

**THE REAL ESTATE COUNCIL OF ALBERTA**

A Hearing Under Part 3 of the *Real Estate Act*, R.S.A. 2000, c. R-5

**AND IN THE MATTER OF** a Hearing regarding the conduct of **LARRY DAVID HAHN**,  
currently unlicensed as a real estate associate and was previously registered with  
**Re/Max Real Estate (Edmonton) Ltd. o/a Re/Max Real Estate**

Hearing Panel Members: Karen Scott, Chair  
Jennifer Lucas  
Lynn Martin

Appearances: Andrew Bone, Counsel for the Registrar of the Real  
Estate Council of Alberta

Larry David Hahn

Hearing Date: January 23, 2025

**Introduction**

1. Hearings under Part 3 of the *Real Estate Act* (the *Act*) involve two phases. In the first phase, the Hearing Panel determines whether the Licensee has engaged in conduct deserving of sanction. If the Hearing Panel finds that the Licensee engaged in conduct deserving of sanction, the matter proceeds to the second phase, where the Hearing Panel determines the appropriate sanction and/or costs.
2. In this matter, the Licensee, Larry David Hahn (Hahn) and the Registrar for the Real Estate Council of Alberta (the Registrar) entered into an Agreement on Conduct Deserving of Sanction (the Agreement) pursuant to Part 3, section M(d) of the *Hearing and Appeal Practice and Procedure Guidelines*.
3. The Hearing Panel reviewed the Agreement and then adopted its contents as the Hearing Panel's findings. The Hearing Panel finds that Hahn engaged in the following conduct deserving of sanction (the Misconduct):
  - a. Hahn participated in fraudulent or unlawful activities in connection with the provision of services, contrary to section 42(b) of the Real Estate Act Rules.

- i. (PARKLAND) Hahn acted as an associate in relation to a purchase and sale agreement. He received a \$90,000.00 deposit for the purchase on behalf of his brokerage. Hahn deposited the \$90,000.00 into the Hahn Business Account instead of his brokerage trust account. While half of the funds were recovered, the other half remain outstanding. Hahn has reached out to the brokerage to discuss a settlement.
- ii. (SILVER BEACH) Hahn acted as an associate in relation to a purchase and sale agreement. He received a \$300,000.00 deposit for the purchase on behalf of his brokerage. Hahn deposited the \$300,000.00 into the Hahn Business Account instead of his brokerage trust account. A portion of the funds were sent to the seller's lawyer to close the transaction. Only half of Hahn's commissions were processed through his brokerage.
- iii. (145 STREET) Hahn acted as an associate in relation to a purchase and sale agreement. He received a \$50,000.00 deposit for the purchase on behalf of his brokerage. Hahn deposited the \$50,000.00 into the Hahn Business Account instead of his brokerage trust account. The \$50,000.00 was eventually sent to the seller's brokerage. He had improper use of these funds for approximately 15 days.
- iv. (KENNEDY CIRCLE) Hahn acted as an associate in relation to a purchase and sale agreement. He received a \$15,000.00 deposit for the purchase on behalf of his brokerage. Hahn deposited the \$15,000.00 into the Hahn Business Account instead of his brokerage trust account. The \$15,000.00 was eventually sent to his brokerage. He had improper use of these funds for approximately 20 days.
- v. (JASPER AVE) Hahn acted as an associate in relation to a purchase and sale agreement. He received a \$50,000.00 deposit for the purchase on behalf of his brokerage. Hahn deposited the \$50,000.00 into the Hahn Business Account instead of his brokerage trust account. The \$50,000.00 was eventually sent to his brokerage. He had improper use of these funds for approximately 20 days.
- vi. (COMMERCIAL UNIT) Hahn acted as an associate in relation to a purchase and sale agreement. He received a \$72,500.00 deposit for the purchase on behalf of his brokerage. Hahn deposited the \$72,500.00 into the Hahn Business Account instead of his brokerage trust account. The funds were never recovered. Hahn has recently reached out to the buyer and stated his intention to pay back the misappropriated funds.
- vii. (LEGENDS #4206) Hahn acted as an associate in relation to a purchase and sale agreement. He received a \$280,358.50 deposit for the purchase

on behalf of his brokerage. Hahn deposited the \$280,358.50 into the Hahn Business Account instead of his brokerage trust account. A small portion of this eventually went to the seller's lawyer however approximately \$220,000.00 remained outstanding. This was eventually dealt with in a no-fault settlement with the Legends Developers.

- viii. (LEGENDS #4904) Hahn acted as an associate in relation to a purchase and sale agreement. He received a \$226,999.00 deposit for the purchase on behalf of his brokerage. Hahn deposited the \$226,999.00 into the Hahn Business Account instead of the seller's lawyer trust account. A portion of the funds were sent to the seller's lawyer to close the transaction. Hahn had improper use of these funds for approximately 2 months.
  - ix. (LEGENDS #5004) Hahn acted as an associate in relation to a purchase and sale agreement. He received a \$295,000.00 deposit for the purchase on behalf of his brokerage. Hahn deposited the \$295,000.00 into the Hahn Business Account instead of the seller's lawyer trust account. The \$295,000.00 remained outstanding. This was eventually dealt with in a no-fault settlement with the Legends Developers.
  - x. (LEGENDS #3901 and #3908) Hahn acted as an associate in relation to a purchase and sale agreement for the above units. He received deposits totaling \$208,588.00 for the purchase on behalf of his brokerage. Hahn deposited the \$208,588.00 into the Hahn Business Account instead of the seller's lawyer trust account.
- b. Hahn accepted a commission, referral fee or other remuneration, directly or indirectly, for a trade in real estate that was not through the brokerage with which he is registered contrary to section 54(1)(c) of the Real Estate Act Rules.
    - i. (SILVER BEACH) Regarding the purchase and sale transaction on this property Hahn directly received a \$58,513.32 commission that was not processed through his brokerage.
    - ii. (LEGENDS #4904) Regarding the purchase and sale transaction on this property Hahn received an approximate \$76,000.00 commission that did not go through his brokerage.
  - c. Hahn failed to provide to the broker in a timely manner all original documentation and copies of original documents provided to the parties or maintained by other brokerages contrary to section 53(c) of the Real Estate Act Rules.

- i. (COMMERCIAL UNIT) Regarding the purchase and sale transaction on this property Hahn never provided any documentation to his brokerage.
  - ii. (LEGENDS #4206) Regarding the purchase and sale transaction on this property Hahn never provided any documentation to his brokerage.
  - iii. (LEGENDS #4904) Regarding the purchase and sale transaction on this property Hahn never provided any documentation to his brokerage.
  - iv. (LEGENDS #5004) Regarding the purchase and sale transaction on this property Hahn never provided any documentation to his brokerage.
  - v. (LEGENDS #3901 and #3908) Regarding the purchase and sale transaction on these properties Hahn never provided any documentation to his brokerage.
4. The Hearing Panel then heard from the parties with respect to the appropriate sanction and costs considering Hahn's Misconduct.
5. This Decision addresses the appropriate sanctions and costs in respect of Hahn's Misconduct. For the reasons set out below, the Hearing Panel imposes the following sanctions and costs:
  - a. Hahn shall pay a \$5,000 fine in respect of his breach of section 42(b) of the Real Estate Act Rules;
  - b. Hahn shall pay a \$5,000 fine in respect of his breach of section 54(1)(c) of the Real Estate Act Rules;
  - c. Hahn shall pay a \$5,000 fine in respect of his breach of section 53(c) of the Real Estate Act Rules;
  - d. Hahn shall pay the costs of this hearing in the amount of \$3,000;
  - e. All authorizations issued by RECA to Hahn are hereby cancelled, effective immediately;
  - f. Hahn will not be eligible to apply to RECA for any new authorization whatsoever for a period of eight years, starting from the date of his license suspension (October 20, 2020); and
  - g. Hahn will be required to successfully complete all education requirements before being eligible to apply for a new authorization from

RECA, as though he had never previously received authorization from RECA.

### Factors to Consider on Sanction

6. The parties agree that the relevant factors to consider in assessing the appropriate sanction in this case are set out in *Jaswal v Newfoundland (Medical Board)*<sup>1</sup> (the *Jaswal* Factors):
  - a. The nature and gravity of the proven allegations;
  - b. The age and experience of the Licensee;
  - c. The previous character of the offender and, in particular, the presence or absence of prior complaints or convictions;
  - d. The number of times the offence was proven to have occurred;
  - e. The role of the Licensee in acknowledging what occurred;
  - f. Whether the Licensee had already suffered serious financial or other penalties as a result of the allegations having been made;
  - g. Impact of the incident on the victim, if any;
  - h. Mitigating circumstances;
  - i. Aggravating circumstances;
  - j. The need to promote specific and general deterrence and thereby protect the public and ensure the safe and proper conduct of the profession;
  - k. The need to maintain the public's confidence in the integrity of the profession;
  - l. The degree to which the offensive conduct that was found to have occurred was clearly regarded, by consensus, as being the type of conduct that would fall outside the range of permitted conduct; and
  - m. The range of sentence in similar cases.

### The Parties' Positions

7. The Registrar began by acknowledging the mitigating factors in this case:
  - a. Hahn took responsibility for his actions and has been transparent with RECA about what happened;
  - b. In the same vein, Hahn entered into the Agreement with RECA which has saved significant resources. Had Hahn not admitted his Misconduct, a lengthy hearing, involving 12 witnesses would have been required. The potential witnesses are not all in Alberta and one is in a time zone that

---

<sup>1</sup> *Jaswal v Newfoundland (Medical Board)*, 1996 CanLII 11630 (NLSC) at para 35.

would have required them to testify in the middle of their night. Some witnesses were apparently apprehensive about testifying;

- c. Hahn's license has been suspended, pursuant to section 53 of the *Act*, since October 20, 2020. Thus, he has already suffered a penalty; and
  - d. Although some of the funds remain unrecovered, Hahn has made significant restitution.
- 8. However, the Registrar asserts that there are very serious aggravating factors in this case as well:
  - a. Hahn is 75 years old and has dealt in real estate for over 43 years. Given his age and experience, he ought to have known better than to engage in the Misconduct;
  - b. Hahn engaged in 18 breaches of the Real Estate Act Rules, including 10 incidents of fraud, over many years; and
  - c. Most significantly, Hahn's Misconduct strikes at the heart of RECA's mandate, which is to protect against fraud. It similarly compromises RECA's efforts to maintain public confidence in the industry.
- 9. The Registrar cited cases dealing with breaches of section 42(b) of the Real Estate Act Rules. Where the licensee cooperated in the investigation and/or admitted their misconduct thereby avoiding a hearing, RECA imposed license cancellations for periods of one to four years: *Merchant* RECA 2019, *Aulakh* RECA 2019, *Voth* RECA 2023, and *Peresta* RECA 2024. Where the licensee did not cooperate in the investigation and a hearing was required, RECA imposed license cancellations for periods of seven to 10 years: *Wolf* RECA 2002, *Adel* RECA 2010.
- 10. While acknowledging that the sanctions tended to be lower where the licensee cooperated with RECA and acknowledged wrongdoing, the Registrar referred to Hahn's Misconduct as one of the most serious examples of conduct deserving of sanction that has ever been before RECA. Had Hahn not entered into the Agreement and made restitution, the Registrar asserts that it would have asked for a much more significant penalty. Taking into account the mitigating factors weighed against the seriousness of the Misconduct, the Registrar requested the following remedies:
  - a. A \$5,000 fine in respect of Hahn's breach of section 42(b) of the Real Estate Act Rules;

- b. A \$5,000 fine in respect of Hahn's breach of section 54(1)(c) of the Real Estate Act Rules;
  - c. A \$5,000 fine in respect of Hahn's breach of section 53(c) of the Real Estate Act Rules;
  - d. An Order directing Hahn to pay the costs of this hearing in the amount of \$3,000;
  - e. An Order cancelling Hahn's license with no ability to apply for eight years, starting from the date of his suspension (October 20, 2020); and
  - f. An Order providing that, if Hahn re-applies to RECA for authorization, he must complete all education requirements as though he had never previously received authorization from RECA.
- 11. Hahn does not dispute the aggravating and mitigating factors cited by the Registrar, nor does he oppose the Registrar's request for \$15,000 in fines and \$3,000 in costs. He does not oppose the cancellation of his license and the requirement to complete all education requirements as if he had never previously been licensed by RECA prior to re-applying.
  - 12. However, he argues that being required to wait until October 2028 to reapply for a license is excessive, particularly given his cooperation in the hearing.
  - 13. Hahn argues that licensees who faced similar restrictions on re-applying in other cases had failed to cooperate with RECA necessitating lengthy hearings. In contrast, he has cooperated with RECA, sparing all parties the expense and upset of a hearing, and has made significant efforts to make restitution. He referred to two cases where the licensee cooperated with RECA and provided a joint submission regarding sanction. In *Helm* RECA 2012, the licensee's licence was cancelled for 30 months. In *Kennedy* RECA 2022, the licensee's license was cancelled for 36 months.
  - 14. Moreover, Hahn argues that, even in cases where the licensee did not cooperate with RECA, shorter periods of ineligibility were imposed. For example, in *Naidu* RECA 2006, the licensee did not cooperate with RECA and a hearing was required. RECA found 12 breaches of the Real Estate Act Rules and described the licensee's misconduct as serious. His license was cancelled, and he was ineligible to re-apply for four years. Similarly, in *Odetunde* RECA 2006, following a hearing, RECA found 10 breaches of the Real Estate Act and Rules. The licensee's authorization to trade in real estate as a broker was suspended for five years and his authorization to trade as an agent was suspended for 18 months. Likewise, in *Knutson* RECA 2022, the licensee did not cooperate with RECA and a hearing was

required (the licensee did not attend the hearing). His license was cancelled with no ability to re-apply for five years.

15. Given his cooperation with RECA, Hahn asserts that the restriction on his ability to re-apply should be shorter than in *Naidu* and *Knutson*. Hahn also argues that his age is significant. He has worked in real estate most of his adult life. He is now 75 years old and has a limited number of working years left. Being required to wait until October 2028 to re-apply for his license could mean that he will never work in real estate in Alberta again.
16. While he did not provide a specific alternate proposal with respect to sanction, he appeared to be arguing that RECA should cancel his license but allow him to re-apply immediately as opposed to in October 2028. This would give him an opportunity to re-start his real estate practice in Alberta three or four years earlier.

## Decision

17. The parties generally agree on the *Jaswal* Factors in this case. They simply place different emphasis on them. The Registrar emphasizes the seriousness of the Misconduct while Hahn emphasizes his cooperation with RECA and the impact that a lengthy period of ineligibility would have on him at his age. The Hearing Panel reviewed the decisions cited by the parties. Having reviewed those decisions, we find that Hahn's Misconduct was serious enough to warrant a significant sanction, notwithstanding his cooperation with RECA for four reasons.
18. First, Hahn's Misconduct was more threatening to the public confidence in the industry and further outside what would generally be considered permissible conduct by a licensee than the conduct in the other cases.
19. In *Helm* and *Kennedy*, there was no allegation that the licensee engaged in fraud or acted unlawfully. In *Knutson*, the licensee challenged the authority of RECA in a general sense. While he completed forms agreeing to abide by the *Act* and the Real Estate Act Rules, he publicly declared his belief that he was not subject to the authority of government authorities, courts, or federal or provincial laws. Although this conduct by a licensee undermined public confidence in the industry, it was largely confined to a single dispute that occurred out in the open.
20. In contrast, Hahn engaged in fraudulent and unlawful activities in relation to 11 purchase and sale agreements over a period of seven years. His actions were premeditated, and he utilized significant subterfuge to accomplish these fraudulent and unlawful activities. He registered the Hahn Corporation using the "REMAX" trade name without permission. He then opened the Hahn Account, again using the "REMAX" trade name without permission, to enable him to place



deposits intended for his brokerage account into the Hahn Account where he could use them for his personal benefit. He carried on this fraudulent and unlawful practice for seven years, involving numerous consumers and third parties.

21. RECA's mandate is:

"To:

- protect consumers
- protect against, investigate, detect, and suppress fraud as it relates to the business of licensees
- set and enforce standards of conduct for licensees and the business of licensees to promote the integrity of, and confidence in, the industry
- provide, or support the provision of, services that promote regulatory compliance by licensees."

22. Engaging in fraud is well outside what would generally be considered permissible conduct and strikes at the heart of RECA's mandate. It is particularly aggravating that the fraud here involved the handling of what are typically referred to as "trust funds". That is, deposits from purchasers to be held pending the closing of the real estate transaction and credited towards the purchase price, returned to the purchaser, or forfeited to the vendor in certain narrow circumstances. They were never supposed to be used by Hahn for his own personal benefit. Rather, he had undertaken to hold them in trust on behalf of his client.
23. RECA licensees accept, hold, and transfer such trust funds on behalf of clients every day. In doing so, there is always the explicit and implicit expectation that the trust funds are being held for the benefit of client, not the agent/licensee, and that they will be handled safely and lawfully.
24. A real estate purchase or sale is often one of the largest financial transactions an individual will be involved in. Trust funds are often significant sums of money, both in absolute terms and in terms of the kinds of expenditures normally made by the client.
25. In this context, it is crucial to the integrity of and confidence in the industry that licensees can be relied upon to handle trust funds in accordance with the Act and the Real Estate Act Rules. Fraud involving trust funds is extremely serious because it strikes at the heart of the confidence that clients must place in their agents licensed by RECA. As a result, significant denunciation and deterrence of such conduct is required to restore public confidence.

26. Second, and similarly, most of the cases cited by the parties involved fewer counts of misconduct than what is before this Hearing Panel. Even where RECA has found multiple breaches of the Act and Real Estate Act Rules, the breaches have nevertheless arisen out of a single or limited number of transactions over a short period of time. For example, while the licensee in *Odetunde* committed 10 breaches of the Act and the Real Estate Act Rules, they largely related to a single transaction and the licensee's conduct over a period of nine months.
27. In contrast, Hahn committed 18 breaches of the Real Estate Act Rules over a period of seven years and in the course of 11 different real estate transactions. His actions did not relate to a single transaction or error in judgement. There was no evidence that they occurred during a brief, difficult period in his life. Rather, he demonstrated a long-standing, premeditated pattern of misconduct, including significant dishonesty. Only the licensees in *Kennedy* and *Wolf* engaged in similarly extensive misconduct. In *Kennedy*, the licensee committed 23 breaches of the Act and Real Estate Act Rules. In *Wolf*, the licensee engaged in fraud in the purchase and sale of 11 different properties and similarly demonstrated a pattern of premeditated, fraudulent conduct.
28. Third, in addition to being more extensive, Hahn's Misconduct also resulted in greater harm to third parties than the conduct considered in other sanction cases. In *Merchant*, *Voth*, *Peresta*, and *Knutson*, the licensee's misconduct did not result in a loss to any third parties. In *Odetunde*, the loss resulting from the misconduct appears to have been less than \$22,000. In *Naidu* the licensee engaged in fraud as part of a plan to inflate the value of a property. He also appears to have laundered money through a solicitor's account by giving the appearance that a third party was a *bona fide* purchaser when, in fact, the licensee was the source of the funds. RECA found that the licensee's actions were serious and that the public was negatively affected by his dishonesty. However, there was no indication of a significant financial loss suffered by third parties.
29. In contrast, Hahn's Misconduct resulted in a significant financial loss to third parties. According to the Agreement, at the time of the hearing, approximately half of the \$90,000 deposit in the PARKLAND transaction remained owing. Likewise, the \$72,500 deposit in the COMMERCIAL UNIT transaction had not yet been recovered. While Hahn expressed a willingness to address these outstanding amounts, no details of an impending settlement were provided. With respect to the LEGENDS transactions, while Hahn paid \$1,000,000 as part of a settlement, there was no evidence that the affected parties were made whole as a result. In other words, even with Hahn's efforts to make restitution, the Agreement demonstrates an ongoing loss to third parties in excess of \$100,000.
30. In this regard, Hahn's Misconduct is more similar to the conduct deserving of sanction in *Wolf* and *Adel*. In *Wolf* the licensee used straw owners to conceal his

own interest in properties that were for sale. He then showed those properties to his clients, who were often unsophisticated buyers with poor credit or other issues making it difficult for them to purchase property. The properties were sold at inflated prices resulting in a financial benefit to the licensee at the expense of the buyer. In *Adel*, the licensee used an unwitting straw buyer to engage in mortgage fraud, enriching himself and causing the buyer a loss.

31. Finally, the fines and other sanctions agreed upon by the Registrar and Hahn in this case are modest in comparison to other cases. For example, in *Helm*, while RECA only imposed a 30-month cancellation, the licensee was also required to pay a \$75,000 fine. *Naidu* was fined \$20,000 in 2006. An equivalent fine in today's dollars would be higher than \$20,000, and substantially more than the \$15,000 agreed upon by Hahn and the Registrar. The licensee in *Wolf* received a \$25,000 fine in addition to a seven-year license cancellation in 2010 and, in *Adel*, RECA issued fines totalling \$63,500 in addition to the 10-year license cancellation. In *Kennedy*, RECA issued a lifetime cancellation of the licensee's broker license; a sanction that would have a significant financial and professional impact on the licensee going forward.
32. The extent and seriousness of Hahn's misconduct, as well as the harm that it caused to third parties, is most similar to that set out in *Wolfe* and *Kennedy*. In *Wolfe*, a more significant sanction - \$25,000 fine and 10-year license cancellation - was warranted given the licensee's failure to cooperate with RECA. *Kennedy* is like the present case in that the licensee admitted to his misconduct. However, while the real estate license was only cancelled for three years and no fines were imposed in *Kennedy*, RECA imposed a lifetime cancellation of the licensee's broker license, which amounted to a significant consequence.
33. Looking at the proposed sanctions globally, the Hearing Panel does not accept that the short period of ineligibility proposed by Hahn (less than four years) would be appropriate in this case absent other significant sanctions. At the same time, we are mindful that, unlike the licensee in *Wolfe*, Hahn has admitted his wrongdoing and cooperated with RECA.
34. Taking the above into account, the Hearing Panel finds that a license cancellation with ineligibility to re-apply for a period of eight years, along with fines totalling \$15,000 and an award of costs in the amount of \$3,000 is appropriate in this case.

## Order

35. In accordance with section 43 of the *Act*, the Hearing Panel orders the following sanctions in respect of Hahn's Misconduct:

- a. Hahn shall pay a \$5,000 fine in respect of his breach of section 42(b) of the Real Estate Act Rules;
- b. Hahn shall pay a \$5,000 fine in respect of his breach of section 54(1)(c) of the Real Estate Act Rules;
- c. Hahn shall pay a \$5,000 fine in respect of his breach of section 53(c) of the Real Estate Act Rules;
- d. Hahn shall pay the costs of this hearing in the amount of \$3,000;
- e. All authorizations issued by RECA to Hahn are hereby cancelled, effective immediately;
- f. Hahn will not be eligible to apply to RECA for any new authorization whatsoever for a period of eight years, starting from the date of his license suspension (October 20, 2020); and
- g. Hahn will be required to successfully complete all education requirements before being eligible to apply for a new authorization from RECA, as though he had never previously received authorization from RECA.

Signed and dated this 15th day of April 2025 at the City of Edmonton in the Province of Alberta.



---

Karen Scott,  
Hearing Panel Chair