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Case Summaries



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Case Summaries

Welcome to the Case Summaries monthly magazine.

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*.

Questions about disciplinary information RECA publishes and why? Review [RECA's Publication Guidelines](#) online.

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

[Jerry Reginald Rush](#)

Real estate associate registered with Royal LePage Network Realty Corp

- industry members must provide competent service [s.41(b) of the *Real Estate Act* Rules]
- Mr. Rush booked a viewing for his buyer clients to view a property, while booking this viewing Mr. Rush booked multiple other viewings through an online application
- Mr. Rush failed to notice confirmation was not provided for each individual request submitted
- Mr. Rush failed to receive confirmation for this showing from the seller
- on May 7, 2020, Mr. Rush entered the property with his clients to view the property
- the seller was at home and was not expecting a viewing

Learning Opportunity

It is the industry professional's responsibility to be knowledgeable about the online booking systems they are using to arrange property viewings. In this case, the industry professional should have ensured they had received confirmation from the seller for the viewing. The industry professional should not have assumed one confirmation accounted for all of the viewing requests submitted.

[Information Bulletin: Competent Service](#)

Letters of Reprimand

[Stephen Hugh Said](#)

Real estate associate registered with South Star Realty Inc. o/a Maxwell Capital Realty (previously 1739731 Alberta Ltd. o/a Maxwell Capital Realty)

- real estate associate brokers and associates must trade in real estate only in the name that appears on that individual's license and in the name of the brokerage with which that individual is registered [s.53(a) of the *Real Estate Act* Rules]
- on January 11, 2020, Mr. Said advertised real estate services on his Instagram account
- Mr. Said included his personal branding "Steve Said Real Estate" on these advertisements
- Mr. Said's brokerage was not clearly indicated in the advertisements

[Bradley Roger Van De Walle](#)

Real estate associate with 4th Street Holdings Ltd. o/a Re/Max Real Estate (Central)

- real estate associate brokers and associates must trade in real estate only in the name that appears on that individual's license and in the name of the brokerage with which that individual is registered [s.53(a) of the *Real Estate Act* Rules]
- Mr. Van De Walle advertised services on his Facebook page
- Mr. Van De Walle's team branding was prominently displayed
- the Facebook page did not clearly indicate Mr. Van De Walle's brokerage name

Learning Opportunity

Industry professionals must clearly indicate their brokerage name in all advertising. A brokerage name is "clearly indicated" when a reasonable consumer, under normal circumstances, can clearly distinguish the name of a brokerage in an advertisement. A reasonable consumer should be able to identify the brokerage based on the advertisement alone. In these cases, the industry professional did not display their brokerage name in their advertisements.

[Advertising Guidelines](#)

Letters of Reprimand

[Gene Hideto Yamada](#),

Real estate associate registered with South Star Realty Inc. o/a Maxwell Capital Realty (previously 1739731 Alberta Ltd. o/a Maxwell Capital Realty)

- every written service agreement shall provide that any amendment or addition to the terms of the agreement shall be in writing and signed by the relevant parties [s.43(2)(c) of the *Real Estate Act* Rules]
- on September 30, 2019, Mr. Yamada drafted an amendment to the Exclusive Seller Representation Agreement for his clients
- the amendment contained an extension in the agreement end date, and a reduction in the property price
- Mr. Yamada received approval via email by one of his clients
- the other client agreed to a price reduction, but did not agree to the amount of the price reduction
- the property was advertised at the reduced price that was not agreed upon by both clients
- Mr. Yamada failed to ensure both clients signed the amendment confirming their mutual agreement for the new price of the property

Learning Opportunity

Written service agreements must have all relevant signatures on the agreement and have all amendments documented and signed. Industry professionals must prepare documents that are legally binding. To be legally binding, all parties to the transaction must agree to contract amendments in writing. In this case, the industry professional failed to receive a signature acknowledging the agreement on the new price of the property from both parties. Industry professionals must take no action until they have the written agreement from all their clients who are a party to a trade.

[Information Bulletin: Competent Service](#)

[Information Bulletin: Service Agreements – Real Estate Brokerage](#)

Administrative Penalties

[Laeeg \(Shah\) Ahmad.](#)

Real estate associate registered at the time with Vision Realty Inc. o/a Century 21 Bravo Realty. Currently registered with Twin Oakes Real Estate 1993 Inc. o/a Re/Max House of Real Estate

- a real estate broker, associate broker or associate, must not accept a commission, referral fee or other remuneration, directly or indirectly, for a trade in real estate except through the brokerage with which is he registered [s.54(1)(c) of the *Real Estate Act Rules*]
- in April 2018, Mr. Ahmad represented their buyer client in a commercial real estate purchase
- the initial transaction with the buyer collapsed
- the buyer and the seller renegotiated the purchase
- in August 2018, a cheque for commissions earned in connection with this transaction was issued directly to Mr. Ahmad from the law firm
- all commissions must be go through the brokerage
- Mr. Ahmad accepted a commission for a trade in real estate outside the brokerage he was registered with
- \$1,500

[Tanweer Ahmed.](#)

Real estate associate registered at the time with 4 Million.ca Inc. o/a Estateview. Currently registered with Twin Oakes Real Estate 1993 Inc. o/a Re/Max House of Real Estate

- a real estate broker, associate broker or associate, must not accept a commission, referral fee or other remuneration, directly or indirectly, for a trade in real estate except through the brokerage with which is he registered [s.54(1)(c) of the *Real Estate Act Rules*]
- in April 2018, Mr. Ahmed was working with a buyer who was interested in a commercial property
- Mr. Ahmed did not practice commercial real estate and referred the buyer to another real estate associate
- in August 2018, a cheque for the referral was issued directly to Mr. Ahmed from the law firm
- Mr. Ahmad accepted a commission for a trade in real estate outside the brokerage he was registered with
- all commissions must be go through the brokerage
- \$1,500

Learning Opportunity

Industry professionals must ensure that the commissions they receive from a transaction is from the brokerage they are registered with and not any other outside party. In these cases, the industry professionals accepted a commission from a law firm and not their brokerage.

[Information Bulletin: Commissions – Payment from Trust](#)

[Information Bulletin: Referrals – Industry Member Requirements](#)

Administrative Penalties

Zhigang Zhang,

Real estate associate registered with SkyRock Realty & Management Ltd. o/a SkyRock

- a real estate broker, associate broker or associate, must not promise to pay or pay a commission, referral fee or other remuneration, directly or indirectly, to any person resulting from or in connection with a trade in real estate except through the brokerage with which he is registered [s.54(1)(b) of the *Real Estate Act Rules*]
- on February 2, 2019, Mr. Zhang sent a message to his buyer client stating he would pay them a \$500 referral bonus if they sent him clients
- Mr. Zhang paid the client \$500 twice, for two different client referrals
- these referral fees were not paid through Mr. Zhang's brokerage
- Mr. Zhang's brokerage was unaware of the arrangement
- \$1,500

Zhigang Zhang,

Real estate associate registered with SkyRock Realty & Management Ltd. o/a SkyRock

- a real estate broker, associate broker or associate, must not make an inducement unless, at the time of making the inducement, he delivers to the person to whom the inducement is made a statement signed by the real estate broker, associate broker, or associate, and if applicable, the other person involved in the inducement, clearly setting out all the details of the inducement [s.54(1)(e) of the *Real Estate Act Rules*]
- on January 10, 2019, Mr. Zhang messaged his buyer client that he would offer cash back on commissions in the amount of \$6,000, if a firm deal was reached in the next month
- Mr. Zhang failed to provide a signed statement to the buyer clearly setting out the details of the inducement
- on January 14, 2019, Mr. Zhang's buyer clients entered into a Purchase Agreement
- there was confusion about the details of when the \$6,000 was payable
- the buyers did not receive the \$6,000
- \$1,500

Learning Opportunity

To offer a referral bonus or an inducement, industry professionals must receive written approval from their broker and give specific details to the party in writing. This requirement is meant to ensure there is clarity on the bonus or inducement and to reduce conflict respecting the payment. Brokerages must directly pay bonuses and inducements. In these cases, the industry professional offered both a referral bonus and inducement without describing details of the transaction in writing or receiving permission from their brokerage.

[Information Bulletin: Inducements](#)

Suspensions

[Roots Realty & Management Inc.](#)

On June 24, 2020, the RECA executive director suspended the brokerage licence of Roots Realty & Management Inc.

Under Section 35(2)(b) of the [Real Estate Act Rules](#), the executive director may suspend the licence of a brokerage if the executive director receives information that indicates the individual who is registered as the broker has resigned or ceased to be the broker.

All active trades in real estate involving this brokerage are affected. Brokerages or consumers who have pending purchases, leases, or sales with deposits being held in trust with this brokerage should consider amending their purchase contract to transfer their trust deposit to a different brokerage or lawyer.

Suspensions

[Orca Pacific Alliance Mortgage & Refinancing Services Ltd.](#)

On June 25, 2020, the RECA executive director suspended the brokerage licence of Orca Pacific Alliance Mortgage & Refinancing Services Ltd.

Under Section 35(2)(b) of the [Real Estate Act Rules](#), the executive director may suspend the licence of a brokerage if the executive director receives information that indicates the individual who is registered as the broker has resigned or ceased to be the broker.

All active deals in mortgages involving this brokerage are affected. Brokerages or consumers who have pending mortgage deals with this brokerage should consider amending their agreements, reaching out to other brokerages, or if possible, contacting their lenders.

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