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

QING (DANIEL) DENG (166300)

AND

DANIEL DENG PERSONAL REAL ESTATE CORPORATION (166300PC)

CONSENT ORDER

RESPONDENT:

Qing (Daniel) Deng, Representative, Pan Pacific Platinum Real Estate Services Inc. dba New Coast Realty

Daniel Deng Personal Real Estate Corporation

DATE OF REVIEW MEETING:

DATE OF CONSENT ORDER:

CONSENT ORDER REVIEW COMMITTEE:

June 28, 2017

August 15, 2017

R. Holmes, Q.C., Chair C. Geurts L. Hrycan K. Khoo T. Styffe

E. Seeley, Acting Executive Officer G. Thiele, Director, Legal Services Jennifer Clee, Legal Counsel for the Real Estate Council

ALSO PRESENT:

PROCEEDINGS:

On June 28, 2017, an Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver ("ASF") submitted by Qing (Daniel) Deng, on his own behalf and on behalf of Daniel Deng Personal Real Estate Corporation was considered by the Consent Order Review Committee (the "Committee") but not accepted. On August 8, 2017, a revised ASF acceptable to the Committee was submitted by Qing (Daniel) Deng, on his own behalf and on behalf of Daniel Deng Personal Real Estate Corporation.

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

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

- 1. Qing (Daniel) Deng and Daniel Deng Personal Real Estate Corporation be reprimanded;
- 2. Qing (Daniel) Deng and Daniel Deng Personal Real Estate Corporation be jointly and severally liable to pay a discipline penalty to the Council in the amount of \$3,000.00 within ninety (90) days of the date of this Order;
- 3. Qing (Daniel) Deng, within three months from the date of this Order:
 - a. review with his managing broker the options for buyers to obtain representation or services from the brokerage when the brokerage is already representing the seller;
 - b. submit to the Council a certification signed by his managing broker confirming that he has completed the review;
 - c. prepare and submit to the Chair of the Council a statement which demonstrates, to the satisfaction of the Chair, what he has learned from this incident and the review; and
- 4. Qing (Daniel) Deng and Daniel Deng 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 Qing (Daniel) Deng or Daniel Deng 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 15th 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

Attach.

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

IN THE MATTER OF

QING (DANIEL) DENG (166300)

AND

DANIEL DENG PERSONAL REAL ESTATE CORPORATION (166300PC)

AGREED STATEMENT OF FACTS, PROPOSED ACCEPTANCE OF FINDINGS AND WAIVER

The following agreement has been reached between Qing (Daniel) Deng ("Mr. Deng"), Daniel Deng Personal Real Estate Corporation and the Real Estate Council of British Columbia (the "Council").

- A. Mr. Deng, on his own behalf and on behalf of Daniel Deng Personal Real Estate Corporation, hereby consents to an Order to be made pursuant to sections 41 and 43 of the *Real Estate Services Act* (RESA) that:
 - a. they be reprimanded;
 - b. they be jointly and severally liable to pay a discipline penalty to the Council in the amount of \$3,000 within ninety (90) days of the date of the Order herein;
 - c. they be jointly and severally liable to pay enforcement expenses pursuant to section 44 of the RESA in the amount of \$1,500 within sixty (60) days from the date of the Order herein;
 - d. Qing (Daniel) Deng shall, within three months from the date of this Order:
 - review with his managing broker the options for buyers to obtain representation or services from the brokerage when the brokerage is already representing the seller;
 - ii) submit to the Council a certification signed by his managing broker confirming that he has completed the review; and

AGREED STATEMENT OF FACTS, PROPOSED ACCEPTANCE OF FINDINGS AND WAIVER

- iii) prepare and submit to the Chair of the Council a statement which demonstrates, to the satisfaction of the Chair, what he has learned from this incident and the review; 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 licenses without further notice to them pursuant to section 43(3) and 43(4) of the RESA.
- B. As a basis for this Order, Mr. Deng and Daniel Deng Personal Real Estate Corporation hereby acknowledge and agree that the facts set forth herein are correct:
 - 1. Mr. Deng was at all relevant times licensed as a representative with Pan Pacific Platinum Real Estate Services Inc. dba New Coast Realty (the "Brokerage").
 - 2. Mr. Deng's licensing history is as follows:

Start Date	End Date	Brokerage	Licence Level	Licence Category
23/04/2017		New Coast Realty (X030113)	Representative	Trading
17/06/2015	22/04/2017	New Coast Realty (X030113)	Representative	Trading
23/04/2015	17/06/2015	New Coast Realty (X030113)	Representative	Trading
23/04/2013	22/04/2015	New Coast Realty (X030113)	Representative	Trading

- 3. Mr. Deng became licensed as Daniel Deng Personal Real Estate Corporation on June 17, 2015.
- Mr. Deng and Danlel Deng Personal Real Estate Corporation do not have a discipline history with the Council.

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- 5. During a scheduled inspection at the Brokerage, the auditor reviewed a file involving the sale in November, 2015 of a property located at Richmond, B.C. (the "Alta Property").
- 6. On July 31, 2015, J.R., the Brokerage's managing broker, circulated a memo to all Brokerage teams advising them to ensure all team members were named as designated agents on all contracts of purchase and sale.
- On August 7, 2015, J.R. circulated a memo to all Brokerage teams advising them to name all team members as designated agents on all listing agreements.
- 8. On August 20, 2015, the seller of the Alta Property listed the Alta Property with the Brokerage at the price of \$1,999,999. The listing identified S.L. Personal Real Estate Corporation and Daniel Deng Personal Real Estate Corporation as the designated agents for the seller, and that the commission payable on the sale of the Alta Property was 7% on the

AGREED STATEMENT OF FACTS, PROPOSED ACCEPTANCE OF FINDINGS AND WAIVER

- 9. On November 9, 2015, an Offer was received for the Alta Property and accepted by the seller on November 10, 2015 (the "Alta Contract"). The Alta Contract named Daniel Deng Personal Real Estate Corporation and S.L. Personal Real Estate Corporation as designated agents for the seller, and J.W. as the designated agent of the buyer. The Alta Contract failed to name all the S.L team members as designated agents for the seller. S.L. Personal Real Estate Corporation, Daniel Deng Personal Real Estate Corporation and J.W. were at the time, and remain, licensed as representatives with the Brokerage.
- 10. The completion date of the sale of the Alta Property was May 31, 2016.
- 11. On November 10, 2015, the seller signed the Brokerage's document agreeing to a listing commission of \$15,000 plus GST, a selling commission of \$13,750 plus GST, and a gross commission of \$28,750 plus GST.
- 12. The Brokerage's commission breakdown form dated November 12, 2015, indicated a listing commission of \$15,000 plus GST, including a \$3,750 referral fee to D.J. (a friend of the seller who had referred the seller to the S.L. team), a selling commission of \$13, 750 plus GST, of which \$1,000 would be paid to J.W. and the balance to Mr. Deng and S.L.
- 13. On May 19, 2016, six months after the Alta Contract had been entered into, Mr. Deng had the seller sign a Disclosure of Remuneration Form disclosing that he was paying a referral fee of \$3,750 to D.J. and anticipated receiving a commission in the amount of \$27,750 from her.
- 14. According to Mr. Deng, he was unable to have the seller sign the Disclosure of Remuneration Form until May 19, 2016, as the seller had left for China soon after the Alta Contract was entered into, and did not return to the country until May 2016.
- 15. Mr. Deng states in his response to the Council that the seller was aware of all members of the S.L. Team, but that he inadvertently forgot to attach Schedule "A" to the MLS® agreement setting out all the S.L. Team members. Mr. Deng was not aware that all team members had to be named as designated agents of the seller in the Alta Contract, which had been prepared by J.W. on the buyer's behalf. Mr. Deng is now aware of that requirement.
- 16. Mr. Deng further states in his response to the Council that at the time of the transaction, the seller was aware of the change to the commission structure and had agreed to payment of a referral fee to the seller's friend, D.J.

AGREED STATEMENT OF FACTS, PROPOSED ACCEPTANCE OF FINDINGS AND WAIVER

17. The seller has made no complaint to the Council against Mr. Deng, and has provided the Council with a letter confirming that she was verbally advised by Mr. Deng of the commission change and payment of the referral fee at the time of the transaction, but was unable to sign the Disclosure of Remuneration until she returned to Canada in May, 2015 (sic) as she had been away for personal reasons.

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- 18. On June 25, 2015, S.L. PREC and Mr. Deng listed for sale a property located at Vancouver, B.C. (the "Fremlin Property"). Mr. Deng failed to indicate on the MLS® Agreement that he was providing real estate trading services through his Personal Real Estate Corporation, despite becoming licensed as Daniel Deng Personal Real Estate Corporation on June 17, 2015.
- 19. On July 2, 2015, an offer on behalf of the buyer, D.Y., was written for the Property by N.C., acting as the designated agent for the buyer. The offer indicated that S.L. and Mr. Deng were the designated agents for the seller. The seller accepted the offer on July 2, 2015 (the "Fremlin Contract"). The Fremlin Contract failed to indicate that Mr. Deng was providing real estate trading services through his Personal Real Estate Corporation.
- 20. Mr. Deng's failure to indicate on the MLS® Agreement and on the Fremlin Contract that he was providing real estate trading services through his Personal Real Estate Corporation was discovered by the auditor during a scheduled inspection of the Brokerage. The seller has made no complaint to the Council against Mr. Deng and no harm has been caused to any member of the public as a result of Mr. Deng's conduct.
- 21. The transaction documents for the sale of the Alta Property, which occurred after the sale of the Fremlin Property, confirm that Mr. Deng is aware of the requirement to indicate that he is providing real estate trading services through his Personal Real Estate Corporation.
- C. Proposed Acceptance of Findings and Waiver
 - Based on the Agreed Statement of Facts as outlined herein, and without making any admissions of liability, Mr. Deng, on his own behalf and on behalf of Daniel Deng Personal Real Estate Corporation, is prepared to accept the following findings if made against him by the Council's Consent Order Review Committee:

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a. Mr. Deng committed professional misconduct within the meaning of section 35(1)(a) of RESA when, in his capacity as a member of the meaning team, and the seller's agent in the listing

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and the sale of residential property located at **Constant of Section**, Richmond, BC (the "Property"), he:

- i. contrary to sections 3-4 (duty to act honestly with reasonable care and skill) and 5-10 of the Rules, failed to fully disclose the nature of the representation he and his team were providing to the seller by not identifying all members of the **seller** team as designated agents for the seller on the Multiple Listing Contract and on the Contract of Purchase and Sale; and
- ii. contrary to sections 3-4 (duty to act honestly with reasonable care and skill) and 3-3(f) of the Rules (failure disclose to the client all known material information), failed to disclose to the seller in a timely manner that he was paying a referral fee to D.J. in the amount of \$3,750, that the amount of commission being paid to the buyer's agent was \$1,000.00 (rather than \$13,750 plus GST previously disclosed to the seller) and
- iii. that he and **Construction**, as the seller's agents, would be receiving the balance of the commission, \$27, 750 plus GST, until he delivered and had the seller sign a Disclosure of Remuneration Form on May 19, 2016, over six months after the Contract of Purchase and Sale had been entered into for the Property.

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- Mr. Deng committed professional misconduct within the meaning of section 35(1)(a) of the RESA and contrary to section 5-10(a) of the Rules when, in his capacity as the seller's agent in the listing and the sale of residential property located at the seller's agent, Richmond, BC (the "Property"), he failed to indicate on the Multiple Listing Contract and on the Contract of Purchase and Sale for the sale of the Property that he was providing real estate services through his Personal Real Estate Corporation.
- 2. Mr. Deng, on his own behalf and on behalf of Daniel Deng Personal Real Estate Corporation, hereby waives his right to appeal pursuant to section 54 of the *Real Estate Services Act*.
- 3. Mr. Deng, on his own behalf and on behalf of Daniel Deng Personal Real Estate Corporation, acknowledges that he has been advised that he has the right to seek independent legal advice before signing this Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver.
- 4. Mr. Deng, on his own behalf and on behalf of Daniel Deng Personal Real Estate Corporation, 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.
- 5. Mr. Deng, on his own behalf and on behalf of Daniel Deng Personal Real Estate Corporation, 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

AGREED STATEMENT OF FACTS, PROPOSED ACCEPTANCE OF FINDINGS AND WAIVER

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.

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Jennifer A. Clee, Legal Counsel Real Estate Council of British Columbia

As to Part B only (Agreed Statement of Facts)

Qing (Daniel) Deng, on his own behalf and on behalf of Daniel Deng Personal Real Estate Corporation

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

Dated 8_, day of _____, 2017

Dated 3/, day of 5u/y, 2017