

IN THE MATTER OF The *Real Estate Act*, R.S.A. 2000 c. R-5

AND IN THE MATTER OF Frank Petrin, then mortgage broker registered with 3877337 Canada Inc. o/a HLC Home Loans Canada and now mortgage associate registered with Verico CML Canadian Mortgage Lender Inc. o/a CML Mortgages

INTRODUCTION

1. The Executive Director of the Real Estate Council of Alberta conducted an investigation into whether the conduct of Frank Petrin, at all relevant times mortgage broker registered with 3877337 Canada Inc. o/a HLC Home Loans Canada (“**HLC**”) [currently registered as a mortgage associate with Verico CML Canadian Mortgage Lender Inc. o/a CML Mortgages] is deserving of sanction and/or whether he breached the requirements of the *Real Estate Act* R.S.A. 2000, c. R-5 (the “**Act**”) or the Rules prescribed pursuant thereto (the “**Rules**”) or the Code of Conduct prescribed pursuant thereto (the “**Code of Conduct**”).
2. The Executive Director and Frank Petrin agree to resolve all matters against Frank Petrin on the terms and conditions set out herein.

AGREED STATEMENT OF FACTS

3. On or about January 10, 2005, G.Z. accepted employment with HLC with the position of Area Sales Manager Builder and reporting to Frank Petrin (hereafter “Mr. Petrin”) and began his employment with HLC on January 25, 2005.
4. G.Z. is not currently authorized to deal in mortgages and has never been authorized to deal in mortgages.
5. The duties and scope of authority outlined in the agreement are stated as follows:
 - i. *identify growth opportunities regionally (within your team); i.e. number of Realtors/Builders, number of Realtors/Builders we do business with, number of deals we currently receive*
 - ii. *analyse projected market share by using High Performance Business Plans*
 - iii. *develop organizational capabilities to exceed resale targets;*
 - iv. *generate plan for growth; assist team members to resolve issues i.e. RAC and develop new business relationships with reputable business sources (i.e. realtors, financial planners);*
 - v. *successfully recruit and provide orientation and sales training for all new hires; provide coaching, sales forecasting; joint field work, communication and performance management to all staff within your team;*

vi. adhere to the policies set out in the Operating Policy Addendum when operating as a HLC Specialist (submitting mortgage applications), attached to and forming part of this Agreement, as may be amended from time to time;

6. Mr. Petrin was, at all relevant times, the broker for HLC and was responsible for supervision of G.Z.'s conduct.
7. As stated by Mr. Petrin, the Area Sales Manager Builder was responsible for business planning and performance management of mortgage specialists as well as deliver presentations to realtors, builders, financial planners and other potential customers.
8. In or around March 2006, T.C., a mortgage associate (Mortgage Specialist) with HLC was purchasing a home. She wanted to process her mortgage through HLC; however, it is against HLC policy for staff to process their own mortgage through HLC as there is a conflict of interest. As a result, G.Z. had advised T.C. that she could process the mortgage under his name.
9. T.C. processed her mortgage under G.Z.'s name.
10. G.Z. was paid a commission for the mortgage that was ultimately issued to T.C..
11. Mr. Petrin failed to become aware at the time that G.Z. was paid a commission for the mortgage issued to T.C..
12. As admitted by Mr. Petrin, he does not review every mortgage application. His administrative person does this and where there are applications that may have issues, they are flagged and then reviewed by Mr. Petrin.
13. The reason Mr. Petrin gives for not reviewing every mortgage application is the volume of applications was too high.
14. On or about August 20, 2008, the commission that was paid to G.Z. in error was reversed.

CONCLUSION

15. By reason of the matters described herein, Frank Petrin's conduct is deserving of sanction in that he:
 - (a) failed to ensure there was an adequate level of supervision within the brokerage for employees who performed duties on behalf of the brokerage, contrary to s.21(1)(f) of the Rules (as it then was) (effective October 1, 1999 to September 30, 2006) made pursuant to the *Real Estate Act* R.S.A. 2000, c. R-5

- i) Mr. Petrin allowed G.Z. to be paid a commission for a mortgage while he was unauthorized to deal in mortgages and to receive remuneration or other consideration for such unauthorized activity by failing to adequately supervise G.Z..

SETTLEMENT TERMS

16. In settlement of the foregoing contravention, it is agreed that the fine for the breach is assessed as follows:
 - (a) s.21(1)(f) of the Rules \$1,000.00
17. It is further agreed that Frank Petrin will pay costs in the amount of \$500.00.
18. In summary, Frank Petrin will pay immediately to the Real Estate Council of Alberta a fine in the amount of \$1,000.00, together with costs in the amount of \$500.00 for a total of \$1,500.00.
19. Frank Petrin agrees that as a condition of his authorization to deal in mortgages, he will, within six (6) months of the ratification of this Consent Agreement by the Hearing Panel, successfully complete the Real Estate Brokerage course (part of the Alberta Real Estate Association's Real Estate Brokers' Program) offered by the Alberta Real Estate Association, or a similar course or courses at the sole discretion of the Executive Director.
20. Frank Petrin acknowledges that he has been given an opportunity to seek the advice of legal counsel and acknowledges that he is agreeing to the terms of settlement of his own free will.
21. Frank Petrin is aware that a copy of this Consent Agreement will be placed on his file and may be reviewed and considered in any future disciplinary proceedings.
22. Frank Petrin is aware the Real Estate Council of Alberta may publish the contents of this Consent Agreement.
23. Frank Petrin hereby waives any rights he may have under the Act or otherwise to a review, hearing, appeal or other judicial proceeding involving the matter referred to herein.
24. These settlement terms are intended to resolve all matters described herein and, subject to the approval of the Hearing Panel, the Executive Director will

take no further action under the Act or before the courts in this regard.

IN WITNESS WHEREOF the undersigned agree and accept the terms and conditions of this settlement this 5th day of March, 2010.

Signed and delivered)	
in the presence of)	
)	
)	
<i>P.P.</i>)	
Witness to the signature)	Frank Petrin
of Frank Petrin)	

The Executive Director recommends to the Hearing Panel the proposed terms of settlement based on the Agreed Statement of Facts.

REAL ESTATE COUNCIL OF ALBERTA

<i>V.H.</i>	Per:
Witness to the signature	<i>Bob Myroniuk</i>
of Bob Myroniuk	Executive Director

Recommendation Approved	<u> ✓ </u>
Recommendation Denied	<u> </u>

DATED at the City of Calgary, in the Province of Alberta this 24th day of March, 2010.

REAL ESTATE COUNCIL OF ALBERTA

Per: Cheryl King
Hearing Panel Chairperson

AFFIDAVIT OF EXECUTION

CANADA) I, P.P. of
)
PROVINCE OF ALBERTA) the City of Calgary, in the Province of Alberta
)
TO WIT:) MAKE OATH AND SAY:

1. THAT I was personally present and did see Frank Petrin, named in the annexed instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.

2. THAT the same was executed at the City of Calgary, in the Province of Alberta, and that I am the subscribing witness thereto.

3. THAT I know the said party and he is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the City)
of Calgary, in the Province of)
Alberta this 5th day of)
March, 2010.)
)
) *P.P.*
) (signature of witness)
)
)
)
D.K.)
A Commissioner for Oaths in and)
for the Province of Alberta)