

Citation: Young (Re), 2023 BCRMB 9

Date: 2023-06-22

**IN THE MATTER OF THE *MORTGAGE BROKERS ACT*,
RSBC 1996, c. 313 as amended**

- AND -

IN THE MATTER OF TONY YOUNG

CONSENT ORDER

[This Order has been redacted before publication.]

(Pursuant to sections 8 (1), (1.1) of the *Mortgage Brokers Act*)

WHEREAS Tony Young (“Mr. Young”) was at all material times registered as a submortgage broker under the *Mortgage Brokers Act*, [RSBC 1996] Chapter 313 (the “MBA”);

WHEREAS the Registrar of Mortgage Brokers (the “Registrar”) issued a Notice of Hearing on February 12, 2020 (the “Notice of Hearing”);

AND WHEREAS the following agreement has been reached between Mr. Young and staff of the Registrar;

AND WHEREAS the Registrar agrees to the following terms of a consent order:

A. FINDINGS

The Registrar makes the following findings against Mr. Young, and Mr. Young accepts the following findings made against him:

1. In his capacity as a submortgage broker, Mr. Young conducted mortgage business in British Columbia in a manner prejudicial to the public interest, contrary to section 8(1)(j) of the MBA, in that he permitted another Registrant to have access to his Filogix credentials to create and submit mortgage applications and he failed to verify the veracity of the applications submitted by the registrant under his username where:
 - a. in respect of a mortgage application of [Borrower 1] dated October 27, 2016, the mortgage application submitted failed to disclose a property for which the borrowers had previously sought financing through Elite Lending Corp. dba Dominion Lending Centres Elite Lending;

- b. in respect of mortgage applications of [Borrower 2] dated December 9, 2016 and December 30, 2016, the applications failed to disclose to the lenders that the borrower was concurrently seeking mortgage financing on different properties;
- c. in respect of [Borrower 3's] mortgage applications, dated March 24, 2017 and April 5, 2017, concurrent mortgage applications were submitted to different lenders which each stated a different monthly rental income for the same suite, namely, one mortgage stated that the monthly income was \$1,000 and one mortgage application stated that the monthly income was \$1,500; and
- d. in respect of [Borrower 3's] mortgage application dated March 24, 2017, the mortgage application failed to disclose to lenders that the borrowers were seeking concurrent mortgage financing for the purchase of a rental property.

B. ORDERS AND PENALTY

Pursuant to section 8 (1.1) of the MBA, Mr. Young hereby consents to, and the Registrar hereby makes the following orders:

1. Mr. Young must pay an administrative penalty of \$30,000 pursuant to 8(1.1) of the MBA;
2. Pursuant to section 6(9) of the MBA, Mr. Young shall pay partial investigation costs in the amount of \$3,560; and
3. All amounts are immediately due and payable, and all payments must be made by cheque, bank draft, or money order, payable to the BC Financial Services Authority. This order may be filed with the court pursuant to the MBA, and steps to enforce this order may be taken if payment is not made in full within thirty (30) calendar days.

C. AGREED FACTS

As a basis for this Consent Order, Mr. Young acknowledges the following facts as correct and makes the following admissions:

1. Mr. Young first registered as a submortgage broker on March 5, 2015. At all material times Mr. Young was registered as submortgage broker with Elite Lending Corp. dba DLC Elite Lending ("Elite Lending").
2. At all material times, Mr. Young was a director of Elite Lending, although he ceased to be a director on March 18, 2019.
3. At all material times, Mr. Young worked together as a team with [Broker 1] and [Broker 2], who were also registered as submortgage brokers with Elite Lending (collectively, the "Team").

4. The relationship was such that Mr. Young and [Broker 1] would generate clients and collect information, and [Broker 2] would operate as a licensed assistant to them. Mr. Young, [Broker 1] and [Broker 2] would share the commissions generated by the Team regardless of which Team member originated the deal.
5. In 2016 and 2017, Mr. Young permitted [Broker 2], to have access to his Filogix account (username and password) to create and submit mortgage applications on behalf of the Team.
6. Filogix is an electronic platform used by submortgage brokers to create and submit mortgage applications to lenders.
7. Mr. Young did not supervise the usage of his Filogix account by [Broker 2].
8. [Broker 2] used Mr. Young's Filogix account to create and transmit mortgage applications for borrowers with whom Mr. Young had no client relationship.
9. In 2016 and 2017, Mr. Young did not exercise due diligence in respect of the mortgage applications being created and/or transmitted under his Filogix account by [Broker 2] by not verifying the information in at least five mortgage applications, where:
 - a) in respect [Borrower 3's] mortgage applications dated March 24, 2017 and April 5, 2017, concurrent mortgage applications were submitted to different lenders which each stated a different monthly rental income for the same suite, namely, one mortgage application stated that the monthly income was \$1,000 and one mortgage application stated that the monthly income was \$1,500;
 - b) in respect of the mortgage application dated March 24, 2017 for [Borrower 3], the mortgage application failed to disclose to lenders that the borrowers were seeking concurrent mortgage financing for the purchase of a rental property;
 - c) in respect of [Borrower 1]'s mortgage application dated October 27, 2016, the mortgage application submitted failed to disclose a property for which the borrowers had previously sought financing through Elite Lending Corp. dba. Dominion Lending Centres Elite Lending nineteen (19) days earlier; and
 - d) in respect of mortgage applications of [Borrower 2] dated December 9, 2016 and December 30, 2016, the applications failed to disclose to the lenders that the borrower was concurrently seeking mortgage financing on different properties.
10. Mr. Young did not review the mortgage applications and related documents and was unaware of the of the factual inaccuracies in the mortgage applications referenced above.

11. Following the investigation of these matters, Mr. Young ceased permitting [Broker 2] to have access to his Filogix account and no longer permits the sharing of his Filogix account.

D. WAIVER

Mr. Young waives his right to a hearing under sections 4 and 8 of the MBA and waives his right to appeal under section 9 of the MBA.

Approved as to form and content by:

“SARA SHUCHAT”

_____ this 13 day of June, 2023.

Patrick Sullivan / Sara Shuchat
Legal Counsel for Tony Young

“AMANDEEP SANDHU”

_____ this 13 day of June, 2023.

Amandeep K. Sandhu
Legal Counsel for the BC Financial Services Authority

Issued this 22nd day of June, 2023, at Vancouver, British Columbia.

“JONATHAN VANDALL”

Jonathan Vandall
Acting Registrar of Mortgage Brokers
Province of British Columbia