

**IN THE MATTER OF THE REAL ESTATE SERVICES ACT****S.B.C. 2004, c. 42****AND****IN THE MATTER OF****YANG (CARL) CHU****AND****CARL CHU PERSONAL REAL ESTATE CORPORATION****CONSENT ORDER****RESPONDENTS:**Yang (Carl) Chu, Managing Broker,  
596373 BC. Ltd. dba RE/MAX  
WestcoastCarl Chu Personal Real Estate  
Corporation, 596373 BC Ltd. dba  
RE/MAX Westcoast**DATE OF REVIEW MEETING:**

December 7, 2015

**DATE OF CONSENT ORDER:**

December 29, 2015

**CONSENT ORDER REVIEW COMMITTEE:**M. Leslie  
C. Lindberg  
S. Lynch, Chair  
S. McGougan  
C. Squires**ALSO PRESENT:**R.O. Fawcett, Executive Officer  
G. Thiele, Director, Legal Services  
J. Gossen, Legal Counsel for the Real  
Estate Council**PROCEEDINGS:**

On December 7, 2015 the Consent Order Review Committee (the "Committee") resolved to accept the Agreed Statement of Facts, Proposed Acceptance of Findings and Waiver ("ASF") submitted by Yang (Carl) Chu and Carl Chu Personal Real Estate Corporation.

**WHEREAS** the ASF, a copy of which is attached hereto, has been executed by Yang (Carl) Chu, Carl Chu Personal Real Estate Corporation and on behalf of the Council;

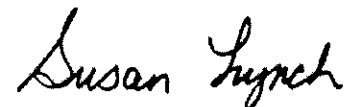
**NOW THEREFORE**, the Committee having made the findings proposed in the attached ASF, and in particular having found that Yang (Carl) Chu and Carl Chu Personal Real Estate Corporation committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act*, orders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

1. Yang (Carl) Chu and Carl Chu Personal Real Estate Corporation each be reprimanded;
2. Yang (Carl) Chu and Carl Chu 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. Yang (Carl) Chu, at his own expense, register for and successfully complete the Real Estate Trading Services Remedial Education Course in the time period as directed by the Council; and
4. Yang (Carl) Chu and Yang Chu 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 Yang (Carl) Chu and Carl Chu 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 29<sup>th</sup> day of December, 2015 at the City of Vancouver, British Columbia.

ON BEHALF OF THE CONSENT ORDER REVIEW COMMITTEE



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S. Lynch, 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

YANG (CARL) CHU

AND

CARL CHU PERSONAL REAL ESTATE CORPORATION  
(136033)

AGREED STATEMENT OF FACTS,  
PROPOSED ACCEPTANCE OF FINDINGS AND WAIVER

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The following agreement has been reached between Yang (Carl) Chu ("Mr. Chu"), Carl Chu Personal Real Estate Corporation and the Real Estate Council of British Columbia (the "Council").

- A. Mr. Chu and Carl Chu Personal Real Estate Corporation hereby consents to an Order to be made pursuant to sections 41 and 43 of the *Real Estate Services Act* that they be reprimanded, and that they be jointly and severally liable to pay a discipline penalty in the sum of \$3,000.00 within ninety (90) days of the date of this Order herein. Further, they 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. Mr. Chu further agrees to 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 as directed by the Council. Further, Mr. Chu and Carl Chu Personal Real Estate Corporation consent to an Order that 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 *Real Estate Services Act*.
- B. As a basis for this Order, Mr. Chu and Carl Chu Personal Real Estate Corporation acknowledge and agree that the facts set forth herein are correct:
1. Mr. Chu was at all relevant times licensed as a representative with 596373 B.C. Ltd. dba Re/Max Westcoast.

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

2. Mr. Chu's licensing history is as follows:

Brokerage	Licence Level	Licence Category	Start Date	End Date
596373 B.C. Ltd. Db a Re/Max Westcoast (X027022)	Representative	Trading	25/09/2001	Present

3. Mr. Chu became licensed as Carl Chu Personal Real Estate Corporation on November 29, 2013.
4. The matter was brought to the attention of the Real Estate Council when a licensee B.B. a strata property manager with another brokerage, alleged that Mr. Chu was providing rental management services outside his brokerage and without a rental management licence. This came to B.B.'s attention when an unlicensed assistant stating that he was from an unlicensed and unincorporated entity called Carl Chu Realty, was arranging to purchase a fob, and directed B.B. to charge the owner's maintenance account for the cost of the fob. When the assistant was asked how many units he managed in the Strata Corporation, a list of 10 units was provided.
5. Mr. Chu and staff operated from the personal residential address of Mr. Chu and staff at that address provided the Council upon inquiry information regarding rental units they had available in Morgan Creek, Surrey.
6. Mr. Chu used his office phone number and the name "Carl Chu Realty" when advertising rental units on the Internet.
7. Mr. [REDACTED] Managing Broker of Re/Max Westcoast was not aware that Mr. Chu was providing rental property management services outside of the brokerage.
8. On October 27, 2014, Mr. Chu was interviewed by the Council and stated that he did not know what he was doing was in contravention of the *Real Estate Services Act* and he agreed to close the business down so as to be in compliance with the Act and Rules. He stated that he was 'helping family and friends' while they were out of the country, in the management of their investment properties. He said he provided these services to approximately 20 properties. He was used a bank account in the name of Carl Chu Real Estate Inc, to deposit funds as Carl Chu Realty was not an incorporated name.
9. On November 3, 2014, Mr. Chu advised Council that he had shut down his rental management business and had arranged for another licensee, A. S. of a different brokerage to take over the rental management of his properties.

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10. When the Council sought to confirm this information, it was advised that Mr. Chu had asked the licensee to manage a rental portfolio of 25 properties, for a period of three months and then it was hoped that Mr. Chu would take the portfolio back, if the owners wished to go back to Mr. Chu and if the appropriate licensing processes could be put in place. Mr. Chu also offered to cover \$1500 of the property manager's costs for the initial three months.
11. Mr. Chu wanted the licensee to hire Mr. Chu's assistant to continue managing the portfolio. The Council was provided with a list of the rental properties Mr. Chu wanted him to manage. Based on that list, the monthly rental revenue collected was \$50,365 and the licensee understood that the management fee charged was 7-10% annually. The licensee declined Mr. Chu's arrangement.
12. On November 2, 2014, after Mr. Chu was advised that the funds for rental management transactions in the Carl Chu Real Estate Inc. needed to be transferred to his Brokerage trust account immediately to be in compliance with the legislation, Mr. Laurendeau provided confirmation that Mr. Chu paid the sums of \$10,280.00 and \$3,545.00 into the operating trust account of the Brokerage.
13. On November 6, 2014, at Mr. Chu's second interview with Council, he advised Council he had transferred his rental portfolio to another licensee of [REDACTED]. Compliance staff confirmed with the licensee that a portfolio of 21 rental properties had been delivered to him, and he provided a list of those properties.
14. Mr. [REDACTED] stated to Council that he was made aware of the rental management services being provided by Mr. Chu, outside of his brokerage when the Council contacted him on November 26, 2014. Mr. [REDACTED] took immediate steps to compel Mr. Chu to comply with the *Real Estate Services Act* and Council Rules.
15. Mr. Chu stated that he provided rental management services as "*a personal favor other than professional services*" for family and friends. All Tenancy Agreements, Notices to tenants, Form K, were all signed by the owner of the property. He stated that his role was that of a '*go between*' as a translator or messenger. All rents and security deposits were paid directly to the owners.
16. Mr. Chu acknowledged that his clients offered him a half month's rent per year to cover operating costs but Mr. Chu contended that he didn't collect the money on a regular basis, as he only billed once per year. He accepted these payments without realizing he was in contravention of the *Real Estate Services Act*.
17. Mr. Chu acknowledged that his unlicensed assistants carried out licensed activities in relation to the rental properties.

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18. Mr. Chu stated that his unlicensed assistants found tenants for the rental units, on behalf of the owners, were available to take calls from tenants, repair technicians and strata people, when the owners had a language barrier. The assistants carried out listing showings, scheduled appointments, and took care of general office work. Helping owners with the rental properties was, in his estimation, a small portion of their work. He also stated that his assistants carried out Move Out Inspection Reports, and post Eviction Notices, purchased fobs and directed the strata manager to charge the cost to owner's strata maintenance account.
19. Mr. Chu stated that his Managing Broker was aware that he owned a few investment properties, but the brokerage did not know that he was managing the properties himself and he failed to disclose this to his brokerage in writing. He did not realize he was in contravention of the *Real Estate Services Act* when he provided service to his clients, friends and family.

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, Yang (Carl) Chu, and Carl Chu Personal Real Estate Corporation are prepared to accept the following findings if made against them by the Council's Consent Order Review Committee:
  - (a) Yang (Carl) Chu and Carl Chu Personal Real Estate Corporation committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* ("RESA") in that they:
    - (i) provided rental management services, when not licensed to do so and provided these services outside of their related brokerage, contrary to sections 3(1)(a) and/or 7(3)(a) of RESA;
    - (ii) accepted remuneration for rental management services outside their related brokerage and failed to promptly pay those monies received to their related brokerage, contrary to sections 27(1)(a) and/or 27(1)(b) of RESA;
    - (iii) permitted their unlicensed assistant to provide services for which a licence is required, in that they permitted their unlicensed assistant to carry out such activities as, but not limited to, showings of listings, move inspections, expending funds on behalf of an owner in relation to repairs to a unit, and post Eviction Notices, and paid their unlicensed assistant to provide those services, contrary to section 6-1 and 6-2 of the Council Rules;
    - (iv) failed to disclose to their managing broker, in writing, that they were managing property on behalf of themselves and permitted members

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of their family, contrary to section 9-1 and/or 9-2(2) of the Council Rules.

2. Mr. Chu and Carl Chu Personal Real Estate Corporation hereby waive their right to appeal pursuant to section 54 of the *Real Estate Services Act*.
3. Mr. Chu and Carl Chu Personal Real Estate Corporation 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. Chu and Carl Chu Personal Real Estate Corporation 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. Chu and Carl Chu Personal Real Estate Corporation 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.
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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Jessica S. Gossen, Legal Counsel  
Real Estate Council of British Columbia

As to Part B only (Agreed Statement of Facts)

Dated 28 day of October, 2015

  
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Yang (Carl) Chu on his behalf and  
on behalf of Carl Chu Personal Real Estate  
Corporation

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

Dated 27 day of October, 2015