

REAL ESTATE COUNCIL OF ALBERTA

NOTICE OF ADMINISTRATIVE PENALTY

To: **The Timberwolf Renovators Inc.**
12236 54 Street
Edmonton, AB T5W 3N5

And To: **Rick Pombert**
c/o The Timberwolf Renovators Inc.
12236 54 Street
Edmonton, AB T5W 3N5

In accordance with section 83 and the Bylaws of the *Real Estate Act* (RSA 2000 c R-5, hereinafter the "**Act**"), the Executive Director of the Real Estate Council of Alberta (hereinafter "**RECA**") is of the opinion that you, Rick Pombert (hereinafter "**Mr. Pombert**") and The Timberwolf Renovators Inc. (hereinafter "**Timberwolf**"), have jointly and severally contravened section 17(a) and/or (d) of the Act and hereby assesses an Administrative Penalty in the amount of **\$6,000.00**. The evidence giving rise to the Executive Director's decision is as follows:

On or about July 16, 2007, Timberwolf became an incorporated entity in Alberta. Timberwolf has never held an authorization to trade in real estate or applied for an authorization to trade in real estate through the Real Estate Council of Alberta, nor has it ever been authorized to advertise or hold itself out as a real estate broker.

On or about June 21, 2008, Timberwolf entered into a property management agreement with the owner of a duplex municipally described as 12835 86 Street, Edmonton and 12837 86 Street, Edmonton. These properties were managed by Timberwolf from July 2, 2008 until October 31, 2008. Mr. Pombert signed the property management agreement on behalf of Timberwolf. Pursuant to the management agreements, Timberwolf agreed to, on behalf of the owner: lease rental units; negotiate and administer all contract work, collect rents and security deposits and hold in trust; perform periodic site inspections; conduct periodic rental surveys to determine market rents; obtain approvals prior to purchase for expenditures for a single item of maintenance over \$300.00; supply all forms required for the management of the property including inspections, leases and notices; and act on behalf of the owner on all actions with tenants. Timberwolf was paid a fee by the owner for their property management services.

Between August 2008 and October 2008, Mr. Pombert, on behalf of Timberwolf, collected a total of \$2,500.00 for damage deposits from tenants, which it held in trust. Timberwolf also collected a total of \$6,250.00 in rent monies for the properties from tenants, on behalf of the owner. During this time, Timberwolf charged a 10% fee for its management services as well as arranged for and paid for maintenance work relating to the properties. Timberwolf was either paid for this maintenance or deducted those amounts from the rent monies it held.

Mr. Pombert provided statements on behalf of Timberwolf for the owner for the months of August, September and October 2008 showing a balance owing to Timberwolf for August and balances owing to the owner for September and October. Between September and October 2008, Timberwolf owed the owner \$4,725.00. The owner never received any monies from Timberwolf.

The Executive Director is of the opinion that the above noted conduct is in violation of section 17(a) and/or (d) which sets out that:

- 17 No person shall
- (a) trade in real estate as a real estate broker,
 - (b) [...],
 - (c) [...], or
 - (d) advertise himself or herself as, or in any way hold himself or herself out as, a mortgage broker, real estate broker or real estate appraiser

unless that person holds the appropriate authorization for that purpose issued by the Council.

In accordance with section 83 of the Act and Part 4 of the Act's Bylaws, the Executive Director hereby assesses an Administrative Penalty in the amount of **\$6,000.00** against Mr. Pombert and Timberwolf jointly and severally.

Payment of this Administrative Penalty shall be accepted by the Executive Director as complete satisfaction of the amount of the penalty and no further proceedings under Part 6 of the Act will be taken against you in respect of the contravention. A person who pays an Administrative Penalty may not be charged under the Act with an offence in respect of those contraventions.

This sum of **\$6,000.00** is payable to the Real Estate Council of Alberta within thirty (30) days of the date of issuance of this Notice of Administrative Penalty. If you fail to pay the amount set out in this notice, the Executive Director may commence legal action against you to recover the amount owing in respect of the Administrative Penalty as a debt due to the Real Estate Council of Alberta.

If you dispute this Notice of Administrative Penalty in accordance with s. 83.1 of the 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 Notice of Administrative Penalty, please contact Victoria Woodworth-Lynas, Case Presenter, at the Real Estate Council of Alberta.

DATED this 5th day of July, 2010.

REAL ESTATE COUNCIL OF ALBERTA

Per:

Bob Myroniuk
Executive Director