

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

AND

IN THE MATTER OF

**HONG (EDWARD) CHEN
(153738)**

AND

**EDWARD CHEN PERSONAL REAL ESTATE CORPORATION
(153738PC)**

CONSENT ORDER

RESPONDENT:	Hong (Edward) Chen, Sole Proprietor, Worldever Realty, while licensed with Multiple Realty Ltd. Edward Chen Personal Real Estate Corporation
DATE OF REVIEW MEETING:	June 28, 2017
DATE OF CONSENT ORDER:	August 18, 2017
CONSENT ORDER REVIEW COMMITTEE:	R. Holmes, Q.C., Chair C. Geurts L. Hrycan K. Khoo S. Sidhu
ALSO PRESENT:	E. Seeley, Acting Executive Officer G. Thiele, Director, Legal Services Esther Jeon, Legal Counsel for the Real Estate Council
PROCEEDINGS:	

On June 28, 2017, an Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver (“ASF”) submitted by Hong (Edward) Chen, on his own behalf and on behalf of Edward Chen Personal Real Estate Corporation was considered by the Consent Order Review Committee (the “Committee”) but not accepted. On August 15, 2017, a revised ASF acceptable to the Committee was submitted by Hong (Edward) Chen, on his own behalf and on behalf of Edward Chen Personal Real Estate Corporation.

WHEREAS the ASF, a copy of which is attached hereto, has been executed on behalf of the Council and by Hong (Edward) Chen, on his own behalf and on behalf of Edward Chen Personal Real Estate Corporation.

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

1. Hong (Edward) Chen and Edward Chen Personal Real Estate Corporation each be reprimanded;
2. Hong (Edward) Chen and Edward Chen Personal Real Estate Corporation be jointly and severally liable to pay a discipline penalty to the Council in the amount of \$6,000.00 within ninety (90) days of the date of this Order;
3. Hong (Edward) Chen, at his own expense, register for and successfully complete the Rental Property Management 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
4. Hong (Edward) Chen and Edward Chen Personal Real Estate Corporation be jointly and severally liable to pay enforcement expenses of this Consent Order to the Council in the amount \$1,500.00 within sixty (60) days from the date of this Order.

If Hong (Edward) Chen or Edward Chen 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 18th day of August, 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
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IN THE MATTER OF

**HONG (EDWARD) CHEN
(153738)**

AND

**EDWARD CHEN PERSONAL REAL ESTATE CORPORATION
(153738PC)**

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

The following agreement has been reached between Hong (Edward) Chen ("Mr. Chen"), Edward Chen Personal Real Estate Corporation ("Edward Chen PREC") and the Real Estate Council of British Columbia ("Council").

- A. Mr. Chen, on his own behalf and on behalf of Edward Chen PREC, hereby consents to an Order to be made pursuant to sections 41 and 43 of the *Real Estate Services Act* (RESA) that:
- a. they each be reprimanded;
 - b. they be jointly and severally liable to pay a discipline penalty to the Council in the amount of \$6,000 within ninety (90) days of the date of the Order herein;
 - c. Mr. Chen, at his own expense, will successfully complete the Rental Property Management Remedial Education Course as provided by the Real Estate Division, Sauder School of Business at the University of British Columbia within the time period as directed by the Council;
 - d. they be jointly and severally liable to pay enforcement expenses pursuant to section 44 of the RESA in the amount of \$1,500.00 within sixty (60) days from the date of the Order herein; and
 - e. if they fail to comply with any of the terms of the Order set out above, a Discipline Hearing Committee may suspend or cancel their licences without further notice to them pursuant to section 43(3) and 43(4) of the RESA.
- B. As a basis for this Order, Mr. Chen and Edward Chen PREC acknowledge and agree that the facts set forth herein are correct:

AGREED STATEMENT OF FACTS, PROPOSED ACCEPTANCE OF FINDINGS AND WAIVER

1. Mr. Chen was at all relevant times licensed as a representative with Multiple Realty Ltd. ("Multiple Realty").
2. Mr. Chen's licensing history is as follows:

Start Date	End Date	Brokerage	Licence Level	Licence Category
09/06/2017	Present	Worldever Realty (153738)	Sole Proprietor	Trading, Rental
12/08/2016	09/06/2017	Multiple Realty Ltd. (X015783)	Representative	Trading, Rental
15/01/2016	12/08/2016	Multiple Realty Ltd. (X015783)	Representative	Trading
15/09/2014	14/01/2016	Multiple Realty Ltd. (X015783)	Representative	Trading
15/01/2014	15/09/2014	Multiple Realty Ltd. (X015783)	Representative	Trading
15/01/2012	14/01/2014	Multiple Realty Ltd. (X015783)	Representative	Trading
15/01/2010	14/01/2012	Multiple Realty Ltd. (X015783)	Representative	Trading
15/01/2008	14/01/2010	Multiple Realty Ltd. (X015783)	Representative	Trading

3. Mr. Chen became licensed as Edward Chen PREC on September 15, 2014.
4. On June 6, 2014 Mr. Chen and his wife, [REDACTED] incorporated Worldever Trading Ltd., dba Worldever Realty Information Centre, ("Worldever Trading"). Mr. Chen and Ms. Ling were shareholders and directors at the time of incorporation.
5. On June 11, 2014, Mr. Chen asked his managing broker, R.W., by e-mail whether Multiple Realty provided rental property management services and if not, what options were available within the brokerage if he wished to provide such services. R.W. advised that the brokerage does provide rental property management services, asked if Mr. Chen has a licence in that category and invited him to attend his office to speak to him.
6. Mr. Chen did not follow up on the e-mail exchange with R.W.
7. On August 6, 2014, Mr. Chen successfully completed the Rental Property Management Supplemental Licensing Examination (the "Exam"). He did not take further steps to obtain a licence in that category from the Council.
8. On September 26, 2014, Mr. Chen resigned as a director of Worldever Trading and transferred his shares to his wife, such that his wife became the sole director and 100% shareholder of the company.
9. From approximately November 2014 to August 2016, Mr. Chen provided rental property management services to property owners through Worldever Trading, which services consisted of three categories:
 - i. free rental property management services to clients who purchased and sold properties through Mr. Chen;
 - ii. tenant placement services for half of month's rent; and

- iii. tenant placement and rent collection services for half of month's rent + 7% of rent per month;

(collectively, the "Services").
- 10. During the period in question, Worldever Trading serviced approximately eighteen (18) property owners who received one or more of the Services. There is no evidence that Mr. Chen received remuneration through Worldever Trading.
- 11. In late 2015, a website for Worldever Trading was developed at www.worldeverrealty.com where Mr. Chen's real estate services were advertised (the "Website").
- 12. The main page of the Website displayed a banner which read: "You want to sell or rent your property? Sell the house? Rental property?". Interested parties were directed to contact a phone number which, although not identified as such, was Mr. Chen's cell phone number.
- 13. The contact page of the Website provided an office address, Mr. Chen's e-mail address and a phone number which, although not identified as such, was Mr. Chen's cell phone number. It did not indicate Mr. Chen's licensee name or the name of his related brokerage.
- 14. Several advertisements for rental properties were published on the Website, which provided details about the properties and specified a monthly rental amount for each property. The advertisements did not indicate Mr. Chen's licensee name or the name of his related brokerage.
- 15. Two (2) of Mr. Chen's property listings were published on the Website without indicating his licensee name or the name of his related brokerage.
- 16. The services of Worldever Trading were also advertised on local Chinese language websites. The advertisements identified Mr. Chen's wife "[REDACTED]" as the contact person, and provided Mr. Chen's e-mail address and a cell phone number which, although not identified as such, was Mr. Chen's cell phone number.
- 17. Mr. Chen did not inform his managing broker about his real estate services outside of the brokerage.
- 18. Mr. Chen's activities were reported to the Council in or about June 2016. The Council commenced its investigation and sent a letter to Mr. Chen on August 3, 2016.
- 19. In a response statement dated August 15, 2016, Mr. Chen admitted his misconduct and provided an explanation. He assumed that he was automatically licensed to provide rental property management services when he successfully completed the Exam. Mr. Chen acknowledged that he was wrong to make that assumption, particularly since he had consulted his managing broker prior to writing the Exam but did not follow through with his inquiry. Mr. Chen also assumed that tenant-placement services are not required to be conducted through the brokerage.

20. Mr. Chen immediately requested his wife to cease the operation of Worldever Trading, remove its website and stop all advertising. Currently, the company does not have any assets or liabilities and it is in the process of dissolution.
21. R.W. stated that he was unaware that Mr. Chen completed the Exam in August 2014, nor was he aware that Mr. Chen was providing rental property management services outside of the brokerage. When this complaint was brought to his attention, R.W. took steps to ensure that Mr. Chen brought his activities into compliance and obtained the requisite licence.
22. On August 12, 2016, Mr. Chen became licensed for rental property management services.
23. Effective June 9, 2017, Mr. Chen was licensed as a sole proprietor under the trade name Worldever Realty, subject to a number of conditions and restrictions imposed on the licence pursuant to section 15(2)(b) of the RESA (the "Conditions"). The terms of the Conditions are set out in Schedule A herein.
24. Mr. Chen has no prior discipline history with the Council.

C. Proposed Acceptance of Findings and Waiver

1. Based on the Agreed Statement of Facts as outlined herein, and without making any admissions of liability, Mr. Chen, on behalf of himself and Edward Chen PREC, is prepared to accept the following findings if made against them by the Council's Consent Order Review Committee:
 - (a) While licensed with Multiple Realty Ltd., they committed professional misconduct within the meaning of section 35(1)(a) of the RESA, in that:
 - (i) contrary to section 3(1)(a) of the RESA, they provided rental property management services from approximately November 2014 to August 2016, when they were not licensed to provide such services;
 - (ii) contrary to section 7(3)(a) of the RESA, they provided real estate services outside of their related brokerage, particularly through Worldever Trading which was an unlicensed entity, from approximately November 2014 to August 2016;
 - (iii) contrary to section 3-2(2)(a) of the Rules, they failed to keep their managing broker informed of the rental property management services being provided and other activities being performed from approximately November 2014 to August 2016;
 - (iv) contrary to section 3-4 of the Rules, they failed to act with reasonable care and skill, in that they provided rental property management services from approximately November 2014 to August 2016, when their licences did not permit them to do so;

AGREED STATEMENT OF FACTS, PROPOSED ACCEPTANCE OF FINDINGS AND WAIVER

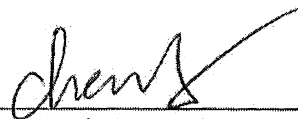
- (v) contrary to sections 4-5, 4-6(1) and 4-6(2) of the Rules, they published or otherwise allowed to be published advertisements offering their real estate services, which advertisements failed to:
 - a. clearly indicate Mr. Chen and Edward Chen PREC's licensee names, if at all; and
 - b. provide the name of their related brokerage in a prominent and easily readable way, if at all.
- 2. Mr. Chen and Edward Chen PREC hereby waive their right to appeal pursuant to section 54 of the RESA.
- 3. Mr. Chen and Edward Chen PREC acknowledge that they have a right to seek independent legal advice before signing this Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver.
- 4. Mr. Chen and Edward Chen PREC acknowledge and are 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.
- 5. Mr. Chen and Edward Chen PREC 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 this Agreed Statement of Facts, Proposed Acceptance of Findings, and Waiver and Consent Order.
- 6. 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 other proceeding of any kind.



Esther Jeon, Legal Counsel
Real Estate Council of British Columbia

As to Part B only (Agreed Statement of Facts)

Dated 15th day of August, 2017



Hong (Edward) Chen and Edward Chen PREC

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

Dated 14th day of August, 2017

SCHEDULE A: CONDITIONS ON THE LICENCE OF WORLDEVER REALTY

- 1) For the first two years from the date of licensing, Mr. Chen, on behalf of Worldever Realty, shall submit to the Council quarterly reports which shall include the following information:
 - a. All service agreements, including fee agreements, entered into by Worldever Realty with clients for the provision of rental property management services;
 - b. All agreements entered into by Worldever Realty on behalf of clients in the provision of rental property management services;
 - c. All real estate transactions where Worldever Realty represented parties, either the buying or the selling side of the trade in real estate, and provided rental property management services in relation to the subject property;
 - d. Monthly trust account balances as reconciled in accordance with Rule 8-2;
 - e. Any complaint(s) received by Mr. Chen and/or Worldever Realty regarding their services, the nature of the complaint and the parties, and how it was resolved;
- 2) The quarterly reports referred to in Term #1 of these conditions shall be submitted to the attention of Lisa Holst, Director, Accounting and Audit;
- 3) For the first two years from the date of licensing, Worldever Realty will, at its own expense, be subject to audits/office and records inspections by the Council of his financial and trading records. The first audit will be conducted in the first three months following the licensing as a sole proprietor, and the frequency of subsequent audits will be determined by the Council. Any follow-up audits required will also be at the expense of Worldever Realty;
- 4) For the first two years from the date of licensing, Worldever Realty will not submit any applications for new branch office licences;
- 5) Upon receipt of application for licence renewal, the Council will reassess the necessity of the above-noted conditions, following which it may maintain, vary or remove the said conditions as necessary;
- 6) Mr. Chen will promptly submit to the Council his written acknowledgement of his duties under the conditions and restrictions, and consent to perform those duties.