

CITATION: Flora (Re), 2024 BCSRE 92

Date: 2024-11-21

File # INC-2877

THE BC FINANCIAL SERVICES AUTHORITY

**IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*
SBC 2004, c 42 as amended**

AND

IN THE MATTER OF

CHATTAR SINGH FLORA

AND

ONKAR FURNITURE IMPORT LTD.

CONSENT ORDER

[This Order has been redacted before publication.]

RESPONDENTS: Chattar Singh Flora
 Onkar Furniture Import Ltd.

DATE OF CONSENT ORDER: November 21, 2024

COUNSEL: Simon Adams, Legal Counsel for the BC Financial Services Authority
 Jenna Graham, Legal Counsel for the BC Financial Services Authority
 Peter Sorensen, Counsel for the Respondents

PROCEEDINGS:

On November 21, 2024, the Superintendent of Real Estate (the "Superintendent") of the BC Financial Services Authority ("BCFSA") accepted the Consent Order Proposal (the "Proposal") submitted by Chattar Singh Flora and Onkar Furniture Import Ltd.

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by Chattar Singh Flora on their own behalf and on behalf of Onkar Furniture Import Ltd.

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that Chattar Singh Flora and Onkar Furniture Import Ltd. provided real estate services in British Columbia for remuneration without being licensed to do so under the provisions of the *Real Estate Services Act* ("RESA") and without being otherwise exempt from licensing requirements under the RESA, contrary to section 3(1) of the RESA, pursuant to sections 48(4)(d) and 49 of the RESA, the Superintendent orders that:

1. Chattar Singh Flora pay a penalty to BCFSa in the amount of \$70,000 within six (6) months from the date of this Order, pursuant to section 49(2)(d)(ii) of the RESA.

An amount ordered to be paid under sections 49(2)(c), (d), or (e) of the RESA is a debt owing to BCFSa and may be recovered as such.

Dated this 21st day of November, 2024 at the City of Victoria, British Columbia.

Superintendent of the BC Financial Services Authority

"Original signed by Jonathan Vandall"

Jonathan Vandall
Delegate of the Superintendent of Real Estate
Province of British Columbia

Attch.

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CHATTAR SINGH FLORA

AND

ONKAR FURNITURE IMPORT LTD.

CONSENT ORDER PROPOSAL BY CHATTAR SINGH FLORA

BACKGROUND AND FACTS

This Consent Order Proposal (the "Proposal") is made by Chattar Singh Flora and Onkar Furniture Import Ltd to the Superintendent of Real Estate (the "Superintendent") of the BC Financial Services Authority ("BCFSA") pursuant to section 41 of the *Real Estate Services Act* ("RESA").

For the purposes of the Proposal, Chattar Singh Flora, and the Superintendent have agreed upon the following facts:

1. Chattar Singh Flora ("Flora") is a furniture wholesaler and owner/director of Onkar Furniture Import Ltd.
2. Onkar Furniture Import Ltd. is a company that was registered in the Province of British Columbia on July 7, 2006.
3. Flora has never been licensed to provide real estate services in British Columbia.

The Developer and the Development

4. [Developer 1] is the developer (the "Developer") for [Development 1] which is the name of a 92-unit development located at [Property 1] in Langley, British Columbia (the "Development").
5. [Owner 1] ("Owner 1") is the owner and sole director of the Developer.
6. Vasant Pragjibhai Patel ("Patel") is an accountant who in 2015 was hired by [Owner 1] to provide accounting services for the Developer.
7. Patel had also provided accounting service to Flora and the two were friends.
8. In 2015 and 2016, the Developer sold units in the Development to purchasers (the "First Purchasers") via a pre-sale contract titled "Agreement for Purchase and Sale" as between the purchaser and the Developer. The units which were sold to First Purchasers included: unit 201, unit 202, unit 205, unit 209, unit 212, unit 214, unit 313, unit 118 and unit 122 (the "Units").

9. The First Purchasers for the Units paid the Developer approximately 15% of the total price of the Units as a deposit, which deposit was paid to the Developer's solicitor, [Law Firm 1], to be held in trust and applied toward the total purchase price of the unit. The balance of the purchase price was due on the completion date.
10. In between approximately January 2016 to the end of November 2016, the Developer, with the assistance of Patel and Flora, sold the Units to second purchasers with the proceeds of that sale going directly to the Developer and Patel and others collecting commissions from the second sale of the unit.
11. The sale of the Units was structured so that after the initial pre-sale contracts were entered into with the First Purchasers, the Units would be resold to other purchasers (the "Second Purchasers") at a discounted purchase price via a pre-sale contract titled "Agreement for Purchase and Sale" as between the purchaser and the Developer.
12. The Second Purchasers paid the Developer approximately 75% of the original purchase price of the Units, being their full discounted purchase price for the Units. This discounted purchase price was paid directly to the Developer.
13. Attached to the "Agreement for Purchase and Sale" was an addendum wherein the Developer and the Second Purchasers agreed that upon completion of the Units, the Second Purchasers would not be required to pay any additional monies for the Units and would receive either: (1) the unit they purchased; or (2) 100% of the total net sale proceeds from the sale of the unit.
14. In addition, a Promissory Note was attached to the Agreement for Purchase and Sale for the amount of their deposit.
15. Patel and Flora were paid a commission for securing the Second Purchasers for the Units. The commission amount varied for each unit from between \$25,000 to \$40,000, which amount would be paid to Patel and then split with Flora.

Background Facts

16. On or around December 2015 or January 2016, Patel informed Flora of the opportunity to purchase units in the Development at a discounted price. Patel further explained that the units had been sold once and could be resold to purchasers who, upon completion of the unit, would have the option of keeping the unit or receiving the full proceeds of the unit.
17. In or around January 2016, Patel and Flora began working together to facilitate the sale of units to Second Purchasers. The commission that they charged the Second Purchasers were split equally between them.
18. In facilitating the sale of the Units to the Second Purchasers, Patel and Flora's actions included:
 - a. finding people who were interested in purchasing a unit in the Development;
 - b. bringing the prospective purchasers to the Development site to show them the progress of the units;
 - c. setting up meetings between the prospective purchasers and the Developer when requested; and
 - d. explaining the contents of the Agreements for Purchase and Sale of the units to the prospective purchasers.

19. Flora received remuneration for facilitating the sale of units. Patel paid Flora directly, or to his company, Onkar Furniture Import Ltd, \$152,500 for Flora's share of the commissions for Flora's involvement in facilitating the sale of the Units. The breakdown of the payments from Patel to Flora are as follows:
 - a. Cash advance dated January 21, 2016, in the amount of \$24,000;
 - b. Cheque dated February 11, 2016 for \$40,000;
 - c. Cheque dated May 6, 2016 for \$40,000;
 - d. Direct payment made on May 13, 2016 for \$15,000;
 - e. Cheque dated July 6, 2016 for \$17,500;
 - f. Cheque dated August 19, 2016 for \$50,000; and
 - g. Cheque dated February 21, 2017 for \$6,000

PROPOSED FINDINGS OF MISCONDUCT

For the sole purposes of the Proposal and based on the Facts outlined herein, Chattar Singh Flora proposes the following findings of misconduct be made by the Superintendent:

Between January 1, 2016 and November 30 2016, Chattar Singh Flora and Onkar Furniture Imports Ltd. provided real estate services in British Columbia without being licensed to do so under the provisions of the RESA and without being otherwise exempt from licensing under RESA contrary to section 3(1) of the RESA, when Chattar Singh Flora, in relation the development of [Development 1] located at [Property 1], Langley, British Columbia:

- a. Provided trading services as that term is defined in the RESA, in respect of, but not limited to one or more of seven (7) purchasers including some or all of the following real estate services:
 - i. Advising on the appropriate price for the real estate;
 - ii. Making representations about the real estate;
 - iii. Finding a party to acquire the real estate;
 - iv. Showing the real estate;
 - v. Negotiating the price of the real estate or the terms of the trade in real estate;
 - vi. Presenting offers to acquire the real estate; and
 - vii. Receiving deposit money paid in respect of the real estate.

PROPOSED ORDERS

Based on the facts herein and the Proposed Findings of Misconduct, Chatter Singh Flora proposes that the Notice of (Discipline) Hearing in this matter be resolved through the following Order being made by the Superintendent without conducting a hearing:

2. Chattar Singh Flora pay a penalty to BCFSa in the amount of \$70,000 within six months from the date of this Order, pursuant to section 49(2)(d)(ii) of the RESA.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

1. Chattar Singh Flora and Onkar Furniture Import Ltd. acknowledge and understand that the Superintendent may accept or reject the Proposal. If the Proposal is rejected by the Superintendent, the matter may be referred to a disciplinary hearing.

2. Chattar Singh Flora and Onkar Furniture Import Ltd. acknowledge that they have been urged and given the opportunity to seek and obtain independent legal advice with respect to the disciplinary process, the allegations contained in the Notice of (Discipline) Hearing, and the execution and submission of the Proposal to the Superintendent; and, that they have obtained independent legal advice or have chosen not to do so, and that Chattar Singh Flora and Onkar Furniture Import Ltd. are making the Proposal with full knowledge of the contents and the consequences if the Proposal is accepted.
3. Chattar Singh Flora and Onkar Furniture Import Ltd. acknowledge and are aware that BCFSa will publish the Proposal and the Consent Order or summaries thereof on BCFSa's website, on CanLII, a website for legal research and in such other places and by such other means as BCFSa in its sole discretion deems appropriate.
4. Chattar Singh Flora and Onkar Furniture Import Ltd. hereby waive their right to appeal pursuant to section 54 of the RESA.
5. If the Proposal is accepted and/or relied upon by the Superintendent, Chattar Singh Flora and Onkar Furniture Import Ltd. will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is intended to restrict Chattar Singh Flora and Onkar Furniture Import Ltd. from making full answer and defence to any civil or criminal proceeding(s).
6. The Proposal and its contents are made by Chattar Singh Flora and Onkar Furniture Import Ltd. with the sole purpose of resolving the Notice of (Discipline) Hearing in this matter and do not constitute an admission of civil liability. Pursuant to section 41(5) of the RESA, the Proposal and its contents may not be used without the consent of Chattar Singh Flora and Onkar Furniture Import Ltd. in any civil proceeding with respect to the matter.

"Original signed by Chattar Singh Flora"

**CHATTAR SINGH FLORA on his own behalf and
on behalf of Onkar Furniture Import Ltd.**

"Original signed by Peter Sorensen"

**Witnessed – Peter Sorensen
Lawyer**

20/Nov/2024

Dated 20th day of November, 2024