#### THE REAL ESTATE COUNCIL OF BRITISH COLUMBIA

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

#### AND

#### IN THE MATTER OF

## HAO (LAWRENCE) TANG (141946)

## **CONSENT ORDER**

RESPONDENT:

Hao (Lawrence) Tang, Representative,

Multiple Realty Ltd.

DATE OF REVIEW MEETING:

September 13, 2017

DATE OF CONSENT ORDER:

September 13, 2017

CONSENT ORDER REVIEW COMMITTEE:

R. Holmes, Q.C., Chair

G. Martin M. Wong S. Sidhu

ALSO PRESENT:

G. Thiele, Director, Legal Services Jessica Gossen, Legal Counsel for the

Real Estate Council

### PROCEEDINGS:

On September 13, 2017, the Consent Order Review Committee ("Committee") resolved to accept the Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver("ASF") submitted by Hao (Lawrence) Tang.

**WHEREAS** the ASF, a copy of which is attached hereto, has been executed on behalf of the Council and by Hao (Lawrence) Tang.

**NOW THEREFORE**, the Committee having made the findings proposed in the attached ASF, and in particular having found that Hao (Lawrence) Tang committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act*, orders that:

- 1. Hao (Lawrence) Tang be suspended for 60 days.
- 2. Hao (Lawrence) Tang be prohibited from acting as an unlicensed assistant during the licence suspension period.
- 3. Hao (Lawrence) Tang, at his 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.
- 4. Hao (Lawrence) Tang pay enforcement expenses of this Consent Order to the Council in the amount of \$2,000.00 within sixty (60) days from the date of this Order.

If Hao (Lawrence) Tang fails to comply with any term of this Order, the Council may suspend or cancel his licence without further notice to him, pursuant to sections 43(3) and 43(4) of the *Real Estate Services Act*.

Dated this 13<sup>th</sup> day of September, 2017, at the city of Vancouver, British Columbia.

ON BEHALF OF THE CONSENT ORDER REVIEW COMMITTEE

R. Holmes, Q.C., Chair

Consent Order Review Committee

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

#### IN THE MATTER OF

## HAO (LAWRENCE) TANG (141946)

# AGREED STATEMENT OF FACTS, PROPOSED ACCEPTANCE OF FINDINGS AND WAIVER

The following agreement has been reached between Hao (Lawrence) Tang ("Mr. Tang") and the Real Estate Council of British Columbia (the "Council").

- A. Mr. Tang hereby consents to an Order to be made pursuant to sections 41 and 43 of the *Real Estate Services Act* that he:
  - 1. Be suspended for sixty (60) days and that he will not provide services as an unlicensed assistant during the period of his suspension;
  - 2. At his own expense, will register for and successfully complete the Real Estates Trading Services Remedial Education Course as provided but Real Estate Division, Sauder School of Business at the University of British Columbia;
  - 3. To pay enforcement expenses of this Consent Order to the Council in the amount of \$2,000.00 within sixty (60) days from the date of the Order herein.
- B. Mr. Tang further consents that if he fails to comply with any of the terms of the Order set out above, a Discipline Hearing Committee may suspend or cancel hic licence without further notice to thim pursuant to section 43(3) and 43(4) of the *Real Estate Services Act*.
- C. As a basis for this Order, Mr. Tang acknowledges and agrees that the facts set forth herein are correct:
  - 1. Mr. Tang was at all relevant times licensed as a trading representative with Multiple Realty Ltd. (the "Brokerage").
  - 2. Mr. Tang's licensing history is as follows:

Start Date	End Date	Brokerage	Licence Level	Licence Category
2015/01/23	Present	Multiple Realty Ltd.	Representative	Trading, Rental
2006/11/21	2015/01/23	Multiple Realty Ltd.	Representative	Trading

- 3. This matter arose from a complaint submitted by T.L., a buyer of a property located on Bewicke Avenue in North Vancouver (the "Subject Property").
- 4. On or about January, 2013, T.L. was in China but used a real estate website online known as to communicate by email to C.H., who introduced himself as the chief executive officer of the website. T.L. subsequently introduced her husband, W.T., to C.H.
- 5. T.L. and W.T. were interested in purchasing in Vancouver and wanted a new property. W.T. was going to view properties in Vancouver with C.H. but due to a schedule conflict, C.H. referred W.T. to Mr. Tang.
- 6. From about February 11 to 13, 2013, W.T. arrived in Vancouver and met Mr. Tang for the first time. Together, they viewed properties in North Vancouver, including the Subject Property. W.T. subsequently returned to China.
- 7. On or about February 15, 2013, W.T. entered into a Contract of Purchase and Sale with the Seller of the Subject Property. On April 18, 2013, the buyer was changed to T.L. on the same terms. The details of the Contract of Purchase and Sale were as follows:

Price: \$936,000.00 Deposit: \$45,000.00

Completion: April 29, 2013

Seller's agency relationship: I.B. Buyer's agency relationship: Multiple Realty Ltd., Mr. Tang

- 8. T.L. thought the purchase price of \$936,000.00 included GST as she thought she was purchasing a new home.
- 9. On or about February 20, 2013, the Seller completed a Property Disclosure Statement indicating that the Subject Property had been previously occupied but was covered by home warranty insurance under the *Homeowner Protection Act*. W.T. initialed this Property Disclosure Statement. Mr. Tang submits that he provided W.T. with "a copy of this new home warranty before he left Canada" but no copy of the certificate was in the brokerage file and Mr. Tang has not produced a copy to the Council.
- 10. On or about March 5, 2013, W.T. and T.L. were in China and removed all subjects.
- 11. A copy of the MLS listing printout dated March 5, 2013 disclosed a \$25,000.00 buyer's agent commission for Mr. Tang. This printout appeared to contain the Buyers' initials although the buyers contend that they never received a copy of this document. T.L. states that she did not see this document but had looked that listing which provided for a commission of 3.12% on the first 100,000 and 1.15% on the balance.
- 12. Mr. Tang states that he worked out with the seller the commission that the seller would pay to him for brining a buyer to the property and that he had sent a copy of that to the buyers in Beijing.

- 13. There was some contention over whether the Goods and Services Tax ("GST") was payable with respect to the sale of the Subject Property.
- 14. On or about March 24, 2013, Mr. Tang sent W.T. an email confirming that the final purchase price of the property was "\$874,766 + 7% TAX = \$936,000".
- 15. As of March 8, 2013, the title search that the Seller procured regarding the Subject Property indicated there were three builder's liens on the Subject Property dated October 5, 2012, January 4, 2013, and January 22, 2013.
- 16. On or about April 4, 2013, Mr. Tang sent another email to W.T. and again stated "it is confirmed that 936,000 including the new house tax, Lawrence".
- 17. Through both his March 24, 2013 and April 4, 2013 emails, Mr. Tang represented to W.T. that: 1) the Subject Property was a new house subject to GST and 2) the Buyers were responsible for the GST but it was included in the price of the Contract.
- 18. Mr. Tang did not advise the Buyers to seek independent advice regarding the GST issue notwithstanding the fact that the GST issue was beyond Mr. Tang's area of expertise. Mr. Tang also acknowledged in correspondence to the Council that this issue was beyond his expertise.
- 19. Further, Mr. Tang submitted to the Council that he suggested to the Seller to discuss this issue with the Seller's accountant. Moreover, as Mr. Tang was uncertain as to whether the Subject Property would require GST as of March 24, 2013, he treated the Subject Property as subject to GST and included this amount specifically in the offer price purportedly in the Buyers' best interest so as to avoid additional GST.
- 20. Also on or about April 4, 2013, Mr. Tang submits that the Seller confirmed that GST was not applicable on the Subject Property and therefore to protect the Buyer, Mr. Tang prepared an Addendum to the Contract of Purchase and Sale. This Addendum appeared to be signed by the Seller and Buyers with the following clause:
  - "The vendor warrants that this is a used residential property and gst is not applicable. In the event that gst is found to be payable in the future the vendor shall be responsible for it, this purchase price will be deemed to have included the gst and BC transitional tax."
- 21. The Buyers state that this addendum was not provided to them and they did not sign the acknowledgement of this statement.
- 22. On or about April 23, 2013, J.W., a lawyer involved with this transaction respecting the Subject Property, received the Addendum dated April 4, 2013 from the Brokerage.
- 23. On or about April 29, 2013, W.T.'s name was removed from the Contract of Purchase and Sale and T.L. completed the purchase of the Subject Property while she was in China. The title transfer document was prepared by J.W.'s office.

- 24. On or about June 8, 2013, T.L. came to Canada, met Mr. Tang for the first time, and received the house keys. She subsequently moved into the house and had concerns about the wear and tear on the house as she witnessed workers cleaning and touching up the house after moving in. T.L. began having doubts that the house was brand new.
- 25. In July, 2013, T.L. contacted J.W., a lawyer who had acted on the conveyance to pick up the title transfer paperwork and received copies of the Contract of Purchase and Sale and Addendum.
- 26. At this time, J.W. noticed there were two Builder's Liens registered on title and J.W. removed the two liens at his expense.
- 27. Mr. Tang submitted in later correspondence to Council that he obtained the title search from the seller and called a lawyer regarding the title search. Mr. Tang further stated that the lawyer suggested asking the seller to remove the lien before the transaction completed and that the lawyer processing the final transaction would advise the client if there remained a lien against the property. Mr. Tang also stated that the lawyer advised him that the property would not be transferred until and unless the lien was removed. Further, Mr. Tang submitted that he passed these comments on to W.T. and made a request to the Seller to remove the lien. Additionally, Mr. Tang stated that W.T. was aware of "the situation" and therefore removed the subjects on March 5, 2013.
- 28. J.W. removed the liens in or about July, 2013. T.L. states that Mr. Tang had never informed the Buyers of the liens.
- 29. In or about November, 2013, T.L. found a copy of the MLS listing printout and the Addendum containing the Buyers' initials in the set of documents she picked up from J.W. T.L. asked J.W. what the purposes of the MLS listing printout and the Addendum were to her as she had not seen them before. In response, J.W. advised T.L. that the purpose of the Addendum was to exclude the GST from the purchase price and the purpose of the MLS listing printout was a disclosure to his clients of the commission earned by Mr. Tang.
- 30. It was at that time that T.L. discovered that GST was not applicable on the transaction. Further, T.L. submitted in correspondence to Council that Mr. Tang had only disclosed to them that the commission was the standard 3.22%/1.15%, not \$25,000.00, and this percentage-based commission corresponded to the listing document they received that was also dated March 5, 2013.
- 31. T.L. further stated in correspondence to the Council that these initials on the MLS listing printout and the Addendum were not the Buyers' as they were in China in March and April of 2013.
- 32. There was no email or fax documentation to show that the Addendum had been emailed or faxed to the Buyers. The date that is the purported date of their signatures is wrong because while the documents are dated March 5, 2013, the time difference between the two locales would result in their signatures being affixed on March 6, 2013.

- 33. In contrast, Mr. Tang submitted that he was verbally authorized by W.T. to initial documents on behalf of the Buyers in February, 2013, before W.T. returned to China. Mr. Tang further stated that this verbal authorization was illustrated by the fact that he initialed the price increase in the offer on their behalf during negotiations with respect to the Subject Property when the price was negotiated to increase from \$935,000.00 to \$936,000.00. He states that W.T. and T.L. reviewed this document in the office of their lawyer in Beijing when they signed the final transaction documents without complaint.
- 34. Mr. Tang was not required to initial the price change on the Contract of Purchase and Sale on their behalf as the Buyers ultimately signed the transaction documents in Beijing.
- 35. Mr. Tang has no prior discipline history with the Council.
- D. Proposed Acceptance of Findings and Waiver
  - 1. Based on the Agreed Statement of Facts as outlined herein, and without making any admissions of liability, Hao (Lawrence) Tang is prepared to accept the following findings if made against him by the Council's Consent Order Review Committee:
    - (a) He committed professional misconduct when, contrary to section 35(1)(a) and 35(1)(d) of the *Real Estate Services Act* ("RESA"), in relation to the provision of real estate services for a property on Bewicke Avenue in North Vancouver ("Subject Property"), he:
      - (i) contravened section 3-3(d) of the Council Rules, when he failed to advise his client to seek independent professional advice with respect to tax matters outside his expertise, and in particular, as to the question of whether or not the sale of the Subject Property would attract the Goods and Services Tax ("GST");
      - (ii) contravened section 35(1)(d) of RESA and section 3-3(a) of the Council Rules, when he advised his client that GST was applicable on the transaction when he did not know if this information was true;
      - (iii) contravened section 5-11(2) of the Council Rules, when he failed to properly disclose or disclose at all to his client, in writing, the remuneration that he received in that he placed his client's initials in the boxes on the MLS record sheet dated March 5, 2013, relating to the commission he anticipated receiving rather than having his client initial the boxes;
      - (iv) contravened section 5-3 of the Council Rules, when he failed to obtain written authorization from his client to sign a contract on behalf of his client, when he initialed changes to the Contract of Purchase and Sale dated February 15, 2013, the Contract of Purchase and Sale Addendum dated April 4, 2013, and the MLS Record sheet dated March 5, 2013, without written authorization from his client to do so;
  - 3. Mr. Tang hereby waives his right to appeal pursuant to section 54 of the *Real Estate Services*Act.

- 4. Mr. Tang acknowledges that he has a right to seek independent legal advice before signing this Agreed Statement of Facts, Proposed Acceptance of Findings and Walver.
- 5. Mr. Tang acknowledges and is aware that the Council will publish the Consent Order and penalty herein in its Report from Council newsletter, on the Council's website, and on CanLII, a website for legal research.
- 6. Mr. Tang acknowledges and is aware that the Superintendent of Real Estate has the right, pursuant to section 54 of the Real Estate Services Act, to appeal any decision of the Council, including this Agreed Statement of Facts, Proposed Acceptance of Findings, and Walver and Consent Order.
- 7. The Agreed Statement of Facts and Proposed Acceptance of Findings contained herein are made for the sole purpose of resolving a complaint being considered by the Council and for that purpose only. Such agreed statement of facts and proposed acceptance of findings cannot be used in any civil proceedings.

Jessica Gossen, Legal Counsel
Real Estate Council of British Columbia

As to Part C only (Agreed Statement of Facts)

Dated 18th day of May, 2017

Hao (Lawrence) Tang

As to Parts A, B, C, and D (proposed penalty, Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver)

Dated 18th day of May, 2017

Aug. 9. 2017