

September 7, 2010

**Private and Confidential**

## **LETTER OF REPRIMAND**

**Re: Investigation by the Real Estate Council of Alberta – File**

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In accordance with s. 39 of the *Real Estate Act*, R.S.A. 2000 c. R-5 (the “**Act**”), the Executive Director of the Real Estate Council of Alberta (RECA) has determined that there is sufficient evidence of conduct deserving of sanction in regard to you, [(the “Industry Member”)], Real Estate Associate, registered to trade in real estate with [(the “Brokerage”)] at all material times, to issue a letter of reprimand. The evidence giving rise to the Executive Director’s decision is as follows:

In or around the spring of 2007, you began to discuss with A.A. the sale of her residence located at [(“Address 1”)]. You did not sign a service agreement, list the house or discuss the role of agency.

You found A.A. a property to purchase located at [(“Address 2”)], which was a house being sold by two real estate associates registered to your brokerage. You assisted in arranging the sale of this property, including being a witness for A.A.. In order for this purchase to proceed A.A. had to sell her house which is when you presented a buyer to her. You did not advise or discuss with A.A. how you were going to be remunerated for these services until part way through the purchase of [(“Address 2”)].

You did not advise your broker that you were involved in these trades and you failed to provide the brokerage with all trade records regarding this trade.

The Executive Director believes that this conduct is in contravention of Section 41(c), 41(e), 53(c) and 53(d) of the *Code of Conduct* (as it then was, in force from 2006) made pursuant to the *Real Estate Act* which sets out that:

- 41(c) Industry members must disclose to their clients, at the earliest practical opportunity, how they will be paid for their services.
- 41(e) Industry members must ensure the role of the industry member is clearly understood by their clients and third parties.
- 53(c) A real estate associate broker and associate must provide to the broker in a timely manner all original documentation and copies of original documents provided to the parties or maintained by other brokerages:
  - (i) Related to a trade in real estate; and

(ii) Required under the Act and these Rules;

53(d) A real estate associate broker and associate must keep the broker informed of the activities being performed by the associate broker or associate on behalf of the brokerage.

The Executive Director believes that this is conduct deserving of sanction but also believes this matter can be dealt with by way of this Letter of Reprimand.

If you dispute this Letter of Reprimand, in accordance with s. 40.1(2) of the *Real Estate Act*, you may appeal it to a Hearing Panel. You will be given a full opportunity consistent with procedural fairness and natural justice to present evidence before the Hearing Panel and make representations in relation to the contravention.

If you have any questions in regard to this Letter of Reprimand, please contact Joseph Fernandez, Director of Audits and Investigations at the Real Estate Council of Alberta.

**REAL ESTATE COUNCIL OF ALBERTA**

Per:

*Bob Myroniuk*  
Executive Director