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# Case Summaries

Letters of Reprimand

Administrative Penalties

Hearing Panel Decision

Lifetime Withdrawals



# Case Summaries

Welcome to the Case Summaries monthly magazine - available on the first Monday of every month.

Inside you will find the summaries for all disciplinary decisions occurring at the Real Estate Council of Alberta (RECA) since the previous newsletter, including any suspensions and approved lifetime withdrawals from the industry.

RECA is authorized to carry out conduct proceedings under [Part 3](#) of the *Real Estate Act*.

To review RECA's Publication Guidelines, click [here](#).

For more information about the cases summarized in this publication, please click on the underlined blue heading at the start of each summary.

## Letters of Reprimand

### Five real estate associates

- industry members must not make representations or carry on conduct that is reckless or intentional and that misleads or deceives any person or is likely to do so [s.42(a) of the *Real Estate Act Rules*]
- industry members misrepresented condominium sizes

In each case, the real estate professional misrepresented the registered size of a condominium unit. These cases took place when registered size was a required data field within their local real estate board's database. The real estate professionals were required to obtain the registered condominium unit size from the condominium plan, but they did not. The condominium plan is the only acceptable means through which a real estate professional can obtain a condominium unit's registered size.

### Real estate associate

- failed to provide competent service [s.41(b) of the *Real Estate Act Rules*]
- the associate did not take steps to ensure the property was measured using the Residential Measurement Standard (RMS)

The Residential Measurement Standard requires real estate professionals to personally measure, or engage a qualified person to measure, all properties they are listing for sale. In this case, the real estate professional measured the property using the RMS, but included the registered condominium size in the listing rather than the size calculated using the RMS. If a real estate listing service requires the seller's real estate professional to include property size in the listing, that size must be calculated using the RMS.

## Letters of Reprimand

### Three real estate associates

- failure to immediately notify, in writing, the executive director [s.40 of the *Real Estate Act Rules*]

Section 40 of the *Real Estate Act Rules* requires industry members to immediately notify the executive director when certain events occur. The individuals in these matters had situations requiring notification occur more than a month before they notified the executive director. Immediately is defined as “without delay,” and in the absence of extraordinary circumstances, written notification to the executive director should occur not more than five days after the event in question. Industry members can submit their notification at any time through the myRECA system.

### Real estate associate

- failed to advertise in the name that appears on licence and in the name of the brokerage [s.53(a) of the *Real Estate Act Rules*]
- created a website to generate buyer leads, but the website did not display name or brokerage

Industry professionals must ensure their advertising clearly displays the name appearing on their licence and the brokerage with which they are registered. Industry professionals are responsible for their advertising, regardless of who creates or administers an advertising website. If an industry professional is unsure about whether their advertising complies with legislation, they should seek direction from their broker and/or review RECA’s Advertising Guidelines.

## Letters of Reprimand

### Real estate associate

- failed to enter into a written service agreement with the client [s.43(1) of the *Real Estate Act* Rules]
- drafted an offer to purchase with a client with no written service agreement in place

Real estate professionals working with clients in residential real estate are required to have written service agreements with those clients. The written service agreement needs to be entered into as soon as the client relationship is established. In this case, the real estate professional and the client did not sign a written service agreement until more than a week after writing an offer to purchase on behalf of the client.

### Real estate broker

- failed to establish adequate policies and procedures for maintenance and protection of personal and confidential information. [s.44(2)(a) of the *Real Estate Act* Rules]
- brokerage disclosed personal information regarding a client, without the client's authorization.

Brokerages are required to have adequate policies and procedures for the maintenance and protection of person and confidential information. In this case, the brokerage did not have such policies in place, and a licensee from the brokerage disclosed personal information about a client on social media, without the client's authorization.



# Letters of Reprimand

## Real estate associate

- industry member must not disclose information regarding a client to another person unless authorized by the client [s. 44(1)(a) *Real Estate Act* Rules]
- industry member disclosed information regarding a client without authorization

Industry professionals have an obligation to ensure they are protecting their client's personal information. They may only use client information for the purposes for which it was collected, and they can never provide it to a third party without the client's written consent. In this case, the industry professional contacted a relative of a client they previously worked with, and shared information about the client with the client's relative.

## Real estate broker

- failed to follow the terms of trust governing a security deposit [s. 25(1)(d) of the *Real Estate Act*]
- the brokerage held a security deposit longer than the terms contained in the lease

Brokers must ensure that all funds held in trust are disbursed according to the agreed terms of trust. Brokers must abide by the agreed terms of trust and any obligations set out in the Residential Tenancies Act governing a security deposit. In this case, the lease contained a clause stating the security deposit shall be mailed out to the tenant within 10 days of the tenant moving out, but the broker did not mail it out for more than 40 days

## Administrative Penalties

### Mohammad Islam,

Real estate associate registered with Urban Real Estate Services Ltd. o/a Urban Realty.ca

- trading in real estate without authorization [s.17(a) of the *Real Estate Act*]
- Mr. Islam received reminders that his real estate licence was due to expire on September 30, 2016 but did not renew his licence. Between October 1, 2016 and December 31, 2016, Mr. Islam continued to have an active listing on a real estate board listing service and accepted a request to show a property.
- \$1,000

### Balwant Singh Dhaliwal,

Real estate associate registered with Urban Real Estate Services Ltd o/a Urban Realty.ca

- trading in real estate without authorization [s.17(a) of the *Real Estate Act*]
- Mr. Dhaliwal did not renew his real estate licence on or about September 30, 2016. He continued to act as an Associate between October 1 and January 10, 2017 and had an active listing while unauthorized.
- \$1,000

### Richard James Horb,

Real estate associate registered to Premier Real Estate

- trading in real estate without authorization [s.17(a) of the *Real Estate Act*]
- Mr. Horb failed to renew his licence on or before September 30, 2016
- Mr. Horb had multiple active listings and continued to trade in real estate, while unauthorized between September 30, 2016 and December 2016.
- \$3,000

All industry professionals are required to renew their licence on or before September 30 each year. RECA advises industry professionals to confirm their licensing status using the myRECA system or RECA's public licence search before beginning work on October 1.

# Administrative Penalties

## Moses Ling,

Real estate associate registered with Century 21 Signature Realty

- failed to provide competent service [s.41(b) of the *Real Estate Act Rules*]
- Mr. Ling did not take steps to ensure the property was measured using the Residential Measurement Standard (RMS)
- \$1,500

## Amarjit Sihota,

Real estate associate registered with Re/Max IRealty Innovations

- failed to provide competent service [s.41(b) of the *Real Estate Act Rules*]
- Ms. Sihota did not take steps to ensure the property was measured using the Residential Measurement Standard (RMS)
- \$1,500

## Angora Heung Wah Lam,

Real estate broker registered to Kingsland Realty

- failed to provide competent service [s.41(b) of the *Real Estate Act Rules*]
- Ms. Lam did not take steps to ensure the property was measured using the Residential Measurement Standard (RMS)
- \$1,500

## Janine Elizabeth Hurtubise,

Real estate associate registered to Re/Max Real Estate

- failed to provide competent service [s.41(b) of the *Real Estate Act Rules*]
- Ms. Hurtubise did not take steps to ensure the property was measured using the Residential Measurement Standard (RMS)
- \$1,500

## Zakari Bahi Mimouni,

Real estate associate registered to Re/Max Real Estate

- failed to provide competent service [s.41(b) of the *Real Estate Act Rules*]
- Mr. Mimouni did not take steps to ensure the property was measured using the Residential Measurement Standard (RMS)
- \$1,500



## Administrative Penalties

### Ricky Darren Hill,

Real estate associate to Re/Max Real Estate Centre

- failed to provide competent service [s.41(b) of the *Real Estate Act Rules*]
- Mr. Hill did not take steps to ensure the property was measured using the Residential Measurement Standard (RMS)
- \$1,500

The Residential Measurement Standard requires real estate professionals to personally measure, or engage a qualified person to measure, all properties they are listing for sale.

### Brock Adam Tokar,

Real estate broker registered to 2% Edge

- engaged in conduct that undermines public confidence in the industry [s.42(g) of the *Real Estate Act Rules*]
- Mr. Tokar filed a caveat on a property for real estate commissions.
- the owners of the subject property were no longer in a Seller Representation Agreement with Mr. Tokar's brokerage; the Seller Representation Agreement had previously been terminated and the sellers enter into a Seller Representation Agreement with a different brokerage
- when the subject property sold, the holdover clause from the seller's Seller Representation Agreement with Mr. Tokar's brokerage was no longer in effect
- Mr. Tokar indicated he thought the Seller Representation Agreement with his brokerage had a 90-day holdover period when in fact the agreement contained a 15-day holdover period
- the timing of Mr. Tokar's caveat almost caused the collapse of the sale of the subject property
- \$5,000

Failing to adequately review documentation, and filing a caveat that was not supported by the Seller Representation Agreement falls below the standard of professionalism that is expected.

## Administrative Penalties

### Kristine Semrau,

Real estate broker registered with The Alberta Collections Inc.

- failed to file brokerage accounting within three months of the fiscal year end [s. 91(4) of the *Real Estate Act* Rules]
- the brokerage year end was on October 31, 2016, but the required accounting form was not filed until March 10, 2017
- \$1,500

### Steven Kehoe,

Real estate broker registered with 2% Realty Pro

- failed to file brokerage accounting within three months of the fiscal year end [s. 91(4) of the *Real Estate Act* Rules]
- the brokerage year end was on September 30, 2016, but the required accounting form was not filed until April 3, 2017
- \$1,500

### Melissa Hammer,

Real estate broker registered with Dominion Lending Centres – Your Financial Solutions

- failed to file brokerage accounting within three months of the fiscal year end [s. 92(1) of the *Real Estate Act* Rules]
- the brokerage year end was October 31, 2016, but the required accounting form was not filed until February 6, 2017
- \$1,500

## Hearing Panel Decision

### Terry Paranych,

Real estate associate previously registered with Elite Ownership Group Ltd. O/A Re/Max Elite and currently registered with Excellence Real Estate Edmonton Ltd. O/A Re/Max Excellence

#### Issues:

- made representations or carried on conduct that was reckless or intentional and that misled or deceived any person or was likely to do so [s.42(a) of the *Real Estate Act Rules*]
- engaged in conduct that undermines public confidence in the industry, harms the integrity of the industry or bring the industry into disrepute [s.42(g) of the *Real Estate Act Rules*]
- failed to ensure in any communications, advertising or marketing material there was no suggestion, implication or statement that may suggest or lead the public to believe an unlicensed or unregistered assistant was qualified to trade in real estate [s.46(4) of the *Real Estate Act Rules*]
- failed to trade in real estate only in the name of the brokerage with which the broker is registered [s.51(1)(b) of the *Real Estate Act Rules*]
- directly or indirectly advertised, communicated or offered to any person an incentive that was not provided by and on behalf of the brokerage with which he is registered [s.54(1)(d) of the *Real Estate Act Rules*]

#### Facts:

- Mr. Paranych made misrepresentations or presented inaccurate information in his advertisements 14 times
- Mr. Paranych made continuous claims of being the top seller in Canada, having the #1 team, being the number one real estate associate in Canada and having the most sophisticated online property search among other claims. There is no metric by which to determine how any of these claims are true.
- Mr. Paranych claimed to sell over 700 homes a year. Evidence supplied show that he sold 700 homes in one year but not in every year.
- Mr. Paranych undermined public confidence in the industry or brought the industry into disrepute six times

## Hearing Panel Decision

- advertisements referred to other industry members as old and tired, lazy, dishonest, and incompetent among other claims
- in two instances, Mr. Paranych did not ensure that advertisements for the “Selling Partners’ were clear in indicating who on the team was authorized to trade in real estate
- in three instances, advertisements offered incentives with no mention of the brokerage in the advertisement and no mention of the disclosure required under the Re/Max Guaranteed Sales Policy

### Results:

A Hearing Panel of the Real Estate Council of Alberta found that Terry Paranych breached sections 42(a), 42(g), 46(4) and 54(1)(b) of the *Real Estate Act* Rules resulting in conduct deserving of sanction. The Panel suspended Mr. Paranych for three months; ordered him to pay fines totalling \$64,500; costs of \$31,500; and, to complete an education requirement. Mr. Paranych may not be authorized to trade in real estate until he has pays all fines and costs ordered, and completes all education as required by the Hearing Panel.

Industry professionals must ensure their advertising isn’t false or misleading, it must include their full brokerage name, and if making material representations, they must be verifiable. Truthful advertising is at the core of industry professionals’ responsibilities. In addition to these specific advertising rules, industry members have a responsibility to avoid bringing the industry into disrepute; that includes within their advertising. Making disparaging comments about other industry professionals, through advertising, has the potential to bring the industry into disrepute or harm the industry’s integrity.



## Melanie Bell-Fournier, Lifetime Withdrawal from Industry

On April 12, 2017, Melanie Bell-Fournier, previously a mortgage associate in Grande Prairie, applied to permanently withdraw from industry membership.

At the time of her application, Ms. Bell-Fournier was the subject of conduct proceedings under the *Real Estate Act*. The issues under investigation were whether Ms. Bell-Fournier altered documents, submitted them to a bank, and lent funds to her client unlawfully.

At the time of Ms. Bell-Fournier's withdrawal from industry, there had been no disciplinary hearing, admissions or findings of fact.

The Real Estate Council of Alberta approved Ms. Bell-Fournier's application to withdraw, and this results in a voluntary lifetime prohibition from industry membership; conduct proceedings are now discontinued.



## Geoff Richard Pallett, Lifetime Withdrawal from Industry

On April 12, 2017, Geoff Richard Pallett, previously a real estate associate in Edmonton, applied to permanently withdraw from industry membership.

At the time of his application, Mr. Pallett was the subject of conduct proceedings under the *Real Estate Act*. The issues under investigation were whether, by virtue of criminal convictions against Mr. Pallett, he had engaged in conduct that brings the industry into disrepute.

At the time of Mr. Pallett's withdrawal from industry, there had been no disciplinary hearing, admissions, or findings of fact under the *Real Estate Act* or Rules.

The Real Estate Council of Alberta approved Mr. Pallett's application to withdraw, and this results in a voluntary lifetime prohibition from industry membership; conduct proceedings are now discontinued.

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Case Summaries are published by the Real Estate Council of Alberta.

Please forward any questions regarding the content of Case Summaries, or any questions regarding licensing or mandatory education, to [info@reca.ca](mailto:info@reca.ca)



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