

**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**

**XIAO HONG (CATHY) LIU**  
**(164510)**

**AND**

**CATHY LIU PERSONAL REAL ESTATE CORPORATION**  
**(164510PC)**

**CONSENT ORDER**

RESPONDENT: Xiao Hong (Cathy) Liu, Representative,  
West Coast Realty Ltd. dba Sutton Group-West  
Coast Realty

Cathy Liu Personal Real Estate Corporation

DATE OF REVIEW MEETING: April 3, 2019

DATE OF CONSENT ORDER: April 3, 2019

CONSENT ORDER REVIEW COMMITTEE: E. Mignosa (Chair)  
E. Duvall  
R. Hanson  
N. Nicholson

ALSO PRESENT: E. Seeley, Executive Officer  
D. Avren, Director, Legal Services  
K. Mactaggart Wright, Legal Counsel for the  
Real Estate Council  
K. Murray, Legal Counsel for the Licensees

**PROCEEDINGS:**

On April 3, 2019, the Consent Order Review Committee (the "Committee") resolved to accept the Consent Order Proposal (the "Proposal") submitted by Xiao Hong (Cathy) Liu, on her own behalf and on behalf of Cathy Liu Personal Real Estate Corporation.

---

**WHEREAS** the Proposal, a copy of which is attached hereto, has been executed by Xiao Hong (Cathy) Liu, on her own behalf and on behalf of Cathy Liu Personal Real Estate Corporation.

**NOW THEREFORE**, the Committee having made the findings proposed in the attached Proposal, and in particular having found that Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act*, orders that:

1. Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation be jointly and severally liable to pay a discipline penalty to the Council in the amount of \$5,000 within ninety (90) days from the date of this Order;
2. Xiao Hong (Cathy) Liu, at her own expense, register for and successfully complete the Real Estate Trading Services 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; and
3. Xiao Hong (Cathy) Liu or Cathy Liu Personal Real Estate Corporation be jointly and severally liable to pay enforcement expenses to the Council in the amount of \$1,500 within sixty (60) days from the date of this Order.

If Xiao Hong (Cathy) Liu or Cathy Liu Personal Real Estate Corporation 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 *Real Estate Services Act*.

Dated this 3<sup>rd</sup> day of April, 2019, at the City of Vancouver, British Columbia.

ON BEHALF OF THE CONSENT ORDER REVIEW COMMITTEE

“Elana Mignosa”

---

Elana Mignosa  
Consent Order Review Committee

Attch.

**IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*  
S.B.C. 2004, c. 42 as amended**

**AND**

**IN THE MATTER OF**

**XIAO HONG (CATHY) LIU  
(164510)**

**AND**

**CATHY LIU PERSONAL REAL ESTATE CORPORATION  
(164510PC)**

**CONSENT ORDER PROPOSAL BY XIAO HONG (CATHY) LIU  
and CATHY LIU PERSONAL REAL ESTATE CORPORATION**

---

**BACKGROUND AND FACTS**

This Consent Order Proposal ("Proposal") is made by Xiao Hong (Cathy) Liu ("Ms. Liu") and Cathy Liu Personal Real Estate Corporation ("CL PREC") to the Consent Order Review Committee ("CORC") of the Real Estate Council of British Columbia ("Council") pursuant to section 41 of the *Real Estate Services Act* ("RESA").

For the purposes of the Proposal, Ms. Liu, on her own behalf and on behalf of CL PREC, and the Council have agreed upon the following facts:

1. Ms. Liu has been licensed as a Representative, Trading since 2012.
2. CL PREC became licensed on January 7, 2014.
3. Ms. Liu was at all relevant times licensed as a Representative with West Coast Realty Ltd.
4. In November, 2014, Ms. Liu was representing the seller of a property located at XXXX Mathers Avenue, West Vancouver, BC ("Property").
5. On November 20, 2014, the complainant, HFY, a prospective buyer for the Property, contacted Ms. Liu about the Property. HFY wanted Ms. Liu to prepare an offer for the Property. After discussion, Ms. Liu and HFY agreed to enter into a customer relationship.
6. On the same date, HFY told Ms. Liu he intended to build a new house on the property.

7. On November 28, 2014, HFY sent a WeChat message to Ms. Liu asking her to prepare a subject free offer which required the seller of the Property to guarantee there was no oil tank on the Property and that the title to the Property was free of any easements, and providing for the sale of the Property to complete on January 15, 2015.
8. HFY signed a Working with a Realtor (Designated Agency) brochure dated November 29, 2014 ("Brochure"), showing that HFY had a customer relationship with Ms. Liu. The effect of establishing such a relationship with HFY was to preclude Ms. Liu from offering agency services, including such matters as recommending or suggesting a price to HFY, and from negotiating on the customer's behalf.
9. On December 10, 2014, Ms. Liu sent HFY a WeChat message regarding his offer. Ms. Liu stated (original message apparently in English and submitted with the complaint):

*... [W]e received another offer on XXXX Mathers yesterday, it is still in negotiation ... . As you know I like to work with you, if we can work out I will put you on the first place, and I explained to my client to try to narrow down price gap. Now the only thing hold us moving forward, of course is the price ..., the seller won't accept it, hope you can come up a better price, so when can weight on two offers I can be on your side to help.*

10. Ms. Liu advises that the other offer had a number of subject clauses so the seller wanted to continue negotiations with HFY.

11. On December 14, 2014, Ms. Liu sent HFY additional WeChat messages:

- a) one message advised him that the seller would not accept his offer, that the seller had rejected a higher offer, and that she would let him know when the seller backed down; and
- b) another message stated (translated from Chinese and submitted with the complaint):

*Hi [HFY]! Now the gap between both sides is \$22,000. Can you accept if I suggest each of you to make a concession between, to \$X,XXX,XXX. I'll persuade the seller to accept if you agree.*

12. On December 18, 2014, Ms. Liu sent HFY additional WeChat messages:

- a) one message stated (translated from the Chinese and submitted with the complaint):

*Hi [HFY]. You just missed my call. I think you're a very intelligent and very mature buyer, very familiar with the West Vancouver real estate market. How can you miss XXXX Mathers just because of \$10K? It's even less that 0.05% of the price! In the beginning I told you the seller's bottom line is \$X.XX. You shouldn't expect the seller will accept [a slightly lower amount]. I've tried my best to negotiate with the seller to take another \$11K off and there's another \$2,000 discount if you can assume the mortgage. I hope that you consider the pros and cons. Do not miss it just because of*

*a minor factor. Please take my suggestion into consideration seriously and keep in touch with me.*

- b) another message advised HFY (translated from the Chinese and submitted with the complaint):

*Compared to those sold and the listings still on the market, this lot is big and has an ocean view. Even \$X.XXM is still a reasonable price. You can see the Lions Gate Bridge if you build a two stories new house. Don't you understand?*

- c) another message stated (translated from the Chinese and submitted with the complaint):

*You're still considering the \$10K! She's always asking \$X.XXM, now reduced \$11K to \$X.XXX. She asked a higher price to another buyer represented by a realtor. I worked very hard to reduce the price from \$X.XXM to \$X.XXM, now reduce it to \$X.XXX. I did my best to help you reach a deal.*

13. On December 18, 2014, HFY made an offer in writing for the Property. Ms. Liu prepared the offer. The offer was made without any subject clauses. The agency section of the offer showed Ms. Liu as the agent for the seller and did not indicate any agent for the buyer. The offer was subject free, provided for a guarantee there was not an oil tank on the Property, provided for a completion date of March 9, 2015, and confirmed that HFY would seek independent legal advice on the contract of purchase and sale.

14. The seller accepted HFY's offer.

15. On December 19, 2014, HFY sent a WeChat message to Ms. Liu. He asked Ms. Liu if there was an easement on the Property. On the same date, Ms. Liu replied (translated from the Chinese and submitted with the complaint):

*Title is very clean. No oil tank. Have certificate, very simple and straightforward.*

16. On February 17, 2015, HFY's lawyer provided HFY with a copy of the title to the Property and advised him that there was a restrictive covenant limiting the height of any structure on the Property to 21 feet.

17. Ms. Liu says she understood HFY's December 19, 2014 inquiry to be about easements. She admits she did not turn her mind to the restrictive covenant in her response.

18. On March 9, 2015, the date for completion, HFY chose not to complete and filed a caveat on the title to the Property. HFY has advised the Council there was a subsequent civil claim and that it was settled in due course.

19. Ms. Liu acknowledges that in advising HFY about the amount of his offer and other aspects of the transaction including the reasonableness of the seller's asking price, the opportunities associated with building a new house on the Property, and her negotiations with the seller to reduce the price to HFY, she provided services associated with a client

rather than a customer relationship despite what had been represented in the Brochure and that having done so, Ms. Liu was in a conflict of interest while advising HFY.

20. Ms. Liu also acknowledges that her statement to HFY on December 19, 2014, that the “Title is very clean” was inaccurate and that she had a duty to act with reasonable care and skill to ensure the statement was accurate.
21. At all material times, there was a tenant at the Property. Ms. Liu acknowledges that she failed to address the status of the tenant in any way in the offer which she prepared on December 18, 2014, and which was accepted by the seller.
22. A Notice of Discipline Hearing was issued on January 24, 2018, and served on Ms. Liu and CL PREC.
23. An Amended Notice of Discipline Hearing (adjournment) was issued on July 16, 2018, and served on Ms. Liu and CL PREC.
24. Ms. Liu does not have a prior discipline record with the Council.

#### **PROPOSED FINDINGS OF MISCONDUCT**

For the sole purposes of the Proposal and based on the facts outlined herein Ms. Liu, on her own behalf and on behalf of CL PREC, proposes the following findings of misconduct be made by the CORC:

1. Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation committed professional misconduct within the meaning of section 35(1)(a) of the RESA when, in connection with the intended purchase and sale of a property located at XXXX Mathers Avenue, West Vancouver, BC (“Property”) under a contract of purchase and sale dated December 18, 2014 (“Contract”), Ms. Liu failed:
  - a) to take reasonable steps to avoid a conflict of interest when she established an implied client relationship with the buyer of the Property while also in a client relationship with the seller, contrary to section 3-3(i) of the Rules;
  - b) to act with reasonable care and skill in connection with her knowledge about the title to the Property including when she responded to the buyer’s inquiry about the existence of an easement on the Property, contrary to section 3-4 of the Rules; and
  - c) to act with reasonable care and skill when she failed to include a provision in the Contract which addressed the status of an existing tenant at the Property when she knew or ought to have known that there was a tenant at the Property and that the status of the tenant needed to be addressed in the Contract, contrary to section 3-4 of the Rules.

#### **PROPOSED ORDERS**

Based on the facts herein and the Proposed Findings of Misconduct Ms. Liu, on her own behalf and on behalf of CL PREC, proposes 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. Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation be jointly and severally liable to pay a discipline penalty to the Council in the amount of \$5,000 within ninety (90) days of the date of this Order;
2. Xiao Hong (Cathy) Liu, at her own expense, register for and successfully complete the Real Estate Trading Services Remedial Education Course as provided by the Real Estate Division, Sauder School of Business at the University of British Columbia within the time period directed by the Council;
3. Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation be jointly and severally liable to pay enforcement expenses to the Council in the amount of \$1,500 within sixty (60) days from the date of this Consent Order; and
4. If Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation fail to comply with any of the terms of this Order, a Discipline Committee may suspend or cancel the licenses of Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation without further notice to them.

#### **ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT**

1. Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation 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. Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation have been advised of and understand their right to obtain independent legal advice regarding the disciplinary process, including with respect to the execution and submission of the Proposal.
3. Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation acknowledge 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. Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation 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. Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation hereby waive their right to appeal pursuant to section 54 of the RESA.

6. The Proposal and its contents are made by Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation for the sole purpose of resolving the Notice 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 Xiao Hong (Cathy) Liu and Cathy Liu Personal Real Estate Corporation in any civil proceeding with respect to the matter.

“Xiao Hong (Cathy) Liu”

---

**Xiao Hong (Cathy) Liu on her own behalf and on  
behalf of Cathy Liu Personal Real Estate  
Corporation**

**Dated 19<sup>th</sup> day of January, 2019**