

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

**IN THE MATTER OF  
PROLINE MANAGEMENT LTD.  
(X014336)**

**MICHAEL MENDEL PETERS  
(093491)**

**ARNOLD HOBSON  
(148310)**

**AND**

**ANDREW CHRISTOPHER SPURLING  
(151698)**

**CONSENT ORDER**

RESPONDENTS:

Michael Mendel Peters,  
Representative, Proline Management  
Ltd.

Arnold Hobson, Representative,  
Proline Management Ltd.

Andrew Christopher Spurling,  
Managing Broker, Proline  
Management Ltd.

Proline Management Ltd., Brokerage

DATE OF REVIEW MEETING:

March 10, 2016

DATE OF CONSENT ORDER:

March 16, 2016

CONSENT ORDER REVIEW COMMITTEE:

M. Leslie  
S. Lynch  
D. Peerless, Chair  
C. Squires

ALSO PRESENT:

R.O. Fawcett, Executive Officer  
G. Thiele, Director, Legal Services  
S. Sheina, Legal Counsel for the Real  
Estate Council

PROCEEDINGS:

On March 10, 2016 the Consent Order Review Committee (the "Committee") resolved to accept the Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver ("ASF") submitted by Michael Mendel Peters, Arnold Hobson, Andrew Christopher Spurling and Proline Management Ltd.

**WHEREAS** the ASF, a copy of which is attached hereto, has been executed by Michael Mendel Peters, Arnold Hobson, Andrew Christopher Spurling, Proline Management Ltd. and on behalf of the Council;

**NOW THEREFORE**, the Committee having made the findings proposed in the attached ASF, and in particular having found that Michael Mendel Peters, Arnold Hobson, Andrew Christopher Spurling and Proline Management Ltd. committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act*, orders that:

1. Michael Mendel Peters, Arnold Hobson, Andrew Christopher Spurling and Proline Management Ltd. each be reprimanded;
2. Proline Management Ltd. pay a discipline penalty to the Council in the amount of \$2,500.00 within ninety (90) days of the date of this Order;
3. Michael Mendel Peters, at his 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 in the time period as directed by the Council;
4. Michael Mendel Peters, Arnold Hobson, Andrew Christopher Spurling and Proline Management Ltd. be jointly and severally liable to pay enforcement expenses of this Consent Order to the Council in the amount of \$1,500.00 within sixty (60) days from the date of this Order.

**Michael Mendel Peters, Arnold Hobson  
Andrew Christopher Spurling and  
Proline Management Ltd.**

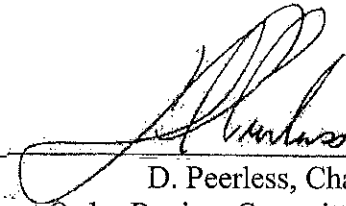
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If Michael Mendel Peters, Arnold Hobson, Andrew Christopher Spurling or Proline Management Ltd. fail to comply with any term of this Order, the Council may suspend or cancel their licences without further notice to them, pursuant to sections 43(3) and 43(4) of the *Real Estate Services Act*.

Dated this 16<sup>th</sup> day of March, 2016 at the City of Vancouver, British Columbia.

ON BEHALF OF THE CONSENT ORDER REVIEW COMMITTEE



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D. Peerless, Chair  
Consent Order Review Committee

Attch.

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

**IN THE MATTER OF**

**MICHAEL MENDEL PETERS  
(093491)**

**ARNOLD HOBSON  
(148310)**

**ANDREW CHRISTOPHER SPURLING  
(151698)**

**AND**

**PROLINE MANAGEMENT LTD.  
(X014336)**

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

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The following agreement has been reached between Michael Mendel Peters ("Mr. Peters"), Arnold Hobson ("Mr. Hobson"), Andrew Christopher Spurling ("Mr. Spurling"), Proline Management Ltd. ("Proline") and the Real Estate Council of British Columbia (the "Council").

- A. Mr. Peters hereby consents to an Order to be made pursuant to sections 41 and 43 of the *Real Estate Services Act* that he be reprimanded and that he successfully completes 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 directed by the Council.
- B. Mr. Hobson hereby consents to an Order to be made pursuant to sections 41 and 43 of the *Real Estate Services Act* that he be reprimanded.
- C. Mr. Spurling, as Managing Broker for Proline hereby consents to an Order to be made pursuant to sections 41 and 43 of the *Real Estate Services Act* that he be reprimanded.
- D. Proline hereby consents to an Order to be made pursuant to sections 41 and 43 of the *Real Estate Services Act* that it be reprimanded and that it pay a discipline penalty to the Council in the amount of \$2,500.00 within ninety (90) days of the date of the Order herein.

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

- E. Mr. Peters, Mr. Hobson, Mr. Spurling, and Proline agree to be jointly and severally liable to pay enforcement expenses of this Consent Order to the Council in the amount of \$1,500.00 within sixty (60) days from the date of the Order herein.
- F. Mr. Peters, Mr. Hobson, Mr. Spurling, and Proline further consent to an Order that if any of them 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 *Real Estate Services Act*.
- G. As a basis for this Order, Mr. Peters, Mr. Hobson, Mr. Spurling, and Proline acknowledge and agree that the facts set forth herein are correct:
1. Proline was at all relevant times licensed as a brokerage.
  2. Proline's licensing history is as follows:

Mar. 22/1985 – Present	Brokerage, Trading, Rental, Proline Management Ltd.
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  3. Mr. Spurling was at all relevant times licensed as one of the managing brokers with Proline.
  4. Mr. Spurling's licensing history is as follows:

May 8/07 – Mar. 3/08	Representative, Strata, Proline Management Ltd.
Mar. 18/08 – Jun. 20/11	Representative, Rental, Strata, Proline Management Ltd.
Jun. 20/11 – Aug. 20/13	Associate Broker, Trading, Rental, Proline Management Ltd.
Aug. 20/13 – Present	Managing Broker, Rental Strata, Proline Management Ltd.
  5. Mr. Peters was at all relevant times licensed as a representative with Proline.
  6. Mr. Peters' licensing history is as follows:

May 5/91 – Jul. 31/91	Representative, Trading, Rental, Canada Trust Realty Inc. (Vtf)
Jul. 31/91 – Oct. 30/91	Representative, Trading, Rental, Canada Trust Realty Inc. (Vicmck)
Oct. 31/91 – Dec. 4/91	Unlicensed

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

Dec. 5/91 – Present                      Representative,    Trading,    Rental,    Proline  
Management Ltd.

7. Mr. Hobson was at all relevant times licensed as a representative with Proline.
8. Mr. Hobson's licensing history is as follows:  

Mar. 21/06 – Jan. 8/08                      Representative, Rental, Proline Management Ltd.

Jan. 8/08 – Present                      Representative, Rental, Strata, Proline Management Ltd.
9. On or about June 4, 2001, A.B. entered into a Rental Property Management Agreement with Proline to manage her property, which was a house in Victoria.
10. On or about April 1, 2011, A.B. entered into an updated Rental Property Management Agreement with Proline to continue to manage the said property (the "Agreement").
11. In October, 2013, Mr. Peters, who was managing A.B.'s property, recommended an inspection of the property to see what repairs were needed, which was agreed to and paid for by A.B.
12. A.B. was mailed a copy of the inspection report on December 10, 2013. On or about January 7, 2014, A.B. sent an email to Mr. Peters that stated "There are a number of things on the inspection report that I would like to fix. Could you get me ballpark figures on each of the items and depending on the costs we can proceed."
13. On or about January 13, 2014, Mr. Peters replied to A.B., stating he was "getting some quotes on things I think we should fix as well. I will get back to you when I have a better idea. It should take me a few more days."
14. A.B. states that Mr. Peters never got back to her with a list of repairs or quotes.
15. On or about April 8, 2014, A.B. received an email from Mr. Peters that stated the tenant's gave notice to vacate her property at the end of April. Mr. Peters also stated that at the very least the property would require some painting and other work which he would let her know after he did a walk through and took pictures for advertising purposes.
16. Mr. Peters sent an email to A.B. on April 9, 2014, that stated he would "go by the house again and take a look at condition before I advertise. I suspect we will have some work to do inside but will let you know once I go by."

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

17. On or about April 16, 2014, A.B. sent Mr. Peters an email to replace the hot water heater. He replied on April 22, 2014, that it was on his list for replacement. A.B. stated Mr. Peters did not tell her what other repairs he planned to address.
18. On or about April 30, 2014, the tenants moved out of the property.
19. On or about April 30, 2014, A.B. sent Mr. Peters an email that the board running along the front of the house, under the balcony, needed painting and that there was paint on the property for this job. A.B. states that when she went to Victoria in August 2014 this board was still not painted and she painted it herself.
20. On or about April 30, 2014, A.B. sent Mr. Peters an email regarding branches overhanging the roof of the property and suggested that they may need to be added to a list of potential repairs in the event they were damaging the roof and compromising the drainage.
21. On or about May 1, 2014 a Condition Inspection Report (the "CIR") was completed by Mr. Peters, after the tenant had moved out. The CIR states the tenants were not in attendance during the move out inspection. The CIR also indicated that \$387.66 was deducted for utilities/phone/cable from the \$900 security deposit. The security deposit section of the CIR was dated May 1, 2014 and was signed by one of the tenants and noted a forwarding address.
22. A rental application from potential new tenants did not work out and the property remained vacant from May 1, 2014.
23. On or about May 21, 2014, A.B. sent Mr. Peters an email asking why she was "charged with removal of 2 loads of yard waste which was left by the tenants including their BBQ." She also asks why this was not taken from the tenants' damage deposit. A.B. stated she did not receive a response to this email.
24. Mr. Peters stated that he was seriously ill and missed work between June 2, 2014 and July 15, 2014, due to a period of hospitalization and subsequent recovery at home. Mr. Peters further stated that while in the hospital and recovering at home, he continued to check email and voicemail and attend to urgent client needs.
25. During this time Mr. Hobson, as Rental Department Manager, would visit with Mr. Peters regularly and speak and email with him frequently to discuss issues arising with respect to properties in his portfolio since he and other representatives were helping oversee Mr. Peters' portfolio during his illness. Mr. Hobson kept the managing brokers and the leadership team at Proline apprised of Mr. Peters' progress and coverage of his portfolio at weekly leadership team meetings.
26. Mr. Spurling stated that after A.B. sent her email to Mr. Peters on May 21, 2014, she made no further attempt to contact Mr. Peters or any other person at Proline until July 27, 2014.

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

27. On July 13, 2014, A.B. copied Mr. Peters on an email related to weed control on her property. No response was required from Mr. Peters to this email. The next email A.B. sent to Mr. Peters was dated July 27, 2014, in which she stated she would be in Victoria on August 12 and 13, 2014. She further stated she would like to have a walk through her property and asked Mr. Peters to let her know which day would be convenient for him.
28. Mr. Peters replied by email dated July 29, 2014, that he would be available to meet with her at any time during her visit. In his email he also asked A.B. to provide a cheque for \$2,500 to cover the costs incurred in fixing up the house for rent.
29. On August 1, 2014, A.B. sent an email to Mr. Peters confirming she would send a cheque. She asked how long it would be before he finished doing all the things he had planned on doing and before he advertised it for rent. She also asked "What things have you had done and what remains to be done?" A.B. stated she did not receive a reply to her email.
30. On August 4, 2014, A.B. sent another email to Mr. Peters asking what work had been completed on her property and what work he was still planning on having done. A.B. stated she did not receive a reply to her email.
31. Mr. Hobson stated he was advised of potential issues with A.B. and her planned visit and he asked to inspect the property with Mr. Peters before A.B.'s visit.
32. Mr. Spurling stated that on August 14, 2014, A.B. met with Mr. Peters and Mr. Hobson at Proline to discuss her concerns. Mr. Hobson was present in his role as a supervisor because Mr. Peters had advised the client was dissatisfied.
33. Mr. Peters stated he advised A.B. that he had been sick and in the hospital and that her property had slipped through the cracks. Mr. Peters further stated that A.B. told him and Mr. Hobson that she was dissatisfied with the recent service she had received and that Proline had not withheld monies from the tenant's security deposit. Mr. Hobson stated he apologized to A.B. and attempted to redress the situation and explained that withholding of the security deposit amounts identified by A.B. would not have been permissible under the *Residential Tenancy Act*.
34. A.B. stated that when she asked to see the list of repairs and quotes for the repairs Mr. Peters told her that he had misplaced them. A.B. also stated that when she asked Mr. Peters for a copy of the CIR he told her that the rental assistant had misplaced it.
35. At the meeting on August 14, 2014, all parties mutually agreed to discontinue their relationship and terminate the Agreement immediately. Mr. Hobson advised A.B. he would require approval and advised R. Eric E. Spurling, a managing broker at Proline, of the issues and proposed settlement and approval was provided.



36. Mr. Hobson stated that he negotiated an arrangement for financial compensation with A.B. in an attempt to satisfy her concerns.
37. Mr. Peters and Mr. Hobson stated that A.B. left the meeting without requesting the CIR and did not ask for a copy of the CIR in subsequent requests for information from them.
38. In the complaint filed with Council on September 14, 2014, A.B. indicated she had contacted the managing broker at Proline of her concerns. Mr. Spurling states he only came to know about A.B.s concerns by receipt of a notice of complaint from Council dated November 10, 2014. It was at this time that Proline became aware that A.B. still wanted a copy of the CIR, which was located after having been misfiled and provided to A.B. via Council together with Proline's response to the complaint.
39. Mr. Spurling stated he conducts regular meetings with his licensees, including monthly departmental meetings, and holds weekly meetings with their team leaders including Mr. Hobson, who was and is the manager of the rental department. Mr. Spurling is one of two managing brokers that are actively involved in the business and available to licensees whenever issues arise. He stated that the brokerage has a comprehensive policy and procedures manual (the "Manual") in place.
40. Mr. Spurling stated that the Manual includes, among other things, expectations of the brokerage for employee response times to emails and phone calls. Section 6(c)(i) of the Manual states that employees must attempt to return email and phone messages on the same business day, but shall respond no later than the next business day.
41. Mr. Spurling further stated that monthly departmental meetings address many items, including reviews of processes and procedures from the Manual. At the September 17, 2013 meeting, for example, all rental management representatives, including Mr. Peters, who was also at the meeting, were reminded of the email and voicemail response time expectations set out in the Manual. Minutes of all departmental meetings are circulated to all employees and are available on the company intranet for all employees and licensees to read and review.
42. Mr. Spurling states that as a result of this complaint, oversight of licensees was increased even further. In addition to the monthly departmental meetings and meetings between Managing Broker and department supervisors, Mr. Spurling added an additional individual meeting with each licensee on a monthly basis and each department supervisor added individual meetings with licensees every two weeks to discuss issues that might arise and continue to review and discuss various policies and procedures. This means that licensees meet directly with their supervisor and/or managing broker at least four times every month in addition to meeting with other members of the department, their supervisor and managing broker at their monthly team meeting.

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

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43. Mr. Peters, Mr. Hobson, and Mr. Spurling do not have a disciplinary record with the Council.
44. Proline entered into a Consent Order with the Council, dated October 8, 2010, wherein it admitted professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* in that it contravened section 7-5(3) of the Council Rules in that it failed to notify the Council of a negative balance on a trust account ledger within the time prescribed by 7-5(3) of the Council Rules. Proline was reprimanded and required to pay enforcement expenses in the amount of \$1,000.00.

H. Proposed Acceptance of Findings and Waiver

1. Based on the Agreed Statement of Facts as outlined herein, and without making any admissions of liability, Proline Management Ltd. and Andrew Christopher Spurling, Michael Mendel Peters, and Arnold Hobson are prepared to accept the following findings if made against them by the Council's Consent Order Review Committee:
  - (a) Proline Management Ltd. committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* by contravening section 3-3(a) of the Council Rules in that it:
    - (i) failed to provide the owner with a CIR with respect to the tenants who vacated her property when requested;
    - (ii) failed to provide the owner of the property with a list of repairs and costs for suggested repairs; and
    - (iii) failed to respond to the inquiries of the owner in a timely fashion.
  - (b) Andrew Spurling, as a managing broker for Proline Management Ltd. committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* by contravening section 6(2)(c) of the *Real Estate Services Act* and/or sections 3-1(1)(b) and 3-1(1)(c) of the Council Rules in that he did not ensure that the brokerage's business was carried out competently when:
    - (i) the licensee did not inform the owner of the property about the condition of the property after the tenants had moved out; and
    - (ii) he did not personally ensure that rental property management representatives, who perform duties on behalf of the brokerage, responded to the owner's emails and provided the owner with a CIR and a list of repairs and costs for repairs for her property when requested.

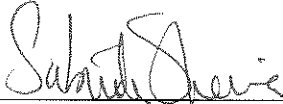
**AGREED STATEMENT OF FACTS, PROPOSED ACCEPTANCE OF FINDINGS AND WAIVER**

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- (c) Michael Mendel Peters, as rental property manager for the said property, committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* by contravening sections 3-3(a), 3-3(b), 3-3(c) and 3-4 of the Council Rules in that he:
    - (i) did not keep the owner informed about the condition of her property after the tenants moved out, despite numerous email requests from the owner;
    - (ii) failed to provide a copy of the CIR to the owner when requested; and
    - (iii) failed to provide a list of repairs and quotes for repair to the owner of the property when requested.
  - (d) Arnold Hobson, as the acting rental property manager for the said property, committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* by contravening section 3-3(a) and 3-4 of the Council Rules, when he had knowledge from Mr. Peters about the owners concerns about her property, in that he:
    - (i) did not personally ensure, as manager of the Rental Department, that a licensee in the department kept the owner informed about the condition of the property after the tenants moved out; and,
    - (ii) failed to provide the owner of the property with the CIR when requested.
2. Mr. Peters, Mr. Hobson, Mr. Spurling and Proline hereby waive their right to appeal pursuant to section 54 of the *Real Estate Services Act*.
  3. Mr. Peters, Mr. Hobson, Mr. Spurling and Proline 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. Peters, Mr. Hobson, Mr. Spurling and Proline 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. Peters, Mr. Hobson, Mr. Spurling and Proline acknowledge and are 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 Waiver and Consent Order.

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

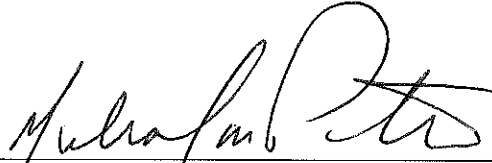
6. The Agreed Statement of Facts and Proposed Acceptance of Findings contained herein are made for the sole purpose of resolving a complaint being considered by the Council and for that purpose only. Such agreed statement of facts and proposed acceptance of findings cannot be used in any other proceeding of any kind.



Sabinder Sheina, Legal Counsel  
Real Estate Council of British Columbia

As to Part H only (Agreed Statement of Facts)

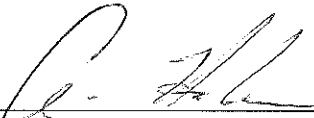
Dated 23 day of February, 2016



Michael Mendel Peters

As to Parts A, E, F, G, H (proposed penalty, Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver)

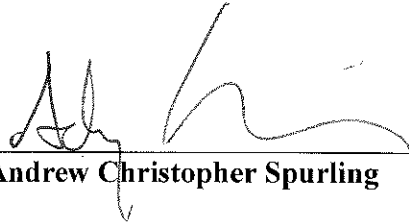
Dated 15 day of FEBRUARY, 2016



Arnold Hobson

As to Parts B, E, F, G, H (proposed penalty, Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver)

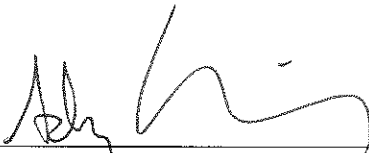
Dated 15 day of FEB, 2016



Andrew Christopher Spurling

As to Parts C, E, F, G, H (proposed penalty, Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver)

Dated 16<sup>th</sup> day of February, 2016



Andrew Christopher Spurling on behalf of  
Proline Management Ltd.

As to Parts D, E, F, G, and H (proposed penalty, Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver)

Dated 16<sup>th</sup> day of February, 2016

**REAL ESTATE COUNCIL OF BRITISH COLUMBIA**

**In The Matter of the *Real Estate Services Act***

**S.B.C. 2004, c. 42**

**And**

**In the Matter of  
Michael Mendel Peters**

**CORRIGENDUM**

**TO CONSENT ORDER ISSUED March 16, 2016**

The Consent Order Review Committee further ordered that:

1. Michael Mendel Peters, at his 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 in the time period as directed by the Council;

It should read:

1. Michael Mendel Peters, at his own expense, register for and 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 in the time period as directed by the Council;

Dated this 28th day of April, 2016

For the Real Estate Council of British Columbia



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D. Peerless, Chair  
Consent Order Review Committee