

April 27, 2010

*Private and Confidential*

## LETTER OF REPRIMAND

**Re: Investigation by the Real Estate Council of Alberta – File 7923 – 10**

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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”)], Associate, registered to trade in real estate to [(“Brokerage A”)], at all material times, to issue a letter of reprimand. The evidence giving rise to the Executive Director’s decision is as follows:

In the early afternoon of December 31, 2009, R.H. and K.F. made an over the phone verbal offer for your property. You referred R.H. and K.F. to D.W., your father, a licensed real estate associate registered to [(“Brokerage B”)]. K.F. and R.H. were not told of the possible conflict of interest arising out of this referral nor were they provided with a written disclosure of your interest in the property, nor that you are authorized under the *Real Estate Act* to trade in real estate, the name of the brokerage under which you are registered, nor a complete details of any negotiation nor they were asked to review the Agency Relationship Guide. R.V., broker of [(“Brokerage A”)], was unaware of an offer being made by R.H. and K.F.. R.V. stated that you did not follow the office procedure in regards of personal trade.

The Executive Director believes that this conduct is in contravention of Section 41(f), 53(d) and 62(1) 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 dealing with, a client.

53 A real estate associate broker and associate must:

- (d) keep the broker informed of the activities being performed by the associate broker or associate on behalf of the brokerage;

62(1) An industry member trading in real estate on the industry member’s own behalf, either directly or indirectly, must disclose in writing:

- (a) to a buyer or seller who is not represented by an industry member:
  - (i) any interest, direct or indirect, that he has in the transaction;
  - (ii) that the industry member is authorized under the Act;

- (iii) the name of the brokerage with which the industry member is registered;
- (iv) complete details of any negotiations for a further trade of the real estate or the industry member's interest in it to another person; and
- (v) any information within the knowledge of the industry member that could materially affect the value of the real estate.

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