unlicensed person in relation to rental property management earlier and detected unlicensed activity, or to maintain a record of such referral fees in a form approved by the Council, contrary to section 25 of the RESA, and to sections 3-4 and 8-5.2 of the Rules.

PROPOSED ORDERS

Based on the facts herein and the Proposed Findings of Misconduct, Mr. Eidsness and the Brokerage propose that the Notice of Discipline Hearing in this matter be resolved through the following Orders being made by the CORC, pursuant to section 43 of the RESA:

1. Mr. Eidsness and the Brokerage each pay a discipline penalty to the Council in the amount of \$7,500 within three (3) months from the date of this Order.
2. Mr. Eidsness, at his own expense, register for and successfully complete the Managing Broker Remedial Education Course, as provided by Sauder School of Business at the University of British Columbia in the time period as directed by the Council.
3. The Brokerage, at its own expense, arrange for an audit of the Brokerage that includes but is not limited to payments to unlicensed persons, to be conducted by staff of the Council no later than August 2020.
4. Mr. Eidsness and the Brokerage each pay enforcement expenses to Council in the amount of \$1,500 within two (2) months from the date of this Order.
5. If Mr. Eidsness or the Brokerage fails to comply with any of the terms of this Order, a Discipline Committee may suspend or cancel Mr. Eidsness' or the Brokerage's licence without further notice to them.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

1. Mr. Eidsness and the Brokerage acknowledge and understand that the Council may refer or decline to refer the Proposal to the CORC. If the Proposal is referred to the CORC, it may be accepted or rejected by the CORC. If the Proposal is rejected by the CORC, the matter may be referred to a disciplinary hearing.
2. Mr. Eidsness and the Brokerage acknowledge that they have been urged and given the opportunity to seek and obtain independent legal advice with respect to the disciplinary

process, the allegations contained in the Notices of Discipline Hearing, and the execution and submission of the Proposal to the CORC; and, that they obtained independent legal advice or have chosen not to do so, and that they are making the Proposal with full knowledge of the contents and the consequences if the Proposal is accepted.

3. Mr. Eidsness and the Brokerage acknowledges and are aware that the Council will publish the Proposal and the Consent Order or summaries thereof in its Report from Council newsletter, on the Council's website, on CanLII, a website for legal research and in such other places and by such other means as the Council in its sole discretion deems appropriate.
4. Mr. Eidsness and the Brokerage acknowledge and are aware that the Superintendent of Real Estate has the right, pursuant to section 54 of the RESA, to appeal any decision of the Council, including any Consent Order made by the Council in relation to this matter.
5. Mr. Eidsness and the Brokerage hereby waive their right to appeal pursuant to section 54 of the RESA.
6. If the Proposal is accepted and/or relied upon by the Council, Mr. Eidsness and the Brokerage will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is intended to restrict Mr. Eidsness and the Brokerage from making full answer and defence to any civil or criminal proceeding(s).
7. The Proposal and its contents are made by Mr. Eidsness and by the Brokerage for the sole purpose of resolving the Notices of Discipline Hearing in this matter and do not constitute an admission of civil liability. Pursuant to section 41(5) of the RESA, the Proposal and its contents may not be used without the consent of Mr. Eidsness or of the Brokerage in any civil proceeding with respect to the matter.

"VINCENT EDWARD EIDSNESS"

VINCENT EDWARD EIDSNESS

Dated 6th day of September 2019

"VINCENT EDWARD EIDSNESS, Authorized Signatory for ECO-WORLD PROPERTY MANAGEMENT CORP."

VINCENT EDWARD EIDSNESS, Authorized Signatory for ECO-WORLD PROPERTY MANAGEMENT CORP.

Dated 6th day of September 2019