

THE REAL ESTATE COUNCIL OF ALBERTA

Case Number: 004882-CM
Name on Licence: Pali Bedi
Licence Sector and Class: Real Estate Associate
Conduct Brokerage: Currently registered with Avison Young
Commercial Real Estate Services LP
Process: A Hearing under Part 3 of the *Real Estate Act*

Document: NOTICE OF HEARING

TO: Pali Bedi

A hearing is set to review allegations about your conduct. Read this entire document to see what you must do.

Hearing Information

Date: Monday, September 12, 2022
Time: 9:30 a.m.
Venue: Virtual Hearing
Hearing Panel: [K.O], Chair (Public Member)
[M.K], Panel Member (Licensee)
[M.W], Panel Member (Licensee)

(Alternates: [A.B], [A.S], [B.W])
Counsel to the Panel: Rita Aggarwala

It is alleged that your conduct is deserving of sanction for breaching sections of the *Act* or Rules. Here are the details:

1. In or around September 2009, you failed to provide [M.S] in a timely manner, true copies of any written offer or written acceptance contrary to Rule 61(a) of the *Real Estate Act Rules*:
 - a) In July 2009, [M.S] was looking to invest \$45,000.00 and was introduced to [M.H].
 - b) [M.H] introduced [M.S] to Mr. Bedi who was the director and president of GDC (Copperfield) a company that was developing a retail strip condominium project at [ADDRESS].
 - c) Mr. Bedi advised [M.S] about the details of the property transaction and proposed the sale of condo unit #1 with a purchase price of \$1.2 million dollars.
 - d) Mr. Bedi apart from being a real estate associate at Avison Young was also an owner in Avison Young.
 - e) On September 16, 2009, Mr. Bedi met [M.S] at his residence with a pre-filled purchase contract and [M.S] signed it.
 - f) Mr. Bedi's signature was for the vendor, GDC.
 - g) Section 37 of the purchase contract addressed the acknowledgement that receipt of all documents and schedules had occurred. This section had been crossed out and initialed by [M.S] and Mr. Bedi.
 - h) [M.S] never received a copy of the purchase contract and he did not understand why he initialed Section 37 of the contract.

2. In or around January 2010, you directly provided an inducement to [M.S] in regards to the purchase transaction, which was not provided by and on behalf of the brokerage contrary to Rule 54(2) of the *Real Estate Act Rules*:
 - a) The purchase contract stated that the total price for the transaction was \$1,200,000.00 not including GST.
 - b) The initial deposit to be paid by [M.S] was stated as \$5000.00 to be paid withing 48 hours of acceptance of the offer.
 - c) There was also an additional deposit of \$115,000.00 to be paid by [M.S] on removal of conditions.
 - d) On September 17, 2009, [M.S] provided \$5000.00 as the initial deposit to the brokerage of Avison Young towards the purchase transaction.

- e) On January 26, 2010, Mr. Bedi on behalf of the seller, GDC provided a second deposit cheque of \$115,000.00 to Avison Young towards the purchase transaction.
 - f) On February 22, 2010, the \$115,000.00 deposit was returned to GDC as the broker Mr. Todd Thronson informed Mr. Bedi that the deposit money had to come from [M.S].
 - g) Mr. Bedi informed [M.S] of this instruction and proceeded to provide him \$85,000.00 as part of the second deposit.
 - h) On February 23, 2010 [M.S] provided a cheque of \$115,000.00 to Avison Young where \$85,000.00 was from Mr. Bedi while the rest was his personal cash.
3. In or around October 2009, you made representations or carried on conduct that was reckless or intentional and that misled or deceived any person or is likely to do so contrary to Rule 42(a) of the *Real Estate Act* Rules:
- a) On October 27, 2009, Mr. Bedi presented a document for [M.S]'s signature regarding removal of conditions on the purchase transaction.
 - b) This document was addressed to Mr. Bedi and drafted by Mr. Clemens on Avison Young Letterhead on instructions by Mr. Bedi.
 - c) According to the Section 5 of the purchase contract, the date to remove conditions was October 15, 2009 after which the purchase contract was unenforceable and void.
 - d) Mr. Bedi did not advise [M.S] of this fact, but instead told him that the transaction was ready to proceed.
 - e) Mr. Bedi misled [M.S] to believe that the transaction was still active when in fact it was dead, and that [M.S] could have ended the transaction at that point.
4. In or around July 2010, you made representations or carried or conduct that was reckless or intentional and that misled or deceived any person or is likely to do so contrary to Rule 42(a) of the *Real Estate Act* Rules:

- a) On July 15, 2010, [M.S] signed a document presented to him by Mr. Bedi acknowledging his default under the terms of the purchase contract.
 - b) This document was addressed to Mr. Bedi and drafted by Mr. Clemens on instructions by Mr. Bedi.
 - c) This document stated that [M.S] had defaulted under the Purchase Contract, and as such all deposits would be divided equally between the seller and the brokerage.
 - d) The purchase contract was unenforceable and void as [M.S] did not waive conditions by October 15, 2009 according to Section 5 of the purchase contract.
 - e) Mr. Bedi did not advise [M.S] of this fact, but instead informed him that he would personally refund the fees and the deposit back to him.
 - f) Mr. Bedi did not refund [M.S] any of the deposit or the fees.
 - g) Mr. Bedi received 50% of the deposit that was held in trust with the brokerage, Avison Young.
5. You failed to ensure that your role was clearly understood by [M.S] contrary to Rule 41(e) of the *Real Estate Act* Rules:
- a) [M.S] did not have a real estate associate representing him during the purchase transaction.
 - b) [M.S] did not read or write the English language very well and had no knowledge of commercial investment.
 - c) Mr. Bedi was the real estate associate who provide [M.S] with a pre-filled purchase contract for signature. Mr. Bedi generally explained the purchase contract in their native language of Punjabi but did not go through it term by term.
 - d) [M.S] was not made aware of Section 35 of the purchase contract regarding Mr. Bedi's involvement with Avison Young and his interest in the sellers company as a primary shareholder.
 - e) Mr. Bedi introduced [M.S] to a business development expert at MNP LLP, an accounting and business advisory firm to assist him to get a business plan.

- f) Mr. Bedi informed the Buyers that he would arrange for all the financing for the purchase transaction. He set up meetings with representatives of Agriculture Financial Services Corporation (AFSC) and Servus Credit Union but [M.S] had no direct dealings with the financial institutions.
- g) [M.S] only provided these financial institutions with non-refundable commitment cheques that he provided to Mr. Bedi.
- h) Mr. Bedi provided [M.S] with \$85,000.00 which was part of the down-payment for the second deposit.
- i) Mr. Bedi did not have a written disclosure statement that he was an owner in Avison Young or that he was the listing agent for the vendor and only representing them.
- j) [M.S] believed that Mr. Bedi was his realtor and was assisting him with the purchase of the property transaction for his benefit.

Virtual Hearings

Hearings at RECA are conducted virtually. The Hearing Administrator will provide you with the Guide to Virtual Hearings and you will receive help in participating in the virtual process.

Why You Should Attend the Hearing

The hearing is your opportunity to respond to the allegations and state your side of the case in front of the Panel.

Learn About the Hearing Process

Please read these guides on the RECA website

<https://www.reca.ca/complaints-discipline/hearings-information-procedures/>

- *Hearing and Appeal Practice and Procedures Guidelines and*
- *How to Represent Yourself at a Real Estate Council of Alberta Hearing or Appeal*

- *RECA Self-Represented Program*

What You Should Bring to the Hearing

Bring any witnesses and evidence you want the Panel to consider, with you to the hearing.

What Will Happen If You Don't Attend

If you do not attend the Panel may proceed to make a decision without you.

What Will Happen At the Hearing

After hearing all evidence and argument the Panel will decide whether the Registrar has proven any of the breaches. If no breach is proven you will face no sanction.

If the Panel finds a breach is proven the Panel may do one or more of the things listed in **section 43** of the *Real Estate Act*:

- Cancel or suspend your authorization
- Order you to pay a fine for each breach
- Order you to pay the cost of the investigation and the hearing
- Order you to complete an education course

Submitting Written Arguments After the Evidence

You can ask the Panel to allow you to provide written arguments at the end of presentation of evidence. The Panel will give directions on how this may be done.

You Can Get Legal Advice

You may get legal advice and may be represented by legal counsel at the hearing. If you do not have a representative please read information for unrepresented Licensees here:

<https://www.reca.ca/complaints-discipline/hearings-information-procedures/>

If You Object to a Panel Member

Please review who is on the Panel. If you object to any of the people being on the Panel, you must advise the Hearings Administrator **who you object to and why within 14 days** of receiving this Notice.

If you do not object to the Panel within 14 days, this Panel will conduct the hearing.

Postponing the Hearing

If you are not available on the date set for the hearing you can apply to the Panel for a new date. Contact the lawyer for the Registrar and the Hearings Administrator as soon as possible if you need a new date.

Dated at Calgary, Alberta, on August 15, 2022.
(date)

“Signature”

Charles Stevenson
Registrar of the Real Estate Council of Alberta

Contact Information:

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