

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

AND IN THE MATTER OF
MATTHEW KURAS
(149545)

Corrected Decision: The citation in paragraph 56 on page 11 was corrected on October 21, 2025.

REASONS FOR DECISION REGARDING
ADMINISTRATIVE PENALTY RECONSIDERATION REQUEST

[These Reasons have been redacted before publication.]

DATE AND PLACE OF HEARING: Via Written Submissions

RESPONDENT'S COUNSEL: Ian Donaldson K.C.

HEARING OFFICER: Gareth Reeves

Introduction

1. On June 3, 2025, the BC Financial Services Authority ("**BCFSA**") issued a Notice of Administrative Penalty (the "**NOAP**") in the amount of \$27,000 to Matthew Kuras pursuant to section 57(1) and 57(3) of the *Real Estate Services Act*, RSBC 2004, c 42 ("**RESA**").
2. In the NOAP, BCFSA determined that Mr. Kuras had contravened section 37 (4) of RESA as follows:
"On May 01, 2025, KURAS was issued with Non-Compliance Warning Letter to provide previously demanded information relating to a BCFSA investigation by May 08, 2025. KURAS failed to comply within the compliance warning period set out in BCFSA's Non-Compliance Warning Letter that was issued on May 01, 2025 and in doing so, KURAS withheld, destroyed, concealed or refused to provide any information or thing reasonably required for the purposes of an investigation. The daily penalties cover the period from May 09, 2025, until June 03, 2025, and constitute 26 days."
3. The penalty imposed by the NOAP included a \$1,000 base penalty and \$26,000 in daily penalties.
4. Mr. Kuras applied for a reconsideration of the NOAP under section 57(4) of RESA. The application proceeded by written submissions.

Issues

5. The issue is whether the June 3, 2025 NOAP should be cancelled or confirmed.

Jurisdiction and Standard of Proof

6. This application for reconsideration is brought pursuant to section 57(4) of RESA, which requires the Superintendent of Real Estate (the “**superintendent**”) to provide a person who receives an administrative penalty with an opportunity to be heard upon request.
7. Section 57(4) of RESA permits the superintendent to cancel the administrative penalty, confirm the administrative penalty, or, if the superintendent is satisfied that a discipline hearing under section 40 of RESA would be more appropriate, cancel the administrative penalty and issue a notice of discipline hearing.
8. The superintendent has delegated the statutory powers and duties set out in section 57 to Hearing Officers.
9. The standard of proof is the balance of probabilities.

Background

10. The evidence and information before me consists of an investigation report completed by BCFSA, the tabs thereto, and the information provided by Mr. Kuras in the application for reconsideration. I have also considered Mr. Kuras’s and BCFSA’s submissions made during the course of this opportunity to be heard.
11. The following is intended to provide some background to the circumstances and to provide context for my reasons. It is not intended to be a recitation of all of the information before me.

Regulatory Background

12. Mr. Kuras was first licensed as a representative in the trading services category on August 9, 2006. He became licensed in the rental property management category on April 17, 2009. He has been licensed in that fashion since.
13. Mr. Kuras’s only regulatory enforcement record preceding this opportunity to be heard is a March 27, 2025 notice of administrative penalty in which BCFSA sought to impose five \$1,000 administrative penalties on Mr. Kuras for alleged breaches of section 37(4) of RESA. Mr. Kuras applied for a reconsideration of that notice and on June 16, 2025, I issued reasons confirming one penalty for Mr. Kuras’s refusal to provide a detailed statement and cancelled the balance of the administrative penalties BCFSA sought at that time: see [citation redacted]. My decision in [citation redacted] was made after the conduct at issue in this case.

The Investigation

14. On January 6, 2025, BCFSA Investigations sent Mr. Kuras an investigation letter (the “**Investigation Letter**”), which advised that BCFSA had received complaints against Mr. Kuras and had commenced an investigation. The Investigation Letter provided as follows, in part:

“... This matter is in connection with your alleged involvement with tenanting multiple properties in Vancouver, BC, under false pretences by subleasing the properties for short-term rentals without the owner’s authorization, and corresponding orders/litigation. The addresses of the properties include the following:

[Property 1], Vancouver
[Property 2], Vancouver
[Property 3], Vancouver
[Property 4], Vancouver

[Property 4], Vancouver

BCFSA does not regulate short-term rentals but does investigate conduct unbecoming of a licensee if the licensee engages in conduct that is contrary to the best interests of the public, undermines public confidence in the real estate industry, or brings the real estate industry into disrepute.

As a result, and in accordance with the provisions of section 37(1) of the *Real Estate Services Act*, the Superintendent is investigating to determine whether you have committed professional misconduct and/or conduct unbecoming of a licensee within the meaning of section 35 of the *Act*.

The investigation is being conducted to determine whether you engaged in the following conduct:

1. Tenancing multiple properties in Vancouver, BC, under false pretences and renting the properties for short-term rentals without the owner's knowledge and authorization;
2. Advertising real estate without the owner's knowledge and authorization;
3. Falsifying contractual documents;
4. Exposing owners to fines during your tenancy; and
5. Making any false or misleading statement in a document that is required or authorized to be produced or submitted under the *Act* in relation to your application for licensing renewal as it pertains to pending and historical litigation, including court orders and judgements.

Please be advised that, if our investigation identifies evidence that you committed or engaged in professional misconduct or conduct unbecoming of a licensee, the Superintendent may conduct a hearing into your activities or undertake other disciplinary or regulatory enforcement actions under Part 4 of the *Act*.

You are therefore required to provide the following information/documents:

1. A response to BCFSA with a detailed statement of your involvement in regard to this matter pertaining to each property. Your response should detail your knowledge of the events that have given rise to this matter;
2. Copies of all agreements and contracts entered into with the owners or their agents of properties that you have tenanted from January 2021 until present;
3. Addresses of your primary residence from January 2021 until present; and
4. Any other information/documents you would like BCFSA to consider as part of our investigation."

15. I will refer to the 5 properties listed in the Investigation Letter as the "**Properties**".

16. Mr. Kuras confirmed receipt of the Investigation Letter on January 6, 2025.

17. On April 4, 2025, BCFSA Investigations conducted a virtual interview of Mr. Kuras, who was accompanied by his legal counsel. During that interview, Mr. Kuras stated that he had subleased four of the Properties for various reasons at either a loss or for the same rent under the head lease. At various points during the interview, BCFSA Investigations indicated to Mr. Kuras and his counsel that they would provide him with follow-up requests for those questions he was unable to answer during the interview. Near the end of the interview, BCFSA reiterated that follow-up questions would be coming and noted that they would provide Mr. Kuras with a two-week timeline to respond to those questions. In that closing portion, BCFSA Investigations advised Mr. Kuras and his counsel that they would be requesting Mr. Kuras's notices of assessment to speak to the issue of whether Mr. Kuras received remuneration for the subleases.

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18. On April 7, 2025, Mr. Kuras's counsel emailed BCFSa Investigations a letter requesting copies of exhibits referenced in the April 4, 2025 interview and a transcript of the interview. BCFSa Investigations responded later that day to refuse to provide the requested documents and transcripts.
19. On April 9, 2025, BCFSa Investigations emailed Mr. Kuras and his counsel a letter to request information and documents pursuant to section 37 of RESA (the "**Request Letter**"). Those requests were as follows:
- "1. [A request for information about Mr. Kuras's trip to Aruba]
 2. Receipts and proof of payment that the Residential Tenancy Branch ("RTB") Enforcement Orders were paid in full regarding the rental units located at [Property 2], Vancouver, and [Property 1], Vancouver.
 3. Documents and proof that the RTB removed the Enforcement Order in relation to the rental unit located at [Property 4], Vancouver, and the amount owing by you has been fully dismissed.
 4. The Docusign Certificate of Completion for Residential Tenancy Agreement and Addendum that you signed for [Property 1], Vancouver.
 5. A list of any additional properties not covered in the interview that you leased and subsequently sub-leased between January 01, 2021 and today.
 6. Contact details, including full name, phone numbers and email addresses for each party that you subleased properties to with corresponding addresses and duration of sublease.
 7. Sublease agreements for each party that you subleased your tenancies to.
 8. Copies of all payments made to you by all of the parties that you subleased your tenancies to.
 9. Canada Revenue Agency ("CRA") T1 General Tax Form for tax years 2021, 2022, 2023, and 2024.
 10. CRA Notice of Assessment ("NOA") for tax years 2021, 2022, 2023, and 2024.
 11. A list of all banks (or other financial institutions) accounts including account numbers and branch numbers that you have control over.
 12. Bank account statement records of funds transferred and received covering the period January 01, 2023 to April 01, 2025 for the above accounts.
 13. Copy of the transcript of your examination for discovery regarding the civil litigation against you in relation to No. [redacted] Vancouver Registry, or consent for BCFSa to obtain a copy of it from the transcribing reporting agency."
20. I will refer to these requests by their request number in the Request Letter in this decision.
21. The Request Letter provided a deadline of April 30, 2025 for Mr. Kuras's response. The letter explicitly warned Mr. Kuras that failure to comply with the requests may constitute contraventions of section 21 of the *Real Estate Services Rules*, BC Reg 209/2021 (the "**Rules**") or section 37 of RESA which may attract administrative penalties. The letter set out the amounts of the penalties associated with those contraventions.
22. On April 29, 2025, Mr. Kuras emailed BCFSa to request complaint materials, which BCFSa had previously refused to provide. Mr. Kuras asserted that BCFSa Investigations' requests "go far beyond what you earlier said you were investigating" and that he would need time to collect the documents. He responded as follows to the numbered requests:

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- "1. [Mr. Kuras objected to the relevance of the request]
2. I expect I can locate these.
 3. This may be a matter that is not within my ability to demonstrate, although I will be able to prove that I paid the funds.
 4. I will try to locate this.
 5. I will do my best to answer within the time limit you have given.
 6. I will do my best to answer within the time limit you have given.
 7. I will do my best to answer within the time limit you have given.
 8. I will do my best to answer within the time limit you have given.
 9. It is not clear to me why I ought to provide you with my tax returns for four years. Please tell me why these are relevant to your inquiries.
 10. Please answer question 9.
 11. I believe this is an intrusion into my personal finances which is not with your ambit, Please tell me why this is relevant.
 12. My response is as above, I do not agree that all bank account statements and records of any funds transferred or received from January 1, 2023 to April 1, 2025 are relevant to your inquiries. Please address.
 13. I understand that litigation materials are covered by an implied undertaking. You may need to obtain a court order. I will speak to my counsel on that case about this."
23. Mr. Kuras's April 29, 2025 email argued that the superintendent was not entitled to "make wide ranging demands for everything in my financial existence for a four year period". He further argued that the Investigation Letter identified five properties and the requests go beyond an inquiry into those properties. He argued that the requests were intrusive and "not within what I was told about your investigation." He argued that the superintendent would not be entitled to ask about his "sexual preferences or ethnicity." He advised that he would answer further when he had documents to provide and requested answers to his questions.
24. On April 30, 2025, BCFSA Investigations emailed Mr. Kuras and his legal counsel to confirm receipt of Mr. Kuras's April 29, 2025 email and to advise that the information requested in its April 9, 2025 letter was due that day. BCFSA Investigations asserted that the relevance of the requests to the investigation was clear. BCFSA Investigations further noted that Mr. Kuras's requests for disclosure had been previously addressed on January 9, January 16, and April 7, 2025 by way of refusals and noted that lawfully required disclosure would be provided should the matter proceed to discipline proceedings. The email further reminded Mr. Kuras of his obligations under section 21 of the Rules and section 37 of RESA.
25. That evening, Mr. Kuras emailed BCFSA Investigations to argue that BCFSA Investigations' assertion that the requests were relevant did not answer his questions. He again argued that the investigation related to five properties and that the requests went beyond those properties. He argued that he was not required to comply with all requests made in the Request Letter. He argued that BCFSA Investigations was not entitled to compel him to respond to questions just because they asked and that he would not have to prove his religion just because he might say what it was. He again asked for answers to his questions raised in his April 29, 2025 email.
26. Later that evening, Mr. Kuras emailed to provide various documents. These documents included:
- a. residential tenancy agreements between Mr. Kuras and [Individual 1] for the following:

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- i. [Property 4], Vancouver for a fix term from January 19, 2023 to July 18, 2023 at a monthly rent of \$4,800;
 - ii. [Property 1], Vancouver for a fixed term from April 15, 2024 to April 30, 2025 at a monthly rent of \$3,800;
 - iii. [Property 2], Vancouver for a fixed term from March 1, 2023 to February 29, 2024 at a monthly rent of \$4,000; and
 - iv. [Property 3], Vancouver for a fixed term from June 1, 2023 to May 31, 2024 at a monthly rent of \$3,200;
 - b. a portion of an account statement showing money out of \$3,800 on April 16, 2024; May 21, 2024; June 17, 2024; July 16, 2024; and August 15, 2024, which did not include information regarding the payees or account holder, number, or institution;
 - c. An Air Canada Booking Confirmation and other emails regarding Mr. Kuras's flight to Aruba;
 - d. A Small Claims Court Application Record/Order dated November 26, 2024 in a matter between [Individual 2] and Mr. Kuras in regard to an order for payment of \$11,402.16 indicating the matter had been cancelled.
 - e. A Residential Tenancy Branch decision dated February 20, 2024 regarding [Property 4], Vancouver, BC in which the Arbitrator made no findings but recited the parties' agreement to set aside a monetary order in favour of the landlord and to allow the landlord to retain Mr. Kuras's security deposit.
27. I note that Mr. Kuras submits that he sent a letter on April 10, 2025 to BCFSA Investigations with the same content as the above April 29, 2025 email. Mr. Kuras has not indicated how he delivered this letter. He also indicates that he sent a letter on April 30, 2025 with very similar content as the first noted April 30, 2025 email discussed above. He does not indicate how he delivered this letter either. The April 30, 2025 dated letter Mr. Kuras submitted follows the same structure as the April 30, 2025 email, but the latter has certain changes and additions. The copies of both the April 10 and April 30, 2025 dated letters were provided with Mr. Kuras's submissions. In my view, these letters were not sent to BCFSA Investigations but instead the April 29 and April 30, 2025 emails were. The letters have a similar format to Mr. Kuras's counsel's letters, absent the header on the first page, but including the pagination on the second page. Further, it would make little sense to send a letter on April 10, 2025 and the same content by email on April 29, 2025 and to have sent a substantially similar email and letter on April 30, 2025. Finally, all correspondence between the parties before me was delivered by either email alone or email and registered mail. I conclude from the foregoing that Mr. Kuras and his counsel exchanged the letters and may have done so on April 10, 2025 and April 30, 2025 as indicated in the documents, but only the April 29 and 30, 2025 emails were actually sent to BCFSA Investigations.
28. On May 1, 2025, BCFSA issued a Non-Compliance Warning Letter (the "**NCWL**") to Mr. Kuras via email and registered mail. The registered mail was delivered on May 5, 2025. The NCWL set out BCFSA's view of what had occurred from and including the April 4, 2025 interview, which I have summarized above. The NCWL then took the position that requests 2 and 4 – 13 from the Request Letter remained outstanding contrary to section 21 of the Rules and section 37(4) of RESA. The letter characterized Mr. Kuras's contravention of section 37(4) of the Rules as a subsequent contravention. It required Mr. Kuras to cease his alleged contraventions by May 8, 2025 failing which daily penalties could begin to accrue after May 8, 2025.
29. On May 8, 2025, Mr. Kuras's counsel emailed BCFSA Investigations a letter dated May 7, 2025. That letter argued that Mr. Kuras had no opportunity to address the conclusion drawn in the NCWL that Mr. Kuras had contravened the relevant sections and that BCFSA appeared to have already come to the conclusion that Mr. Kuras had contravened section 37(4) of RESA. It argued that the contravention was not subsequent because the alleged previous contravention of section 37(4) was under reconsideration and that he denied any previous contraventions. The letter addresses

Mr. Kuras's trip to Aruba, which is not at issue here. It then responds to the numbered outstanding requests identified in the NCWL as follows:

Request 2: "[Mr. Kuras] instructs me that he has provided proof that the RTB Enforcement Order referred to in the interview was paid"

Request 3: "I am instructed that these documents have been provided"

Request 4: "This request seeks a document which is not in [Mr. Kuras's] control. I understand the owner has this document, and Mr. Kuras did not. He signed by Docusign, but the owner did not. This is not a document which is in his possession or control, nor can he obtain it."

Request 5: "This is a 'fishing expedition' by the Superintendent and not within the ambit of the investigation."

Request 6: "The same answer as number 5 above."

Request 7: "I am instructed that this documentation has already been provided"

Request 8: "[Mr. Kuras] has already provided documents relating to the properties under investigation and declines to provide additional information."

Requests 9-12: "This is outside the ambit of the investigation, and although he has requested a basis for relevance, none has been provided."

30. Regarding request 13 in the Request Letter and the NCWL, Mr. Kuras's counsel argued that Mr. Kuras was represented by other counsel in that proceeding and Mr. Kuras was required to take his counsel's directions, in part as a result of the terms of his insurance, and that the discovery transcript was subject to an implied undertaking of confidentiality and as such BCFSA Investigations had to apply to court to obtain it.
31. Mr. Kuras's counsel's May 8, 2025 letter further denied any contravention of the Rules or RESA. It characterized the deadlines provided during the investigation as arbitrary and imposed without consultation and the investigator's conduct as "high handed and abusive". Mr. Kuras's counsel argued that the requests made were broad and without jurisdiction. The letter closes with an indication that Mr. Kuras's counsel expected to receive "a notice of contravention".
32. On May 9, 2025, BCFSA Investigations emailed a letter to Mr. Kuras in response to his counsel's May 8, 2025 letter. The letter took the position that Mr. Kuras's responses were still required and that he was "eligible to accrue daily penalties for [his] failure to respond." BCFSA Investigations argued that the Investigation Letter advised Mr. Kuras that he was under investigation with regard to his allegedly leasing multiple properties for short-term rentals without the owner's authorization and used the word "include" which was not meant to be exhaustive. BCFSA stated that Mr. Kuras was asked at his interview if there were any additional properties which Mr. Kuras had leased and subleased and Mr. Kuras advised he would check his records. On my review of the interview, this question was not asked of Mr. Kuras during the interview. BCFSA further argued that the Investigation Letter stated Mr. Kuras could be interviewed for the stated complaints "and/or any other issues identified during the investigation". BCFSA Investigations reiterated its position that the documents were relevant and were sought to confirm statements made by Mr. Kuras during the investigation. BCFSA Investigations noted Mr. Kuras's obligation to co-operate with the investigation and argued that they had provided clear authority and rationale for the demands made. BCFSA Investigations concluded by stating that Mr. Kuras was eligible for a base penalty associated with a first contravention for the alleged contraventions of both section 21 of the Rules and 37(4) of RESA.
33. The investigation report in this matter indicates that the NOAP was issued based on Mr. Kuras's alleged contravention of section 37(4) in not providing adequate responses to the requests 2 and 4-12 in the Request Letter. It does not list request 13 in the Request Letter as outstanding.

Submissions

34. Mr. Kuras and BCFSA Investigations made several submissions in this proceeding both in regard to the substance of the matter and in regard to a request for extension to the submission timelines by Mr. Kuras. Below is my summary of the points in those submissions which I consider relevant to the substance of this matter from those submissions. For example, BCFSA made submissions that it discovered information regarding additional properties involving Mr. Kuras after issuing the NOAP, which I do not consider here because that submission is irrelevant to the substance of this matter.
35. Mr. Kuras submits that he was refused a copy of the interview transcript and would have recorded it himself had he known a copy would not be provided. He submits that the failure to provide copies of the exhibits also rendered the interview unfair. Mr. Kuras cites no authority for these propositions.
36. Mr. Kuras submits that the NOAP is overbroad and lacks sufficient clarity for Mr. Kuras to know which items he is alleged to have failed to answer. Mr. Kuras requested disclosure of the materials provided by BCFSA Investigations during this proceeding. He was provided with that disclosure on July 11, 2025.
37. Mr. Kuras submits that he has complied with the requests 1, 2, 3, 4, and 7 from the Request Letter. He submits the following regarding those requests:
 - Request 1: Mr. Kuras submits he complied with this request as a courtesy.
 - Request 2: Mr. Kuras submits he provided proof of the requested payments and that this is a matter of public record.
 - Request 3: Mr. Kuras submits he provided the requested documents and that this is a matter of public record.
 - Request 4: Mr. Kuras submits that the Docusign Certificate of Completion requested is not in his possession or control but in the possession of the landlord of Docusign.
 - Request 7: Mr. Kuras submits that the documents requested have been provided.
38. With regard to requests 5, 6, and 8 – 12, Mr. Kuras submits that these requests amount to requests for discovery which fall outside the scope of the investigation. He submits that sections 37(3)(b)(ii) and 37(4) of RESA only permit the superintendent to compel the production of information or documents “reasonably required” for the purposes of the investigation. He submits that the Investigation Letter “specifies the investigation” and specified five properties and that relevance is defined in this context by reference to the Investigation Letter. He submits that he is not compellable to answer requests 5, 6, and 8 – 12 in the Request Letter because they are not reasonably required for the purposes of the investigation. He submits by analogy that an investigation into a deficiency in a lawyer’s trust account would not entitle the regulator to obtain Canada Revenue Agency tax forms or for the lawyer to list all bank accounts under the lawyer’s control. He submits that the requests amount to a request that he disclose “every financial detail in his life” or an examination in aid of execution.
39. Mr. Kuras submits that if there are additional properties which the superintendent is investigating, Mr. Kuras should be advised of which properties and be given sufficient particulars to respond.
40. Mr. Kuras further submits that it was not the case that he refused to respond to the requests. He submits he responded on April 29, 2025,¹ on April 30, 2025, and by a letter dated May 7, 2025, which noted Mr. Kuras’s position that the requests made were not relevant. He submits that BCFSA Investigations failed to address the concerns raised in Mr. Kuras’s correspondence.

¹ Mr. Kuras submits that he responded on April 10, 2025. As discussed above, I find that Mr. Kuras in fact sent this correspondence on April 29, 2025.

41. With regard to request 13, Mr. Kuras makes submissions regarding the implied undertaking of confidentiality and his obligations to comply with his counsel's directions. I will not deal with these in any great detail given the investigation report indicates that request 13 is not at issue.
42. Mr. Kuras submits that it is "entirely wrong" for the superintendent "to sit on these issues" from May 8 to June 3, 2025 and issue a \$27,000 notice of administrative penalty. He submits that this is abusive and unfair. He submits that the superintendent ought to have followed up with Mr. Kuras if it believed that his responses through legal counsel were incorrect or that "an arbitrator or other tribunal needs to be engaged" to resolve the dispute on relevance. He submits that it would be "abusive", for example, for the superintendent to wait a year and then issue a \$365,000 penalty. He submits that the superintendent failed to establish relevance or why the documents were "reasonably required". He cites *Kienapple v R*, 1974 CanLII 14 (SCC) for the proposition that multiple penalties for the same delict are not permitted.
43. Mr. Kuras submits that the one-week deadline provided in the NCWL was arbitrary and short.
44. Mr. Kuras denies that he has intentionally delayed, manipulated, or interfered with the investigation and that he breached RESA or the Rules. He further denies that he rented properties, stating that he planned to reside in them, and he denies that he falsified contractual documents.
45. Mr. Kuras seeks to have the NOAP cancelled.
46. BCFSA Investigations submits that the superintendent has the jurisdiction and authority under RESA to make the requests it has. It submits that the Investigation Letter clearly indicated that the information gathered during the investigation may lead to other inquiries.
47. BCFSA Investigations submits that Mr. Kuras was interviewed on April 4, 2025, was unable to answer several questions and said he would need to get back to BCFSA Investigations with answers after checking his records, and he was advised that BCFSA Investigations would be following up with requests. BCFSA submits that Mr. Kuras stated in his interview that he did sublease some of the Properties, but made no profit from doing so.
48. BCFSA submits that its requests were "directly related to the investigation" and it is not up to Mr. Kuras to determine what is relevant. It submits that Mr. Kuras was repeatedly warned that failure to comply with the demands could attract daily penalties.
49. BCFSA alleges that Mr. Kuras has consistently delayed, manipulated, and interfered with the investigation and attempted to dictate the timeline of the investigation. BCFSA submits that this raises issues with his governability and interferes with the investigation, which has been negatively impacted by "Mr. Kuras's continual delays in providing requested information". BCFSA submits that it seeks to have Mr. Kuras's contraventions "crystalized" so that it may proceed with its investigation.
50. BCFSA Investigations submits that Mr. Kuras failed to provide the requested information and documents and thereby withheld, destroyed, concealed, or refused to provide information or things reasonably required for the purposes of an investigation under section 37 of RESA.

Reasons and Findings

Applicable Legislation

51. Section 56 of RESA provides that BCFSA may designate specific provisions of RESA, the *Real Estate Regulation* (the "**Regulations**"), or the Rules as being subject to administrative penalties, and may establish the amounts or range of amounts of administrative penalty that may be imposed in respect of each contravention of a specified provision. Pursuant to section 56(2), the maximum amount of an administrative penalty is \$100,000.

52. Section 26(1) of the Rules indicates that for the purposes of section 56(1) of RESA, contraventions of the Rules listed in section 26(2) of the Rules are designated contraventions to which Division 5 (Administrative Penalties) of Part 4 of RESA applies.
53. Section 26(2) of the Rules identifies six categories, Category A, B, C, D, E, and F, for designated contraventions for the purpose of determining the amount of an administrative penalty. Section 37(4) of RESA is placed in Category E. Section 27(5) of the Rules provides that a contravention of a section designated in Category E may attract a monetary penalty including a base penalty amount of \$1,000 for a first contravention or \$5,000 for a subsequent contravention plus a daily penalty amount of \$1,000 per day, or part of a day, that the contravention continues.
54. Section 57(1) of RESA sets out that if the superintendent is satisfied that a person has contravened a provision of RESA, the Regulations, or the Rules designated under section 56(1)(a) of RESA, the superintendent may issue a notice imposing an administrative penalty on the person. Section 57(2) requires that a notice of administrative penalty indicate the rule that has been contravened, indicate the administrative penalty that is imposed, and advise the person of the person's right to be heard respecting the matter.
55. Section 37 of RESA provides as follows:

Investigations of licensees

- 37 (1)** The superintendent may conduct an investigation to determine whether a licensee may have committed professional misconduct or conduct unbecoming a licensee.
- (2) [Repealed 2021-2-59.]
- (3) For the purposes of an investigation, the superintendent may do one or more of the following:
- (a) at any time during business hours, inspect and remove or copy records that are located on the business premises of
 - (i) a licensee or former licensee, or
 - (ii) an officer, director, controlling shareholder or partner of a licensee or former licensee;
 - (b) require a person referred to in paragraph (a) to
 - (i) answer, or meet with the superintendent to answer, inquiries relating to the investigation, and
 - (ii) produce information, records or other things in the person's possession or control for examination by the superintendent.
- (4) A person referred to in subsection (3) (a) must not withhold, destroy, conceal or refuse to provide any information or thing reasonably required for the purposes of an investigation under this section.

Analysis

56. The decision to impose an administrative penalty under section 57 of RESA is discretionary. A request to reconsider the imposition of an administrative penalty requires a Hearing Officer to consider whether a contravention of RESA, the Regulations, or the Rules has occurred. In many such reconsiderations, the presiding Hearing Officer must also determine whether a licensee exercised due diligence or whether extenuating circumstances precluded the licensee's compliance; however, those considerations do not squarely arise in the context of an alleged contravention of section 37(4) of RESA. In that context, a contravention can only be established if BCFSa establishes that the person subject to the administrative penalty acted intentionally: *Fisher (Re)*, 2025 BCSRE 5, at paras 118-128; *Applicant 25 (Re)*, 2025 BCSRE 107, at para 58. To prove

intent, BCFSa must prove that the person subject to the administrative penalty intentionally withheld, destroyed, concealed, or refused to provide information or things reasonably required for the investigation or failed to take steps to find and deliver relevant information or things that were within their possession or control either intentionally or in a fashion that renders them willfully blind to the information or things: *Fischer (Re)*, at para 118. Although an exercise of due diligence or the existence of overriding extenuating circumstances may speak to the whether intent exists, they are not stand-alone considerations in this context because they either defeat an allegation of intent or they do not.

57. Further, to establish that a licensee contravened section 37(4) of RESA, the information or thing requested by the superintendent must be “reasonably required for the purposes of an investigation under” section 37 of RESA. That requirement means that the request must be relevant to the investigation being conducted under section 37 of RESA: *Applicant 25 (Re)*, 2025 BCSRE 107, para 99. As a starting point, the scope of that investigation is framed by what the licensee is told regarding the scope of the investigation. Procedural fairness considerations in the context of a regulatory investigation require disclosure of a summary of the substance of the investigation of sufficient specificity to allow the subject to meaningfully respond: see *Applicant 25 (Re)*, 2025 BCSRE 107, at para 74 citing *Kuny v College of Registered Nurses of Manitoba*, 2017 MBCA 111, paras 45-49 and *Puar v Association of Professional Engineers and Geoscientists (British Columbia)*, 2009 BCCA 487, at paras 18-24. So long as the regulator provides a sufficient summary of the allegations to allow the subject to meaningfully respond, the regulator may choose the time, manner, and breadth of disclosure.
58. As a result, the investigation is not forever constrained to the scope of the investigation as specified by the initial summary provided but can expand depending on the way in which the investigation progresses based on what the subject knows about the scope and purpose of the investigation and whether, as a result, the subject is able to meaningfully respond.
59. With the above in mind, I turn to the arguments made in this matter regarding liability. I start with Mr. Kuras’s arguments regarding disclosure during the investigation and the content of the NOAP. I then deal with the issue of the reasonableness of the deadlines given for Mr. Kuras to respond to the requests made. I then turn to each of the allegedly outstanding requests made in the Request Letter. For those that Mr. Kuras objects to the relevance of, I will assess whether each is “reasonably required for the purposes of” the investigation. For all allegedly outstanding requests, I will assess whether Mr. Kuras has provided a sufficient response to them. I will then address Mr. Kuras’s argument that BCFSa Investigations should have responded more fulsomely to his objections.

Fairness and the Content of the NOAP

60. Mr. Kuras argues that he was not provided with a copy of the recording or transcript of his interview and would have recorded it himself if he had been told he would not be provided with a copy of the interview or transcript.
61. I am not aware of any requirement of procedural fairness that would entitle a licensee to disclosure of the materials obtained during an investigation including a recording or a transcript of an investigatory interview. Mr. Kuras has not provided any authority to that effect. I am also not aware of any authority for the proposition that a licensee must be advised, prior to the interview, that they will not be provided a recording or transcript of the interview. In my view, the requirements of procedural fairness at the investigatory stage are limited and the superintendent is not required to make disclosure of the investigation file, including a recording or transcript of an interview, during the investigation: *Kuny v College of Registered Nurses of Manitoba*, 2017 MBCA 111
62. Further, Mr. Kuras has provided no evidence that BCFSa or the superintendent led him to believe he would be provided a copy of the interview recording and BCFSa Investigations prior

correspondence with Mr. Kuras and his counsel indicated that it was not willing to provide him with the materials gathered during the investigation and that disclosure would be made should the matter proceed to a discipline hearing. I see no reason why Mr. Kuras would have concluded that he was either entitled to or would receive a copy of the recording or transcript of the interview.

63. Finally, Mr. Kuras has not established any basis on which he was prejudiced in this proceeding by BCFSA Investigations' refusal to provide the recording or transcripts prior to issuance of the NOAP.
64. I therefore reject Mr. Kuras's argument that the failure to provide him with the recording or transcript was unfair in some way.
65. Mr. Kuras also argues that the NOAP was overbroad and lacked clarity such that he could not know what requests BCFSA had alleged he had failed to respond to.
66. This argument has some initial merit. The NOAP in this matter lacks particularity regarding the nature of the outstanding requests. It also only refers to the NCWL issued May 1, 2025, does not refer to the original date of the requests issued in the Request Letter on April 9, 2025, and does not indicate which requests BCFSA alleges Mr. Kuras failed to respond to. The NOAP does disclose that the requests made in the NCWL had been "previously demanded", but it did not indicate when those demands were made. On its face, the NOAP is somewhat lacking in detail and, had it been the only information regarding the scope of the issues in this matter, I may have agreed with Mr. Kuras; however, Mr. Kuras also received the investigation report and its tabs. That document disclosed that BCFSA alleged that the requests at issue had been made in the April 9, 2025 Request Letter, which had a deadline of April 30, 2025, and that Mr. Kuras had refused to comply with requests 2 and 4-12. Although it would have been preferable for BCFSA Investigations to have included more information in the NOAP, given it was readily available to BCFSA Investigations and would have more clearly specified the issues, Mr. Kuras was provided with the investigation report, which particularized the outstanding issues; the tabs to the report, which set out BCFSA's evidence in support of the allegations; and time to review and respond to both the NOAP and the report. I do not accept that Mr. Kuras was not provided sufficient notice of the issues that were alive in this proceeding.

The Response Deadlines

67. Mr. Kuras also argues that the deadline provided was arbitrary, unilateral, and too short.
68. BCFSA Investigations advised Mr. Kuras during the April 4, 2025 interview that it would be making follow-up requests regarding the matter under investigation and, in particular, in regard to outstanding questions or requests that had been made at that interview. BCFSA indicated in the interview that it would provide Mr. Kuras with two weeks to respond and that this was the standard amount of time provided for a response to requests following investigatory interviews. BCFSA Investigations then issued the Request Letter five days later. That letter provided Mr. Kuras with three weeks to respond to it.
69. In Mr. Kuras's April 29, 2025 email to BCFSA Investigations, he did note that he may not be able to provide the requested documents by April 30, 2025, but he gave no indication of which documents he had been unable to procure or which responses he would be unable to answer as a result of time constraints, he gave no indication of what steps he had taken to find the requested documents or information, and he provided no timeline that might be more suitable.
70. Mr. Kuras's April 30, 2025 email provided no further substantive information regarding his attempts to comply with the requests.

71. BCFSA Investigations then issued the NCWL with a deadline of May 8, 2025. Mr. Kuras responded on that date through his counsel who argued that the deadlines had been set without consultation, in addition to responding to the numbered requests as outlined above.
72. I note that Mr. Kuras's responses through counsel on May 8, 2025 did not raise any issue in response to the various requests made by BCFSA Investigations that he was unable to respond because of the time constraints. Instead, he provided direct responses to the requests made either to advise that he took the position that he had responded, that he could not supply the requested documents at all, or that the request was not within the scope of the investigation.
73. As I noted in *Shums (Re)*, 2025 BCSRE 11, at paras 58-60, BCFSA Investigations must set deadlines reasonably in light of the information known to it at the time it sets deadlines. That case concerned primarily the application of section 21 of the Rules, which explicitly requires compliance with deadlines set by the superintendent and is therefore not directly applicable to this case; however, the reasonableness of the deadlines is relevant to the factual background against which I must determine whether the licensee refused to provide, withheld, concealed, or destroyed information or things required: *Applicant 25 (Re)*, at para 108.
74. In my view, Mr. Kuras was provided sufficient time to review his records and provide a response to the request BCFSA Investigations had made. There does not appear to be any actual issue regarding Mr. Kuras's ability to meet the deadline BCFSA Investigations had provided; instead, the substance of the matter is whether Mr. Kuras has responded to the requests and if he is obliged to. I note that the May 8, 2024 deadline in the NCWL was set in accordance with BCFSA's guidance on its website entitled "The Administrative Penalty Process". Although that guidance is not binding on me and that timeline for NCWLs is general and not mandatory, I find it represents a reasonable timeline to require compliance before beginning to count days for daily penalty amounts once BCFSA Investigations has already formed an opinion that a contravention has occurred and a licensee has not provided any reasonable or concrete objection to the timelines originally imposed by BCFSA Investigations.
75. Mr. Kuras had notice of the intended timeline, was provided with a week's more time than initially indicated in the April 4, 2025 interview, and at no point provided any concrete basis to believe that the timeline restricted him in providing substantive answers. I find that the deadlines BCFSA Investigations set were reasonable and that there is little indication that Mr. Kuras could not have complied with them had he believed he was required to.

Contravention: Request 2

76. Turning to the alleged outstanding requests, I start with request 2 in the Request Letter. That request was for receipts and proof of payment that the RTB enforcement orders for [Property 2], Vancouver and [Property 1], Vancouver. Mr. Kuras does not object to the relevance of this request. He says that he has provided the requested documents.
77. On April 30, 2025, Mr. Kuras provided a Small Claims Court Application Record/Order dated November 26, 2024 indicating the matter at hand in that proceeding, payment of \$11,402.16 to [Individual 2] had been resolved. Mr. Kuras confirmed in his interview that he had paid the approximately \$11,000 he was ordered to pay to the owners of [Property 2] and that the payment had been documented by the judge in that proceeding. It appears that the provided document demonstrates that Mr. Kuras has satisfied the order. Although Mr. Kuras did not provide receipts he did provide proof of payment and it is not clear to me that he would have been provided a receipt for that payment. The portion of the request relating to [Property 2], Vancouver appears to have been satisfied.
78. The other portion of the request relates to [Property 1], Vancouver. Mr. Kuras indicated in his interview that he had not paid the outstanding amount for that order because he was considering

a judicial review. In my view, it appears likely that Mr. Kuras has not paid this amount and therefore could not have provided the requested proof of payment because they did not exist. Although Mr. Kuras could have reiterated in his April 29, 2025 response that he had not paid that amount, I do not find that it was necessary given his evidence during the April 4, 2025 interview was clear on that point. The portion of the request relating to [Property 2], Vancouver appears to have been satisfied.

Contravention: Request 4

79. Request 4 made in the Request Letter asked for Mr. Kuras to provide a “DocuSign Certificate of Completion”. Mr. Kuras’s April 29, 2025 response to that request was that he would try to locate the document. He provided no further response by the April 30, 2025 deadline. His next response was on May 8, 2025, the date of the expiry of the deadline in the NCWL. In that response, he asserted that the requested certificate was not in his possession. BCFSa Investigations has not provided any evidence that this certificate would have been in his possession.
80. In my view, the evidence falls short of establishing that Mr. Kuras refused to provide, concealed, withheld, or destroyed information or things reasonably required for the investigation. I acknowledge in saying this that Mr. Kuras did not provide the requested information by the original April 30, 2025 deadline, that that deadline was reasonably set, and that Mr. Kuras only provided his response on May 8, 2025. That said, I do not conclude from the evidence before me in this matter that Mr. Kuras acted intentionally in failing to respond to the request as opposed to missing the deadline due to negligence or inadvertence. It is possible that Mr. Kuras, seeing the request, decided not to respond to it until May 8, 2025 and thereby concealed or withheld that information for a period, but it is equally possible that Mr. Kuras missed the request in his first response and corrected that omission in his second response. On the evidence before me, including the fact that Mr. Kuras never objected to the propriety of the question and that he indicated on April 29, 2025 that he would try to get the requested information, that his failure to respond to that request on April 30, 2025 appears inadvertent.
81. I also note that Mr. Kuras’s ongoing failure to produce the document appears to be caused by the fact that he does not have the document to produce. BCFSa has not established that Mr. Kuras’s response that the document is not within his possession or control is false or likely to be false such that he is refusing to provide, concealing, or withholding the information or a document. In my view, Mr. Kuras’s response that he does not have possession of or control over the document requested, absent proof to the contrary, is a sufficient response.

Contravention: Requests 5 and 6

82. Request 5 was for a list of any additional properties that Mr. Kuras subleased between January, 1 2021 and the date of the request. Request 6 was for the contact details for each party that Mr. Kuras subleased properties to along with the address of the subleased properties and duration of the sublease.
83. Mr. Kuras argues that these requests go beyond the scope of the investigation as framed in the Investigation Letter. He argues that the Investigation Letter confined the investigation to five properties.
84. I disagree with Mr. Kuras’s submission that the Investigation Letter framed the investigation as confined to five properties. The Investigation Letter clearly states that Mr. Kuras was under investigation for allegedly leasing properties and then subleasing them on a short-term basis without the landlords’ consent. It goes on to state that the addresses at issue “include” the Properties and then when describing what the investigation is being conducted to determine it refers to Mr. Kuras “[t]enanted multiple properties in Vancouver, BC” without limiting those properties to the Properties. I therefore do not agree with Mr. Kuras’s submission that the

Investigation Letter restricted the investigation to five properties. The question of whether Mr. Kuras subleased other properties, to whom, and for how long is therefore clearly relevant to the scope of the investigation as framed by the Investigation Letter. The contact information of those subtenants is likewise clearly “reasonably required for the purposes of” the investigation because that information would allow BCFSA Investigations to attempt to contact those individuals to gather relevant information. In my view, Mr. Kuras has taken a narrow reading of the Investigation Letter, which is meant to provide Mr. Kuras with a summary of the matter under investigation and is not meant to establish minute particulars of the issues that form the basis of the investigation. In any event, a close reading of the actual words used in the Investigation Letter establishes that the request made was relevant to the original scope of the investigation, which was that BCFSA was investigating five specific properties but also whether Mr. Kuras has engaged in the alleged conduct more broadly.

85. I note further that the requests go back to 2021. In terms of the relevance of this date, the Investigation Letter did not put an explicit time boundary on the scope of its investigation in its introductory paragraphs, but the requests made in that letter regarding Mr. Kuras's tenancies and Mr. Kuras's primary residence extended to January 2021. Mr. Kuras may, in taking his narrow and incorrect interpretation of the Investigation Letter, have concluded that the scope of the investigation could not have gone beyond the time frame in which he rented the Properties; however, the scope of the investigation as framed by the Investigation Letter was not confined to the Properties and, reading it as a whole, extended temporally at least to January 2021.
86. I pause to note that I do not consider the above description of the scope of the investigation as set out in the Investigation Letter is not inconsistent with what I said regarding the scope of the investigation in [citation redacted]. At paragraphs 75 and 76 of that decision, I discussed the scope of the investigation and noted that it concerned Mr. Kuras's tenancies of the Properties and I noted that the scope of the investigation was informed by, but not limited to, the specific questions raised in the Investigation Letter. I note that that decision was not, in particular, concerned with whether the scope of the investigation included other properties and further that I did not opine explicitly on whether the scope was exclusive to the Properties.
87. In my view, Mr. Kuras simply decided that the requests were not within the scope of his narrow reading of the Investigation Letter and then refused to respond. There is no evidence that Mr. Kuras could not have responded; instead, his direct responses stating that he would not provide a response to requests 5 and 6 indicate to me that he was refusing to answer. That refusal may have been based on his incorrect belief regarding the scope of the investigation and the relevance of the request made, but it was clearly intentional. That refusal constitutes a refusal, withholding, and concealment of the relevant information regarding whether Mr. Kuras subleased other properties, the contact information of any subtenants of those properties, and the duration of the subleases of those properties.

Contravention: Request 7

88. Request 7 from the Request Letter was for the sublease agreements for each party to whom Mr. Kuras subleased properties.
89. Mr. Kuras has argued that he has provided the information and documents he has in response to this request. In my view, the substance of this response is that Mr. Kuras has provided the subleases for the Properties that he subleased. In the context of his other responses and without a clear statement that he did not sublease other properties, I cannot infer from this response that Mr. Kuras means that he has provided the sublease agreements and that those are all the sublease agreements for properties that he subleased. Such a response would be inconsistent with his responses regarding requests 5 and 6 in the Request Letter.

90. In my view, Mr. Kuras's failure to indicate whether he there were sublease agreements for properties other than the Properties constitutes a refusal to provide information necessary to respond to this request for the same reason as I have set out for requests 5 and 6. Therefore, I find that Mr. Kuras's failure to provide that relevant information as to whether there were further sublease agreements constitutes a refusal, withholding, and concealment of that relevant information.

Contravention: Request 8

91. Request 8 was for Mr. Kuras to provide copies of all payments made by all subtenants to Mr. Kuras.
92. Mr. Kuras responded by providing an excerpt of an account showing five payments of \$3,800 from April to August 2024. These were payments out and did not show funds received. This appears to correspond to the lease or sublease of [Property 1], Vancouver given the amount and the timing. It does not include the whole document, but only a portion showing the payments out, and does not include information as to whose account it is. It does not appear to show [Individual 1]'s payments for [Property 1], but instead Mr. Kuras's payments for that property. It does not include information regarding [Individual 1]'s payment of rent for the sublease of [Property 4], Vancouver; [Property 2], Vancouver; or [Property 3], Vancouver. Mr. Kuras did not provide confirmation that he did not have records establishing the payments he received for the four properties or any explanation as to why he had not provided any records of those payments.
93. In my view, Mr. Kuras was obliged, in response to request 8, to provide the requested proof of payments or to indicate, as he did with request 4, that the documents were not available. In my view, Mr. Kuras failed to disclose and continued to fail to provide those documents despite BCFSA's issuance of the NCWL. In my view, the fact that he did not take steps to cure his prior failure to disclose, like he did with request 4, indicates that Mr. Kuras was either intentionally not responding to the request as they related to the three properties listed above or willfully blind to his failure to produce those documents by failing to examine what responses he had given to note the deficiencies. In my view, Mr. Kuras therefore refused to provide, withheld, and concealed the requested information and documents in respect of the four above noted properties.
94. Further, Mr. Kuras explicitly declined to provide additional information. I take this refusal to relate, in essence, to the same basis on which Mr. Kuras refused to respond regarding requests 5, 6, and 7. For the same reasons, I find that Mr. Kuras's declining to respond regarding any additional properties he subleased constituted a refusal, withholding, and concealment of that relevant information.

Contravention: Requests 9 and 10

95. Requests 9 and 10 requested Mr. Kuras's Canada Revenue Agency T1 General Tax Forms and Notices of Assessment for tax years 2021, 2022, 2023, and 2024.
96. Mr. Kuras objects to these requests based on relevance.
97. In my view, the relevance of these documents is clear. Mr. Kuras stated in his interview that he received payment from the subtenants for those of the Properties he subleased and he also stated that he did not receive a profit from those subleases and was not involved in any short-term rentals of the Properties through short-term rental providers, like Airbnb. What Mr. Kuras claimed on his tax filings is clearly relevant to whether he in fact obtained a profit from subleasing the Properties or from short term rentals of the Properties. If he did claim income from those sources on his returns, that would tend to indicate that he, contrary to his statements, received some profit. If he did not claim income, that might confirm his statements. In either case, that information is reasonably required by the superintendent to test the truth of Mr. Kuras's use of the Properties and other properties as well.

98. I note also that BCFSA Investigations advised Mr. Kuras and his counsel that it would request these documents during Mr. Kuras's April 4, 2025 interview and specifically advised Mr. Kuras that the reason they were requesting the documents was to confirm whether he had claimed income that arose from the alleged misconduct under investigation. Although Mr. Kuras was not provided with a copy of the interview recording or a transcript of the interview until these proceedings, he was advised of BCFSA Investigations' position on the relevance of his tax forms at that time. In any event and as noted above, the relevance of this information is obvious.
99. Regarding the years made for the request, I have addressed the period subject to investigation above. In my view, that extends at least back to 2021.
100. Further, Mr. Kuras objects to the production of these documents on the basis that they intrude into his personal financial affairs. In my view, these two requests are sufficiently narrow and concern specific documents that would disclose relevant information regarding the matters at issue in the investigation. The fact that Mr. Kuras is a member of a regulated industry and was acting within the confines of that regulated industry when he tenanted the Properties, and possibly tenanted others, indicates to me that his privacy interest in these documents is not sufficient to override the superintendent's authority to compel the production of relevant documents: see *British Columbia Securities Commission v Branch*, 1995 CanLII 142 (SCC), for a discussion of the reduced expectation of privacy attributed to those participating in regulated industries in regard to investigatory demands by their regulator. In my view, Mr. Kuras has not established that he has a sufficient privacy interest in the documents requested under requests 9 and 10 to relieve him of the obligation to disclose them.
101. Therefore, Mr. Kuras's tax forms back to that date are relevant and he has refused to provide them. For essentially the same reasons as noted in regard to requests 5 and 6, I find that Mr. Kuras refusing to provide his Notices of Assessment and his T1 General Tax Forms for 2021, 2022, 2023, and 2024 constituted a refusal, withholding, and concealment of that relevant information.

Contravention: Requests 11 and 12

102. Requests 11 and 12 requested a list of the accounts at all financial institutions, including account and branch numbers, that Mr. Kuras has control over and records or statements of transfers and receipts from or to those accounts from January 1, 2021 to April 1, 2025.
103. Mr. Kuras objects to this question based on relevance. He also objects to the intrusion into his personal financial affairs.
104. The requests BCFSA Investigations made under requests 11 and 12 are extremely broad. They effectively cover all accounts Mr. Kuras might have with any financial institution from January 1, 2021 to April 1, 2025 regardless of whether the accounts at issue are of the sort that an individual might deposit funds received from a third party. The requests would not just include chequing or savings accounts that Mr. Kuras has control over and into which he might have deposited funds in relation to the alleged contraventions, but they would include RRSP accounts, TFSA accounts, RESP accounts, and general investment accounts into which an individual is very unlikely to directly deposit funds received from a third party. They may also possibly include accounts recording debt facilities like lines of credit or credit cards, depending on the breadth of the reading of the word "accounts".
105. In my view, there are accounts that would contain relevant information to the investigation: namely, chequing or savings accounts controlled by Mr. Kuras or other similar deposit accounts. The record of deposits and payments into and out of those accounts may speak to Mr. Kuras's payment of rent in relation to properties he may have sublet and his receipt of rents from any subtenants or other funds from subtenants or licensees under short-term rental agreements. The record of those receipts and payments, or the lack thereof, is relevant for the essentially the same reason

Mr. Kuras's tax forms are: they will speak to the issue of whether he received payments or profits from subletting properties without the landlords' consent. In my view, BCFSA Investigations would be entitled to the records from those accounts to determine if Mr. Kuras received any such payments and to test the truth of his denial of the receipt of profits.

106. That said, I do not see the relevance of all possible accounts Mr. Kuras holds with any financial institutions. I do not see the relevance of registered savings accounts or other investment accounts to the matters at issue in the investigation because I am not convinced that those account records would show anything that might speak to whether Mr. Kuras leased properties and then engaged in subletting them for short-term rentals without the landlord's consent.
107. Further and although the superintendent has broad investigatory powers, I am of the view that those powers cannot be used to make substantially overbroad demands for documents or information and then seek to enforce compliance through liability findings on refusals to comply with those demands in regard to only the relevant and in-scope elements of those demands. In my view, the demand must be relevant and reasonably framed to ensure that it only captures relevant information.
108. It is possible that BCFSA Investigations did not intend the demands to be as broad as I have read them and only intended to obtain production of the kinds of accounts that would receive deposits paid from third parties or make payments out to third parties, but in my view it is incumbent on BCFSA Investigations when exercising the superintendent's broad statutory powers to be clear regarding the scope of the demand being made and ensure that it is not casting too broad a net. To hold otherwise would serve only to encourage overbroad demands for production.
109. To be clear, both requests 11 and 12 suffer from the problem of overbreadth. It is possible that the list produced in response to request 11 would include financial institutions and account and branch numbers for accounts that could not contain relevant information. In my view, such a request impermissibly goes beyond the scope of requiring relevant information and the production of the institution names, branch numbers, and account numbers for such irrelevant accounts is outside the scope of the investigation to the same extent as the actual account records is.
110. I therefore find that Mr. Kuras did not contravene section 37(4) of RESA in regard to requests 11 and 12.
111. Before moving on, I pause to note that I do not consider the above reasoning to necessarily apply to an analysis of whether Mr. Kuras's conduct in responding to requests 11 and 12 was sufficiently cooperative within the meaning of section 35(1)(e) of RESA, that issue is not before me and I decline to comment on it.

Objections to Relevance as Sufficient Responses

112. Mr. Kuras has argued that he did not contravene section 37(4) of RESA when he refused to respond to requests numbered 5 to 12 in the Request Letter because his responses were set out in his counsel's letter delivered May 8, 2025 objecting to the relevance of these requests. In my view, Mr. Kuras did not discharge his obligation to provide requested and relevant information simply by refusing to answer on the basis that he does not believe the questions are relevant. Mr. Kuras's obligation under sections 37(3)(a) and (b) and 37(4) of RESA is to provide the requested relevant information. Such a response may be sufficient to comply with Mr. Kuras's obligations to respond promptly under section 21 of the Rules, but his obligation under sections 37(3)(a) and (b) and 37(4) of RESA is to provide the requested information and documents and not refuse to provide, conceal, withhold, or destroy that information or those documents.
113. Depending on the circumstances of the case, it may be appropriate to promptly seek clarification regarding the scope of requests or to clarify relevance where that is unclear. I do not see this as

such a case. In my view, the relevance of the requested documents and information in requests 5, 6, 7, 8, 9, and 10 to the matter under investigation in this case is obvious on a reasonable reading of the Investigation Letter. In my view, it was not necessary for BCFSA Investigations to explain the relevance of the information and documents requested to Mr. Kuras any more than they did and licensees should respond to investigatory requests unless they can establish that they are irrelevant or overbroad. To hold otherwise would be to allow licensees to delay and obstruct regulatory investigations by failing to respond or delaying their response to statutorily authorized investigatory requests by demanding detailed explanations of relevance.

114. Further, Mr. Kuras's response seeking to object or seek clarification was not prompt. The responses were sent on the day before the deadline in the Request Letter expired and, despite there being an intervening period of three weeks, there was no indication in Mr. Kuras's April 29, 2025 response regarding what use he had made of that time. In my view, that indicates that Mr. Kuras was not attending to the requests with any degree of particularity during the elapsed time. Instead of lodging his objections promptly, Mr. Kuras waited until the day before the deadline to begin arguing the issue of relevance.
115. I also note that there is no evidence that Mr. Kuras responded in any fashion to BCFSA Investigations' May 9, 2025 email responding to his counsel's May 8, 2025 delivered correspondence. In my view and acknowledging that this correspondence was issued after the April 30, 2025 deadline in the Request Letter, the lack of response from Mr. Kuras tends to demonstrate that Mr. Kuras, contrary to his submissions, was not really interested in engaging with BCFSA Investigations on the issue of the scope of the investigation.
116. I also note in this regard that I am aware of no authority for the proposition that misapprehension of the legal requirements is a recognized defence to a finding of liability for a regulatory contravention. I therefore do not find that Mr. Kuras's misapprehension of the scope of the investigation undermined the enforceability of the requests.
117. I therefore find that Mr. Kuras's responses objecting to the production of the requested information and documents were not sufficient to discharge his obligations under section 37(4) of RESA.

Conclusion on Contraventions

118. I find, for the reasons set out above, that Mr. Kuras did not refuse to provide, conceal, withhold, or destroy information or things reasonably required for the investigation in regard to his responses to requests 2, 4, 11, and 12 of the Request Letter.
119. I find that Mr. Kuras refused to provide, concealed, or withheld information or things reasonably required for the investigation in this matter regarding his responses, or lack thereof, to requests 5, 6, 7, 8, 9, and 10 contrary to section 37(4) of RESA. The evidence is also clear that Mr. Kuras continued to refuse to provide the required responses until at least June 3, 2025. The requests appear to be presently outstanding. I therefore find that Mr. Kuras's contravention of section 37(4) of RESA in refusing to answer requests number 5, 6, 7, 8, 9, and 10 from the Request Letter continued from at least May 9, 2025 to at least June 3, 2025, inclusive.

Penalty Amount

120. The penalty imposed by the NOAP is \$27,000, comprising a \$1,000 base penalty amount plus daily penalty amounts of \$1,000 per day for 26 days from May 9, 2025 to June 3, 2025, inclusive. The penalty imposed is the base penalty amount for a first contravention of a section designated in Category E and the daily penalty amounts for such a contravention.
121. The maximum amount of an administrative penalty is limited to \$100,000 by section 56(2) of RESA.

122. I cannot vary the administrative penalty issued in the NOAP. I can only cancel or confirm it. If I cancel it and I find that the matter would be more appropriately dealt with by a discipline hearing, I can order that a notice of discipline hearing be issued. In any such discipline hearing, the monetary penalty ordered cannot exceed that set out in the NOAP, although other orders under section 43 of RESA are available. The scope of my review in regard to the penalty amount is therefore confined to whether the penalty is appropriate in the circumstances. Answering that question requires me to determine whether the penalty falls within a reasonable range of outcomes given the contravention demonstrated. To answer that question, I must consider the whole of the circumstances including the seriousness of the misconduct, the licensee's culpability, the consequences of the conduct, the respondent's regulatory history, any mitigating or aggravating factors, and the primary regulatory goal of public protection. In the context of the goals of regulatory enforcement, I must consider the principles of specific deterrence, rehabilitation of the respondent, general deterrence, and public confidence in the industry: *Vallee (Re)*, 2025 BCSRE 98, at para 100.
123. Regarding the seriousness of the conduct at issue, Mr. Kuras's conduct is serious. Refusals to provide statutorily required information to the superintendent in a regulatory investigation undermines the public protection purpose of the regime by preventing or delaying appropriate regulatory action by the superintendent, making regulatory investigations and enforcement less efficient and effective. That undermines public confidence in the regulator and the industry by delaying enforcement proceedings. As a result, contraventions of section 37(4) of RESA are generally serious. That seriousness is somewhat increased when the subject refusing to comply is a licensee, who not only has knowingly submitted themselves to the jurisdiction of the superintendent but who also has an explicit statutory obligation to cooperate with the superintendent's investigation set out in section 35(1)(e) of RESA. A licensee's contravention of section 37(4) of RESA therefore carries a greater significance than a contravention by an unlicensed person because it implies a greater disregard for the person's regulatory obligations.
124. Mr. Kuras's conduct was also intentional. Although he may have believed the requests were irrelevant based on a narrow reading of the Investigation Letter and a failure to grasp the relevance of requests 9 and 10, it is not the case that his failure was accidental or negligent. He had the Investigation Letter in his possession and ample opportunity to read and understand its scope. The requests made were clearly connected to that scope when properly understood. It is not the case that Mr. Kuras was acting to intentionally obstruct what he subjectively knew were proper responses; instead, he was intentionally refusing to respond to questions that he failed to appreciate the relevance of because of his unreasonably narrow reading of the scope of the investigation, a reading that is not truly supported by the Investigation Letter's actual words. Had Mr. Kuras intentionally obstructed requests he subjectively knew were compulsory that would have been sufficiently aggravating to render his conduct severe or egregious. As it stands, his conduct includes intentionally refusing to comply with requests that he ought to have known were compulsory, which remains serious but not severe or egregious.
125. I do not consider Mr. Kuras's belief that he was not required to respond to the requests on the basis of relevance to be mitigating. I conclude that because I find that Mr. Kuras ought to have appreciated the true scope of the investigation from the contents of the Investigation Letter and because Mr. Kuras was explicitly advised regarding the relevance of requests 9 and 10 at his interview. I consider this to be a neutral factor and not aggravating, as opposed to being mitigating.
126. The consequence of Mr. Kuras's refusals to respond to the requests 5 to 10 is a delay to the superintendent's investigation and the above noted inefficiencies and damage to the public protection aspect of the superintendent's jurisdiction. Although BCFSA Investigations has alluded to possible ongoing conduct and other properties, the evidence before me is not sufficient to establish that the delay to the investigation has precluded BCFSA Investigations from taking urgent enforcement action to protect the public. There are no clear direct harms that have flowed from Mr. Kuras's contravention, other than those that naturally flow from a contravention of section 37(4) of RESA; therefore, I do not conclude that Mr. Kuras's conduct was severe or egregious as a result.

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127. I note regarding the consequences of Mr. Kuras's conduct that contraventions of section 37(4) of the RESA are one of only two sections in RESA or the Rules designated to be in category E by section 27 of the Rules. That designation indicates that the legislative regime considers this kind of contravention to be relatively serious and to be more serious the longer it goes on.
128. Regarding Mr. Kuras's regulatory history and in accordance with Lord Coke's Rule, Mr. Kuras's contravention cannot be considered "subsequent" within the meaning of section 27 of the Rules: *Chang (Re)*, 2025 BCSRE 41, at paras 165-169. I note that I have not considered the conduct described in [citation redacted] as aggravating or requiring of progressive discipline in this matter because the conduct at issue in this proceeding had all occurred prior to my issuance of that decision and therefore before Mr. Kuras was not on notice that he had previously contravened section 37(4) of RESA when he committed the contraventions at issue in this proceeding. Mr. Kuras has no other discipline history, which is a neutral factor: *Rohani (Re)*, 2024 BCSRE 31, at para 53.
129. There is no evidence before me of mitigating circumstances such as mental health or addiction issues that caused or contributed to Mr. Kuras's conduct or any evidence of Mr. Kuras's positive or negative reputation. I consider those as neutral factors.
130. Regarding the quantum of the penalty, Mr. Kuras argues that the superintendent cannot "sit on the issues" and allow daily penalties to accrue and to do so is abusive. He submits that the superintendent could not wait a year and impose a \$365,000 penalty. He argues that multiple penalties for the same delict are not permitted based on the principles set out in *Kienapple v R*. He submits that the matter should have gone to "an arbitrator or other tribunal" to resolve the relevance dispute.
131. There is some merit to Mr. Kuras's submission regarding accruing daily penalties. I agree with him that allowing daily penalties to accrue can, in appropriate circumstances, render the cumulative penalty disproportionate to the conduct at issue. The issue of a penalty's propriety must be decided on the whole of the facts, including the elapsed time, the nature of the conduct, consequences of it, and the regulatory scheme as a whole. Mr. Kuras is also right that the superintendent could not wait a year and issue a \$365,000 penalty: first, because that exceeds the statutory limit for administrative penalties set out in section 56(2) of RESA and, second, because even the \$100,000 is likely excessive except in very severe cases. The question, though, is whether the actual amount imposed is appropriate, not whether some other, much greater, amount would have been appropriate.
132. Regarding Mr. Kuras's submission that the matter should have gone to an arbitrator or tribunal, it is not clear to me what Mr. Kuras proposes in this regard or what tribunal or arbitrator might have statutory authority to make the determination at issue. RESA sets out effectively three enforcement streams for failures to respond to investigatory demands: administrative penalties under Division 5 of Part 4 of RESA, discipline hearings under Division 3 of Part 4 of RESA, and offence proceedings under Division 1 of Part 8 of RESA. It does not provide for referral of the issue to another tribunal or decision maker, except if the matter is serious enough to warrant offence proceedings. I do not consider Mr. Kuras to be arguing that he should have been referred to prosecution for an offence in this matter. So, that leaves administrative penalties and discipline hearings to consider.
133. Within the administrative penalty process, section 57(1) specifies that the possible results are monetary penalties prescribed by the Rules to a maximum of \$100,000, licence conditions, and remedial education. For discipline hearings, the possible results include reprimands, suspensions, cancellations, remedial orders, monetary sanctions of up to \$250,000 for an individual licensee or \$500,000 for a brokerage, licence conditions, remedial education, and expenses under section 43 of RESA. Further, administrative penalties are meant to be summary and efficient, though with some flexibility: see *Vallee (Re)*, 2025 BCSRE 58, at paras 31-41. Discipline hearings, by contrast are, generally, more formal as required by the more serious consequences that can flow from them.

In both contexts, the superintendent is the decision-maker at first instance. Therefore, there is no other tribunal or arbitrator that is statutorily authorized to make the determinations at issue here.

134. In my view, Mr. Kuras's argument includes two points. First, that the penalty is unfair or inappropriate; I will address that below. Second, that the superintendent or BCFSA Investigations should have engaged with his objections to the requests more fulsomely before either starting the clock, stopping the clock, or issuing the administrative penalty. With regard to requests 11 and 12, I agree. Those requests were overbroad and should have been narrowed. With regard to requests 5 to 10, I do not agree. As expressed above, those requests were clearly relevant and I do not find that BCFSA Investigations was required to engage in an argument with Mr. Kuras on that point. Unless Mr. Kuras could establish that the requests were irrelevant to the actual scope of the investigation or otherwise improper BCFSA Investigations was entitled to insist on his response. In addition, BCFSA Investigations did engage with Mr. Kuras by response on May 9, 2025 and Mr. Kuras did not respond to that correspondence, which, again, suggests to me that further engagement by BCFSA Investigations was unlikely to be fruitful. In my view, the importance of Mr. Kuras's objections is best considered in two contexts: first, in regard to establishing whether intent existed and, second, in regard to assessing Mr. Kuras's culpability in determining the appropriate sanction. I have discussed both above.
135. Regarding *Kienapple v R*, it has no application to this case. There was only one penalty imposed in this case. *Kienapple v R* does not stand for the proposition that penalties cannot be imposed on a daily basis for continued conduct where the legislation explicitly authorizes daily accruing penalties.
136. Regarding specific deterrence, requests 5, 6, 8, 9, and 10 and a portion of request 7 remain outstanding and Mr. Kuras's conduct was intentional; therefore, specific deterrence is required. I also find that the conduct in this case requires a penalty that will clearly demonstrate to Mr. Kuras that he should be more careful in his reading of the scope of the investigation at issue and not take an unreasonably uncharitable view of the Investigation Letter and further disclosures made to him regarding the scope of the investigation.
137. I also find that a significant regulatory response is required to achieve general deterrence to ensure that licensees remain aware of their regulatory obligations to comply with relevant and appropriately scoped investigatory requests from the superintendent. It is important that licensees understand their regulatory obligations in this regard to ensure that the regulator can effectively execute its statutory mandate to protect the public. For the same reason, I find that the maintenance of public confidence requires a significant regulatory response.
138. Considering all of the above, I find that the penalty imposed in this case was high but appropriate. In my view, refusals to provide, concealment of, or withholding of responses to investigatory requests by licensees is serious conduct and there are no significant mitigating factors in the evidence before me. The quantum of the penalty in this case is significant, but it is at the lower end of the available range of monetary sanctions available for administrative penalties and also at the low end of the monetary penalties available had the matter been referred to a discipline hearing. In my view, such a penalty is appropriate for continued serious misconduct of the type that occurred here.
139. I note that the available sanctions at a discipline hearing may have included indefinite and definite suspensions, which some regulators employ to enforce investigatory demands: see *Law Society of Ontario v Bowie*, 2023 ONLSTH 16, and *Law Society of Ontario v Bowie*, 2023 ONLSTH 94 for example. I note also that suspensions are often considered more significant and may follow licensees for longer or into other regulatory regimes: see *Dhaliwal (Re)*, 2025 BCSRE 46, at paras 99 and 103.

140. In my view, a suspension would have been within the scope of an appropriate order in this case, particularly an indefinite one of the type implemented in the above noted cases. Such an order would incentivize compliance in a way that a lump sum monetary sanction might not. That said, I do not think this is a case where a monetary sanction is inappropriate, and the combination of a monetary order to address the past misconduct, written reasons, and the prospect of further enforcement will be sufficient to achieve compliance in this case. In my view, a sanction of \$27,000, given the scope of possible sanctions, is sufficient to achieve specific deterrence, general deterrence, and maintenance of public confidence in the industry and the regulator while ensuring future compliance by Mr. Kuras, but is not so excessive as to be inappropriate.

Conclusion

141. I find that Mr. Kuras contravened section 37(4) of RESA by refusing to provide, concealing, or withholding information and documents in relation to request 5 to 10 in the Request Letter. I find that those contraventions continued from May 9, 2025 to June 3, 2025, inclusive.

142. I find that Mr. Kuras complied with requests 2 and 4 in the Request Letter.

143. I find that requests 11 and 12 in the Request Letter were overbroad and ought to have been narrowed to accounts that might include relevant information. I find that Mr. Kuras did not contravene section 37(4) in regard to requests 11 and 12 in the Request Letter.

144. I find that the administrative penalty of \$27,000 was appropriate.

145. I confirm the \$27,000 administrative penalty issued in the NOAP

146. The \$27,000 administrative penalty in the NOAP is now due and owing to BCFSa.

DATED at North Vancouver, BRITISH COLUMBIA, this 17th day of October, 2025.

“Original signed by Gareth Reeves”

Gareth Reeves
Hearing Officer

Corrigendum of the Reasons for Decision

Corrigendum # 1 (dated 21 October 2025)

- The citation at paragraph 56 on page 11 has been changed to “*Fischer (Re)*”.