

March 3, 2010

Private and Confidential

LETTER OF REPRIMAND

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

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”)], broker, registered to deal in mortgages 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 2007, C.W. contacted you seeking financing. You suggested that C.W. take out a third mortgage. In the process of obtaining financing you failed to obtain C.W.’s consent in a verifiable form for the credit checks you performed on C.W.. You also failed to ensure the mortgage broker borrower disclosure forms was signed by C.W..

You arranged the mortgage through [(the “Company”)] which was your personal numbered company. C.W. was not made aware the lending company was your personal company.

The Executive Director believes that this conduct is in contravention of Section 41(1)(f), 41(1)(g), 65(b)(ii) and 75(a) of the Rules made pursuant to the *Real Estate Act* which sets out that:

41 Industry members must:

(f) disclose to their clients, at the earliest practical opportunity, any conflict of interest they may have in the course of providing services to, or in their dealings with, a client;

(g) practice in strict accordance with the Act, Regulations, Rules, Bylaws and any other laws that govern trading in real estate, mortgage transactions or appraisals in Alberta;

65 A mortgage broker must:

(a) disclose to borrowers in writing:

(ii) the nature of its relationship to with the lender

75 An industry member dealing in mortgages on the industry member's own behalf, either directly or indirectly, must disclose in writing to the borrower, lender, vendor or purchaser of the mortgage, as the case may be:

- (a) any interest, direct or indirect, that the industry member has in the transaction;

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