

CITATION: Fong (Re), 2023 BCSRE 46

Date: 2023-11-17

File # INC 20-41

THE BC FINANCIAL SERVICES AUTHORITY

IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*

SBC 2004, c 42 as amended

AND

IN THE MATTER OF

LOK CHI ANNIE FONG

(173995)

AND

ANNIE FONG PERSONAL REAL ESTATE CORPORATION

(173995PC)

CONSENT ORDER

[This Order has been redacted before publication.]

RESPONDENTS: Lok Chi Annie Fong, Associate Broker, 1st West Realty Inc dba Sutton Group
- 1st West Realty, while licensed as Managing Broker with Pacific Evergreen
Realty Ltd.

Annie Fong Personal Real Estate Corporation

DATE OF CONSENT ORDER: November 17, 2023

COUNSEL: Gareth Reeves, Legal Counsel for the BC Financial Services Authority
Amandeep Sandhu, Legal Counsel for the BC Financial Services Authority
Jeff Scouten, Legal Counsel for the Respondents

PROCEEDINGS:

On November 17, 2023, the Superintendent of Real Estate (the "Superintendent"), or the Superintendent's authorized delegate, of the BC Financial Services Authority ("BCFSA") accepted the Consent Order Proposal (the "Proposal") submitted by Lok Chi Annie Fong ("A Fong"), on their own behalf and on behalf of Annie Fong Personal Real Estate Corporation ("AF PREC").

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by A Fong and AF PREC.

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that A Fong and AF PREC committed professional misconduct within the meaning of sections 35(1)(a) and (d) of the *Real Estate Services Act* ("RESA") and sections 3-1(1)(a) [*Duty to be actively involved in brokerage management*], 3-1(1)(b) [*Duty to ensure the brokerage complies with the RESA and the Rules*], 3-1(1)(c) [*Duty to supervise associate brokers and representatives*], and 3-1(3)(b) [*Accounts and records*] of the *Real Estate Services Rules* (the "Rules"), pursuant to section 43 of the RESA the Superintendent orders that:

1. A Fong and AF PREC jointly and severally pay a discipline penalty to BCFSA in the amount of \$50,000 within three (3) months from the date of this Order;
2. A Fong, at their own expense, register for and successfully complete the Broker's Remedial Education Course, as provided by the Sauder School of Business at the University of British Columbia in the time period as directed by BCFSA;
3. A Fong and AF PREC be prohibited from being managing broker of any brokerage for a period of six (6) months from the date of this Order; and
4. A Fong and AF PREC jointly and severally pay enforcement expenses to BCFSA in the amount \$5,000 within three (3) months from the date of this Order.

If A Fong and AF PREC fail to comply with any term of this Order, the Superintendent may suspend or cancel their licences without further notice to them, pursuant to sections 43(3) and 43(4) of the RESA.

Dated this 17th day of November, 2023 at the City of Vancouver, British Columbia.

Superintendent of the BC Financial Services Authority

"Original signed by Jonathan Vandall"

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

Attch.

File # INC 20-41

BC FINANCIAL SERVICES AUTHORITY

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

AND

IN THE MATTER OF

**LOK CHI ANNIE FONG
(173995)**

AND

**ANNIE FONG PERSONAL REAL ESTATE CORPORATION
(173995PC)**

**CONSENT ORDER PROPOSAL BY LOK CHI ANNIE FONG
AND ANNIE FONG PERSONAL REAL ESTATE CORPORATION**

BACKGROUND AND FACTS

This Consent Order Proposal (the "Proposal") is made by Lok Chi Annie Fong ("A Fong") on her own behalf and on behalf of and Annie Fong Personal Real Estate Corporation ("AF PREC") to the Superintendent of Real Estate (the "Superintendent") of the BC Financial Services Authority ("BCFSA") pursuant to section 41 of the *Real Estate Services Act* ("RESA").

For the purposes of the Proposal, A Fong on her own behalf and on behalf of AF PREC and the Superintendent have agreed upon the following facts:

Annie Fong Licensing History

1. Lok Chi Annie Fong ("**A Fong**") (173995) was first licensed as a representative in the trading category on May 24, 2016. She was with three brokerages before becoming associate broker in the trading category at the Brokerage on January 4, 2019. She added the rental category on February 14, 2019 and obtained her managing broker licence on July 23, 2019, which she retained until April 2, 2020.
2. A Fong's contract with Pacific Evergreen Realty Ltd. and [Brokerage 1] as managing broker was for a term of two years with the first four months, from August 1, 2019 to November 30, 2019 being a probationary period. She was initially registered with the Brokerage at the Vancouver (X030719) main office and on October 1, 2019 became registered at the Richmond (X034849) and Surrey (X034848) branches until April 2, 2020.

3. Concurrently, Annie Fong was registered as managing broker of [Brokerage 1], an associated brokerage. She held that position at the Vancouver main office until October 1, 2019 and at the Richmond and Surrey branches from October 1, 2019 to April 2, 2020.
4. The contract between A Fong and the [Brokerage 1] Group by which she was engaged as managing broker, which was dated August 1, 2019 and signed by her on August 6, 2019, states that:
 - a. Her “[D]uties include but not limit (sic) to: • Assisting Lo Ming to resolve any duties assigned”;
 - b. “Training will be provided on the above duties”; and
 - c. “You will report to Lo Ming Lee”.
5. After April 2, 2020, A Fong was associate and then managing broker at [Brokerage 2], then associate broker at [Brokerage 2], and presently [Brokerage 3].
6. Annie Fong Personal Real Estate Corporation (173995PC) was licensed on November 25, 2021.
7. A Fong has no previous discipline under the *Real Estate Services Act*, SBC 2004, c 42.
8. A Fong completed the Broker Course on December 3, 2018. She completed the Rule Changes: Agency and Disclosure course on August 4, 2019. She completed the Legal Update 2019: Residential on September 6, 2019.

Tracy Li

9. Tracy Xiaomei Li (“**T Li**”) (178286) has been licensed as a representative in the trading category since July 21, 2017. She was with [Brokerage 4] until January 26, 2018, then with [Brokerage 5] until May 1, 2018 when she transferred to Pacific Evergreen Realty Ltd. (the “**Brokerage**”), where she is licensed to date.
10. T Li Personal Real Estate Corporation (178286PC) was licensed on September 2, 2020.
11. T Li has no previous discipline under the *Real Estate Services Act*, SBC 2004, c 42.
12. T Li completed the 2016 Real Estate Licensing Course and completed the licensing exam on May 30, 2017. She completed the BCREA Applied Practice Course on December 20, 2017. She completed Rule Changes: Agency and Disclosure course on August 28, 2018.

David Yang

13. David Chian Wei Yang (“**D Yang**”) (043031) was first licensed as a representative in the trading and rental categories on February 18, 1983. He has been intermittently unlicensed from April 6 to October 12, 1983; October 13, 1985 to July 31, 1986; January 13 to February 16, 1987; August 1 to September 4, 1990; September 5-19, 1994; September 20, 1998 for one day; September 12-13, 2000; August 9-10, 2017; and September 14-17, 2020. While licensed he has been with various brokerages. He has been licensed with the Brokerage since August 11, 2017.
14. David C. W. Yang Personal Real Estate Corporation (043031PC) was licensed on September 14, 2010.
15. D Yang has no previous discipline under the *Real Estate Services Act*, SBC 2004, c 42.

16. D Yang completed the Rule Changes: Agency and Disclosure course on July 6, 2018. Legal Update 2019: Residential course on December 2, 2019.

Lo-Ming Lee

17. Lo-Ming Lee ("**L-M Lee**") (125608) was first licenced as a representative in the trading category on September 27, 1996 and in the rental category on April 9, 1997. He joined [Brokerage 1] as associate broker on November 15, 2004 and became managing broker of that brokerage on October 15, 2010. He became managing broker of the Brokerage on March 8, 2013. He was managing broker for the Brokerage registered at the Vancouver (X030719) main office during his tenure and the Burnaby (X034311) branch from December 13, 2017 and remained so until October 13, 2021. He was managing broker for [Brokerage 1] at the Vancouver main office from October 14, 2010 to October 13, 2021 and the Burnaby branch from December 13, 2017 to August 6, 2021. He remained managing broker at those two brokerages until October 13, 2021 at which time he became managing broker of [Brokerage 2].
18. L-M Lee was at all relevant times licensed as a managing broker with the Brokerage.
19. L-M Lee has no previous formal discipline under the *Real Estate Services Act*, SBC 2004, c 42.
20. At all material times, L-M Lee was a Compliance Officer for Pacific Evergreen Realty Ltd. and [Brokerage 2].
21. L-M Lee completed the Rule Changes: Agency and Disclosure course on May 31, 2018. He completed the Legal Update 2019: Residential course on October 8, 2019.

Pacific Evergreen Realty Ltd.

22. The Brokerage (X030719) was first licensed on March 8, 2013.
23. The Brokerage has no previous discipline under the *Real Estate Services Act*, SBC 2004, c 42.
24. Between November 1, 2019 and February 29, 2020, the Brokerage had a FINTRAC Compliance Policy and Procedures Manual dated September 25, 2018 in place and a Supplementary of Brokerage Policy dated August 1, 2018.
25. [Brokerage Compliance Officer 1] joined the Brokerage as the Compliance Officer in August 2018. She had previously served as a compliance officer at an insurance brokerage but not a real estate brokerage. She was not provided training when she joined the Brokerage but was provided a copy of the Brokerage's FINTRAC Compliance Policy and Procedures Manual which she was also responsible for updating.

Managing Broker Roles and Interaction

26. From November 1 to November 29, 2019, and at all material times, A Fong's assigned duties included the screening of documents for all real estate transactions originating from all of the Brokerage's offices. Ms. Fong and L-M Lee, at the time, both worked in the Brokerage's West Broadway location.
27. Over this time period, A Fong worked with L-M Lee. A Fong's desk was located immediately beside L-M Lee's desk and the two were in immediate earshot of one another. When important or unusual

issues arose in the course of her screening of files, A Fong's practice was to raise those issues with L-M Lee, the two of them would discuss them and L-M Lee would offer guidance on how to deal with them.

28. As at August 1, 2019 and at all material times, the respective responsibilities of L-M Lee and A Fong were set out in writing in numbered lists.

Chronology of Events

29. Between April 15, 2004 and November 29, 2019, a property with civic address at [Property 1], Richmond, British Columbia

PID [Redacted]
[Redacted]

(the "**Property**") had a registered owner in fee simple named [Owner 1].

30. [Owner 1], the person registered on titled to the Property from April 15, 2004 to November 29, 2019, is a female born October 25, 1983 in Chengdu, Sichuan Province, China. At all material times, [Owner 1] had sole legal and beneficial ownership of the Property and sole authority to dispose of it in any way.
31. The Property had an assessed value as of July 1, 2019 of \$2,278,000 according to the BC Assessment Authority.
32. On November 15, 2019:
- a. T Li received a telephone call from an individual who identified himself as "[Seller 1]" ("**Seller 1**") regarding the sale the Property. T Li arranged a meeting with [Seller 1] for November 16, 2019. T Li had never met [Seller 1] before this call and did not know him.
 - b. T Li instructed her licensed assistant, [Assistant 1], to prepare a comparative market analysis for the Property.
 - c. [Assistant 1] prepared a comparative market analysis for the Property indicating the Property had a value of approximately \$2.1 million (the "**CMA**"). Neither T Li or [Assistant 1] had seen the Property at this time.
 - d. [Notary 1], a qualified notary public in British Columbia, signed a power of attorney in witness of the signature of an individual who identified themselves to him as [Owner 1] (the "**November 15 POA**"). The individual identifying themselves as [Owner 1] (the "**Fake [Owner 1]**") was a male and presented a copy of a BC Driver's Licence bearing the following information (the "**Fake [Owner 1] ID**"):
 - i. Name: [Owner 1]
 - ii. DL number: [Redacted]
 - iii. Issue Date: 2017-Oct-24
 - iv. Expiry Date: 2022-Oct-22
 - v. Date of Birth: 1978-Oct-22

- vi. Address: [Property 1], Richmond BC, [Postal Code Redacted]
 - e. The true BC Driver's Licence bearing DL number [Redacted] had the following information:
 - i. Name: [Individual 1]
 - ii. Issue Date: 2019-May-07
 - iii. Expiry Date: 2024-Jan-15
 - iv. Date of Birth: 1958-Jan-15
 - v. Address: [Property 2], Nanaimo BC, [Postal Code Redacted]
 - f. The Fake [Owner 1] who signed the November 15 POA signed it as the principal granting the power of attorney and purported to provide authority to "[Seller 1]" to sell the Property and take the proceeds of sale in his name.
 - g. The Fake [Owner 1] who signed the November 15 POA as principal was not the [Owner 1] listed on title to the Property and was not named "[Owner 1]". The Fake [Owner 1] had no authority from the [Owner 1] listed on title to the Property to sign the November 15 POA and the [Owner 1] listed on title did not have any knowledge that the November 15 POA would be signed by the Fake [Owner 1].
33. On November 16, 2019:
- a. T Li and [Assistant 1] attended at the Property and met with [Seller 1] at approximately 3:00 pm. [Seller 1] opened the door and was dressed in a suit and tie. [Seller 1] introduced himself as "[Seller 1]", the Executive Assistant to the owner who was then currently in Toronto. [Seller 1] said he had a POA to represent the owner. T Li and [Assistant 1] did not view a copy of a power of attorney during this meeting.
 - b. During the meeting T Li asked [Seller 1] how he had obtained T Li's contact information. He said he had found her online. T Li asked what website. [Seller 1] responded that his colleague had found her, not himself.
 - c. [Seller 1] gave T Li and [Assistant 1] a tour of the Property. He advised T Li and [Assistant 1] that the owner had never lived in the Property and had rented it out. [Seller 1] stated that the owner had very bad experiences with the last tenant who stopped paying rent and stole the appliances.
 - d. The Property was vacant and appeared to have been broken into.
 - e. The Property was in superficially poor condition. It was missing all removable appliances including the fridge, washer, dryer, and dishwasher. Some copper piping had been taken from the mechanical room in the garage and a bathroom cabinet was missing legs. The backyard fence was missing a panel and the back door was broken. Portions of the cabinet laminated paneling were lifting below the range hoods.
 - f. T Li and [Assistant 1] presented their CMA, including sold listings in the neighbourhood for the previous six months to [Seller 1] but advised that the condition of the Property would have a significant negative impact on the value of the Property. [Seller 1] advised that the owner had no plan to fix the Property and wanted to get rid of a problematic property. [Seller 1] advised that the owner was willing to sell the Property for \$1,800,000.

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- g. [Seller 1] refused to have the Property listed on the MLS system because he wanted to “keep it quiet” and “do [a] quick transaction”.
 - h. T Li expressed interest in listing the Property and expressed confidence in finding the right buyer. [Seller 1] said he was interviewing other realtors at 4:00 pm that day and could not make a decision on listing at that time.
 - i. T Li and [Assistant 1] left the Property at approximately 3:40 pm and arrived at the Brokerage’s Richmond office at approximately 4:00 pm.
 - j. T Li returned to the Brokerage’s Richmond office and told the licensees there about the deal. She advised them that the owner was willing to sell for \$1,800,000. D Yang was present and said he might have a buyer. He briefly spoke with his client’s representative, [Buyer’s Representative 1], and then advised T Li that his client was interested and would send an offer. D Yang told T Li to sign a listing contract as soon as possible.
 - k. T Li then called [Seller 1] at approximately 4:15 pm. [Seller 1] advised T Li that the realtor he planned to meet at 4:00 pm had not shown up. T Li reported that an offer was coming to which he responded, “I guess the listing is yours.” T Li asked [Seller 1] for the owner’s information and email in order to sign the documents.
 - l. D Yang prepared a contract of purchase and sale for the Property listing no name for the seller and [Buyer 1] as buyer. This first offer was for \$1,795,000 and was subject to a satisfactory viewing by the buyer and had completion and possession dates of January 8 and 9, 2020 respectively. It listed D Yang as agent for the buyer. D Yang emailed the offer to [Buyer’s Representative 1] at 4:43 pm. [Buyer’s Representative 1] emailed this document to D Yang at 5:07 pm, executed by [Buyer’s Representative 1] on behalf of [Buyer 1].
 - m. In November 2019, [Buyer’s Representative 1] was a director of [Buyer 1] along with [Buyer’s Representative 2].
 - n. D Yang advised T Li of the incoming offer and T Li called [Seller 1] to advise him of the details of the incoming offer. [Seller 1] stated he needed to obtain instructions and called back soon after. On the second call, [Seller 1] told T Li that the January 2020 closing date was not satisfactory and that the owner preferred an early completion date. In these calls [Seller 1] sounded impressed and said to T Li “Wow, you are amazing! I guess the listing is yours.” T Li advised D Yang of this, and D Yang advised [Buyer’s Representative 1].
 - o. At 5:28 pm, [Buyer’s Representative 1] emailed D Yang a revised version of this offer (the “**First Offer**”) that changed the completion and possession dates to December 9 and 10, 2019 respectively.
 - p. At approximately 5:33 pm, T Li texted [Seller 1] to provide him with the email address to which the offer should be sent. [Seller 1] responded to provide the owner’s name as “[Owner 1]” and the email address [Email 1].
 - q. At 5:35 pm, T Li texted [Seller 1] to confirm receipt of the above text and to ask for the owner’s ID; occupation; citizenship card, passport, or permanent resident card.
 - r. At 5:36 pm, D Yang emailed the First Offer to T Li.

- s. At 6:07 pm, T Li emailed [Email 1] to provide the First Offer. She addressed the email to “[Owner 1]”. At 6:08 pm, T Li sent a text message to [Seller 1] to confirm she had sent the First Offer to “[Owner 1]”.
 - t. In a telephone call, T Li invited [Seller 1] to have the owner sign a multiple listing contract. [Seller 1] declined on that basis that there was an existing buyer and did not need to list it on the Multiple Listing System. T Li then suggested the owner sign an exclusive listing contract and [Seller 1] said he would need to check with the owner.
 - u. D Yang provided [Buyer 1] a Disclosure of Representation in Trade form that did not identify D Yang as acting in the capacity as agent for [Buyer 1].
34. On November 17, 2019:
- a. At 12:06 pm, [Buyer’s Representative 1] sent a text message to D Yang to inquire about the First Offer and D Yang responded that the seller would respond “on Monday”. At approximately 3:28 pm they exchanged text messages about another property and [Buyer’s Representative 1] indicated to D Yang that the seller of the Property should not counter or it will be hard for the prospective buyer to resell it.
 - b. T Li called [Seller 1] to remind him to send her the identification documents and he said he would have them soon and then did not pick up further calls that day.
 - c. At 8:25 pm, T Li sent a text message to [Seller 1] requesting identification documents from [Seller 1]. He responded that he would have everything “tomorrow”. T Li responded to thank [Seller 1].
35. On November 18, 2019:
- a. T Li asked [Conveyancer 1], a conveyancer at the Brokerage, to obtain a title search for the Property at 9:10 am, which T Li described as “my new exclusive listing”. T Li, [Conveyancer 1], and [Individual 3], another staff member at the Brokerage, exchanged emails regarding the title search. At 9:53 am, [Conveyancer 2], a conveyancer at the Brokerage, obtained a title search for the Property.
 - b. The Fake [Owner 1] attended before [Notary 1], the notary public, and had [Notary 1] witness the execution by the Fake [Owner 1] of an Enduring Power of Attorney as principal, which purported to grant [Seller 1] authority in regard to the Property (the “**November 18 POA**”). The November 18 POA disclosed that it was witnessed by [Notary 1] on November 18, 2019 in Vancouver, British Columbia and in it [Notary 1] confirms that he is certifying the matters set out in Part 5 of the Land Title Act as they pertain to the execution of the instrument. It was not signed on behalf of the attorney, [Seller 1], on that date. The November 18 POA described [Owner 1] as a student and gave the address of the Property as [Owner 1]’s address. The Fake [Owner 1] had no authority from the [Owner 1] listed on title to the Property to sign the November 18 POA and the [Owner 1] listed on title did not have any knowledge that the November 18 POA would be signed by the Fake [Owner 1].
 - c. At 6:59 pm, T Li received an email from [Email 1] attaching a BC Driver’s Licence for [Seller 1] and a single page of the November 18 POA, being the portion bearing the purported signature of [Owner 1] and the signature of [Notary 1]. The BC Driver’s Licence showed the following:

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- i. DL Number: [Redacted]
 - ii. Name: [Seller 1]
 - iii. Class: 5 iv. Issue Date: 2018-Aug-17
 - iv. Expiry Date: 2023-Aug-16
 - v. Date of Birth: 1995-Aug-16
 - vi. Address: [Property 3], Richmond BC, [Postal Code Redacted]
 - d. The real BC Driver's Licence under number [Redacted] was issued to [Seller 1] with a date of birth at 1995-Aug-16 and the above address; however, the true information in regard to that licence number is as follows:
 - i. Class: 7 L
 - ii. Issue Date: 2017-Jun-26
 - iii. Expiry Date: 2019-Jun-26
 - e. At 7:15 pm, T Li emailed [Email 1] to confirm receipt of the above noted email at 6:59 pm and to request [Owner 1]'s identification documents and citizenship card, passport, or permanent resident card; to confirm [Seller 1]'s occupation as "Real Estate Manager"; and to request his citizenship documents or permanent residence card. The email was addressed to "[Owner 1]".
 - f. At 7:31 pm, D Yang sent a text message to [Buyer's Representative 1] advising they would meet at the Property at 2:30 pm the next day.
 - g. At 8:19 pm, [Seller 1] responded via the [Email 1] email to indicate that [Owner 1]'s identity documents did not have to be provided given the November 18 POA. He indicated that he was born in Canada. He further confirmed that he would see T Li the next day at 2:00 pm and to indicate that he would not sign an exclusive listing because "we are working with a few other potential buyers who have expressed interest in the property".
 - h. [Seller 1] expressed to T Li on a phone call that the owner would pay commission to the realtor who found a buyer and that the owner wanted a subject free offer. T Li advised D Yang that the owner wanted a subject free offer but D Yang said that the prospective buyer had not seen the house and would like to view it before removing subjects.
36. On November 19, 2019:
- a. At 12:06 pm, T Li sent a text message to [Seller 1] to confirm that the prospective buyer would attend at the Property at 2:15 pm. [Seller 1] confirmed that.
 - b. At 12:24 pm, D Yang sent a text message to [Buyer's Representative 1] to confirm the meeting time at 2:15 pm.
 - c. At approximately 2:00 pm, D Yang arrived at the Property for the meeting and knocked on the door. No one answered so he waited outside. While he was waiting he saw an individual who he described as an "East Indian fellow" coming out of the house. D Yang attempted to say "hi" but the individual quickly walked away, got in his car, and drove away.

- d. At approximately 2:15 pm, T Li, D Yang, [Assistant 1], [Seller 1], [Buyer's Representative 1], and others representing the buyer's side of the proposed transaction met at the Property.
- e. D Yang noticed that the appliances were missing, the back door was boarded up, the rooms needed new paint, there was no heating, and copper pipes were missing.
- f. [Buyer's Representative 1] and D Yang toured the property. [Buyer's Representative 1] and the buyer's side were concerned about a possible marijuana grow operation at the Property and wanted to have the property inspected.
- g. [Seller 1] showed T Li a BC Driver's Licence during this tour purporting to be his. [Seller 1] and T Li also had a phone call with an individual in Toronto who was identified as "Jason" ("**Jason the Consultant**"). Text messages from [Seller 1] to T Li identify Jason the Consultant as a lawyer but T Li has described him also as a "licensed realtor in Toronto". In this call they reviewed the required disclosure forms and a Fee Agreement Seller Pays (Buyer Represented Seller Not Represented) and discussed the fees to be paid for the transaction.
- h. During the meeting at the Property, T Li provided [Seller 1] with the following documents, all of which were backdated to November 16, 2019, being the date of the initial offer, and all were prepared for execution by [Owner 1]:
 - i. A "Fee Agreement Seller Pays (Buyer Represented Seller Not Represented)" agreement signed between the Brokerage as buyer's brokerage and [Owner 1] as seller, which indicated "Tracy Li/David Yang" as designated agents for [Buyer 1] providing for a commission of 7% on the first \$100,000.00 and 3% of the balance. Tracy Li executed the document on behalf of the Brokerage. The form states that [Owner 1], as seller, acknowledges that no agency exists between [Owner 1] and the Brokerage or the designated agents;
 - i. A "Not a Client? Know the Risks" form;
 - ii. A "Your Relationship with a Real Estate Professional" form indicating there was no agency relationship between [Owner 1] and T Li;
 - iii. A "Privacy Notice and Consent" form; and
 - iv. A Property Disclosure Statement for the Property(collectively, the "**Backdated Documents**")
- j. T Li also informed [Seller 1] that the November 18 POA was not acceptable as it looked as if it were a draft and was not signed by [Seller 1].
- k. At 3:25 pm, T Li emailed the Backdated Documents and a "Paying for Real Estate Services What Sellers Need to Know" form to [Email 1]. She addressed the email to "[Owner 1]".
- l. [Seller 1] executed a counteroffer (the "**First Counteroffer**") being an amended version of the First Offer revising the purchase price to \$1,800,000 and deleting the subjects.
- m. At 3:54 pm, T Li emailed the First Counteroffer to D Yang and D Yang forwarded the First Counteroffer to [Buyer's Representative 1] at 4:17 pm.
- n. At 4:00 pm, D Yang sent the First Counteroffer and a November 18, 2019 title search for the Property to [Buyer's Representative 1] via text message. At about that time [Buyer's Representative 1] and D Yang exchange messages regarding arranging an inspection of the

Property at noon the following day and removing the assignment clause in the contract of purchase and sale for the Property.

- o. At approximately 4:20 pm and 4:26 pm, [Buyer's Representative 1] emailed D Yang a fully signed version of the First Counteroffer.
- p. At 4:32 pm, D Yang sent a copy of the fully signed version of the First Counteroffer to T Li via text message.
- q. At 4:37 pm, T Li sent a text message to [Seller 1] to confirm that she sent him the fully signed version of the First Counteroffer via email and that she was waiting for the owner's identification documents and the POA.
- r. At 5:55 pm, T Li sent a text message to [Seller 1] asking to schedule another showing at noon the next day. [Seller 1] confirmed by response text message at 7:01 pm.

37. On November 20, 2019:

- a. At approximately 12:00 pm, [Buyer 1]'s inspector, [Buyer's Representative 1], D Yang, [Seller 1], and T Li attended at the Property. During this visit, [Buyer's Representative 1] noted cracks in the foundation along with fallen roof tiles. No evidence of a grow operation was discovered. [Buyer's Representative 1] told D Yang and T Li that he would like to reduce the offer to \$1,750,000. T Li went into the house and told [Seller 1] about the buyer's concerns and the reduction to \$1,750,000 without subjects. [Seller 1] purported to call [Owner 1] regarding the price change and soon after told T Li that he could accept the price if the buyer could provide a bank draft as a deposit.
- b. D Yang advised [Buyer's Representative 1] that the transaction was being done through a power of attorney and [Buyer's Representative 1] advised D Yang that his lawyer would deal with it.
- c. At approximately 2:31 pm, [Buyer's Representative 1] sent a text message to D Yang asking when the notice to seller regarding removal of the assignment clause would be signed.
- d. At approximately 5:15 pm, the parties again met at the Property.
- e. D Yang and [Buyer's Representative 1] arrived before [Seller 1]. Despite parking being available at the front of the Property, D Yang watched the vehicle transporting [Seller 1] park two houses away. [Seller 1] was a passenger in the vehicle.
- f. [Buyer's Representative 1] reduced his offer to \$1,725,000 because he was concerned the cold would cause a burst pipe while the Property was left vacant. D Yang says this was because of the cost to fix the furnace.
- g. [Buyer's Representative 1] obtained two \$45,000 bank drafts and provided them to T Li and D Yang.
- h. [Seller 1] agreed to the reduced price without seeking purported approval from [Owner 1].
- i. Because [Buyer's Representative 1] wanted the ability to assign the contract to [Buyer 1]'s related entities, T Li and D Yang also deleted Item 20A, restricting assignments, from the written offer and provided [Seller 1] a "Notice to Seller Regarding Assignment" form. The form was dated November 16, 2019, but was presented and signed on November 20, 2019.

- j. The First Counteroffer, which had been signed by [Buyer's Representative 1] on November 19, 2019, was amended to revise the contract price to \$1,725,000, to provide that the "Seller will give access to Buyer after subject removal for repairs", and to remove clause 20A which was accepted by [Seller 1] and [Buyer's Representative 1] (the "**Contract**"). The Contract provided for possession and completion to occur on December 9 and 10, 2019 respectively. [Owner 1] was listed as unrepresented and [Seller 1] signed on behalf of [Owner 1]. D Yang was listed as agent for [Buyer 1]. The Contract was subject free and sold the Property in "as is where is" condition with all items which happened to be inside.
 - k. At the time the Contract was executed, T Li and D Yang had not viewed a fully executed power of attorney granting [Seller 1]'s authority to act in relation to the Property.
 - l. At 7:37 pm, T Li sent a text message to [Seller 1] requesting the seller's identification and the fully signed power of attorney.
38. On November 21, 2019:
- a. At 3:21 pm, D Yang sent a text message to T Li asking if she had any news, to which she responded "Not yet, still waiting". D Yang texted [Buyer's Representative 1] a screenshot of that exchange at 3:28 pm to which [Buyer's Representative 1] responded, "This is weird".
 - b. At 5:15 pm, T Li sent a text message to [Seller 1] again seeking the outstanding seller's identification and the completed power of attorney and stating she could not hold the bank draft for too long.
 - c. A lawyer, [Lawyer 1], notarized [Seller 1]'s signature on the November 18 POA as required under Power of Attorney Act, RSBC 1996, c 370, s 17. He also notarized [Seller 1]'s signature on the November 15 POA. [Seller 1] had no authority from the [Owner 1] listed on title to the Property to sign either the November 15 POA or the November 18 POA and the [Owner 1] listed on title did not have any knowledge that the November 15 POA or the November 18 POA would be signed by [Seller 1].
 - d. T Li and [Seller 1] exchanged text messages wherein [Seller 1] stated that he had just left the lawyer's office and would email the documents when back at his computer.
 - e. At 6:01 pm, [Seller 1] emailed T Li using [Email 1] to provide the November 18 POA with [Seller 1]'s signature as attorney witnessed by [Lawyer 1].
 - f. T Li confirmed with [Seller 1] by text message that she received the November 18 POA with [Seller 1]'s signature as attorney witnessed by [Lawyer 1] but had not received identification for [Owner 1]. [Seller 1] responded to state he would email the requested documents.
 - g. At 6:46 pm, [Seller 1] emailed T Li a photograph of the Fake [Owner 1] ID.
 - h. T Li exchanged text messages with [Seller 1] wherein:
 - i. T Li asked [Seller 1] if [Owner 1]'s occupation was still a student and why [Owner 1]'s "occupation is self-employed, but it shows Student on POA";
 - ii. [Seller 1] provided a phone number for [Owner 1] and advised that [Owner 1]'s occupation was "self-employed".

- i. T Li attempted to call [Owner 1] twice and [Assistant 1] attempted to call [Owner 1] once but received no answer.
- j. T Li noted in a text message to [Seller 1] that "It's my duty to talk with him [[Owner 1]] to verify his identification", requested that [Seller 1] arrange for [Owner 1] to call her back.
- k. D Yang had suspicions regarding the transaction and that the deal may go "side-ways" because of the seller with the result that his client's deposit would be held at the Brokerage as a result of any dispute. He then prepared an addendum setting out that the deposit would be automatically refunded to the buyer should the deal collapse.
- l. At 8:27 pm, [Assistant 1] emailed L-M Lee, copying T Li, D Yang, and [Licencee 1], another representative licensee engaged by Pacific Evergreen Realty Ltd. serving as a Business Development Consultant for the Brokerage who also assisted with compliance matters, requesting that L-M Lee review the draft addendum prepared by D Yang regarding the return of the deposit.
- m. At 8:47 pm, D Yang sent the draft addendum to [Buyer's Representative 1] by text message. D Yang also stated that he will get [Buyer's Representative 1] the addendum the next day.
- n. At 8:58 pm, L-M Lee emailed [Licencee 1] and A Fong asking [Licencee 1] to help [Assistant 1]. At 9:08 pm, [Licencee 1] responded to L-M Lee (without copying to A Fong) asking for more detail regarding what L-M Lee wanted in the addendum and why there was a concern the deal might collapse. [Licencee 1] noted that there were strict guidelines regarding the handling of trust funds when the brokerage is a stakeholder.
- o. At 10:27 pm, [Licencee 1] emailed L-M Lee, copying T Li and D Yang, to provide L-M Lee a copy of a revised addendum "per our calling" and asking L-M Lee to "double check to see if anything need[s to] be corrected".
- p. T Li prepared Individual Identification Information Records for [Seller 1] and "[Owner 1]" (the "FINTRAC Forms"). T Li dated these to state that she verified the information on November 16, 2019. She indicated that she identified them by their BC Driver's Licences. The form for "[Owner 1]" states on page 3 of 4 that:

I didn't meet this property owner. His executive assistant who is selling the property on behalf of him provided the photo of his driver licence and gave me his phone number [Phone Number Redacted]. But I wasn't able to get a hold of him prior to do the transaction. According to [Seller 1], his assistant, the seller's official status is still an International Student, He has been enrolled in various different courses in media and broadcasting relations over the past few years. It is his hope and dream to develop Apps & search engines promoting the goods and services of others by preparing and placing advertisements in an electronic magazine. His last enrolled course was Macromedia University.

[sic]

The form for [Seller 1] states on page 3 of 4 that:

I received [Seller 1]'s phone call on November 15th to have a listing interview at 3 pm on the next day. We met at house on [Property 1] and he told me he is selling the property on behalf of the owner, [Owner 1] who was in Toronto and couldn't come back to do the transaction. [Seller 1] provided the scan of this driver licence and the Power of Attorney on behalf of [Owner 1]. He didn't want to sign the Multiple listing or Exclusive listing agreement, and only agreed to be an unrepresented party.

[sic]

39. On November 22, 2019:

- a. At 9:49 am, [Buyer's Representative 1] sent a text message to D Yang asking "What's going on?".
- b. At 10:09 am, L-M Lee emailed [Licencee 1] in response to [Assistant 1]'s 10:27 pm, November 21, 2019 email, copying A Fong, T Li, and [Assistant 1], noting that he felt "uncomfortable in revising the draft" and that he needed time to think before replying.
- c. At 10:39 am, D Yang sent a text message to T Li regarding the terms of an addendum to the Contract providing for a return of the deposit to the buyer if the seller defaults on the Contract.
- d. At 10:40 am, [Licencee 1] emailed [Individual 2], a realtor who acted on the 2004 purchase of the Property and asked if she was still in contact with "the owner".
- e. At 10:55 am, T Li sent a text message to [Seller 1] confirming that she had sent him a draft of an addendum to the Contract for his execution.
- f. At 11:09 am, [Licencee 1] emailed L-M Lee, copying A Fong, T Li, and [Assistant 1], asking various questions, including whether [Seller 1]'s ID was physically in hand when verifying it.
- g. At 11:24 am, D Yang sent a text message to [Buyer's Representative 1] containing revised wording for the proposed addendum dealing with the deposit.
- h. Between 11:44 am and 12:38 pm, [Licencee 1] and [Assistant 1] exchanged emails wherein [Assistant 1] provided [Licencee 1] with a photo of the Fake [Owner 1] ID, the November 18 POA notarized by [Lawyer 1], the Contract, the Backdated Documents, the FINTRAC Forms, and a title search for the property obtained November 18, 2019. L-M Lee, A Fong, and T Li were copied in this exchange.
- i. Around noon, T Li received a telephone call from Jason the Consultant regarding the terms of the addenda to the Contract in which he stated that he required the terms of the addenda regarding the deposit to be as drafted by him before he would agree to revise the closing, possession, and adjustment dates as requested by the buyer.
- j. At 1:36 pm, [Seller 1] sent a text message to T Li containing proposed wording for the addendum regarding the handling of the deposit. T Li confirmed receipt and the buyer's agreement and confirmed that she had sent the revision to [Seller 1] to DocuSign. T Li and [Seller 1] then exchanged text messages in which [Seller 1] advises that he is seeking confirmation from Jason the Consultant, who he describes as "our in house council" [sic] and

T Li and [Seller 1] discuss meeting at Pacific Evergreen Realty Ltd. 's Richmond office at [Property 4] to sign the addendum.

- k. At 1:51 pm, T Li sent a text message to D Yang containing the draft wording for the addendum regarding the handling of the deposit.
 - l. At 2:09 pm, D Yang sent a text message to [Buyer's Representative 1] containing the proposed wording for the deposit addendum, which [Buyer's Representative 1] confirmed.
 - m. At 3:09 pm, [Licencee 1] emailed [Assistant 1], copying A Fong, L-M Lee, and T Li, to ask if the home address of [Seller 1] had been verified and noting that it did not match "a tax report". [Licencee 1] further stated that the occupation descriptions for [Owner 1] and [Seller 1] were insufficient and asked where [Owner 1] was employed and to which company [Seller 1] was an executive assistant.
 - n. At approximately 3:30 pm, [Buyer's Representative 1], [Seller 1], T Li, and D Yang met at Pacific Evergreen Realty Ltd. 's Richmond office to have an addendum executed with the wording suggested by Jason the Consultant. [Seller 1] purported to sign on behalf of [Owner 1] and [Buyer's Representative 1] signed on behalf of [Buyer 1].
 - o. The Brokerage recorded the receipt of the buyer's deposit consisting of two bank drafts totaling \$90,000 at 4:24 pm.
 - p. At 4:55 pm, [Seller 1] sent a text message to T Li containing a photograph of a business card for [Lawyer 1] the lawyer who would represent the seller in the transaction. T Li responded to ask if the seller was willing to move the completion date to November 27, 2023 (which the buyer had requested) to which [Seller 1] agreed. They then exchanged text messages regarding delivery of an addendum addressing the change of date and confirming that [Seller 1] had signed it.
 - q. By 6:14 pm, [Seller 1] and [Buyer's Representative 1] had both DocuSigned a second addendum changing the completion and adjustment date for the Contract to November 27, 2019 and the possession date to November 28, 2019.
 - r. At 6:57 pm, [Assistant 1] emailed A Fong and [Licencee 1], copying L-M Lee and T Li, to provide the contract of purchase and sale, the addendums, the FINTRAC documents, and the confirmation of receipt of the deposit.
40. On November 23, 2016:
- a. At 2:24 am, [Buyer's Representative 1] DocuSigned the property disclosure statement for the Property dated November 16, 2019 and a November 18, 2019 title search for the Property.
 - b. At around 9:30 am, a "Paying for Real Estate Service: What Sellers Need to Know" disclosure was prepared listing the full commission payable and dividing it between the seller's and buyer's brokerages. [Seller 1] signed this document on behalf of [Owner 1]. At 9:44 am, T Li sent a text message to [Seller 1] confirming that she had sent him this form because it had been forgotten in the exchange of offers. T Li then sent a subsequent text message to [Seller 1] thanking him for the prompt reply and confirming the transaction documents had been sent to his lawyer.

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- c. At 10:43 am, [Assistant 1] provided the Contract, the property disclosure statement for the Property, the two addenda to the Contract, and the Notice to Seller Regarding Assignment Terms to [Conveyancer 1], a conveyancer at the Brokerage via email.
 - d. A Trade Record Sheet was prepared by [Assistant 1] listing T Li as the seller's agent and D Yang as the buyer's agent.
 - e. At 10:03 am, [Assistant 1] emailed [Lawyer 2], a lawyer acting for [Buyer 1] regarding the sale of the Property, to provide the Contract documents.
41. On November 25, 2019:
- a. At 10:10 am, [Buyer's Representative 1] sent a text message to D Yang providing a photograph of his BC Driver's Licence.
 - b. D Yang submitted the transaction documents to [Conveyancer 2].
42. On November 26, 2019:
- a. [Conveyancer 1] asked a colleague at the Brokerage to run a ICBC database search for the Fake [Owner 1] ID and the Driver's Licence for [Seller 1] which had been provided to her as part of the transaction documents. "Nothing came up" in relation to the Fake [Owner 1] ID which [Conveyancer 1] interpreted as the Driver's Licence being not valid or there were no results returned for an existing licence. The BC Driver's Licence for [Seller 1] returned as existing in the ICBC system. [Conveyancer 1] did not share the results of the ICBC database search with A Fong or with any of the licensees involved in the transaction.
 - b. This was the first time [Conveyancer 1] had asked for a Driver's Licence to be checked under the ICBC database. She asked that the BC Driver's Licences be looked up in the ICBC database because the Fake [Owner 1] ID "bothered" her and that the photo of the person seemed out of proportion and bolder than normal.
 - c. [Conveyancer 1] provided the transaction documents for the seller's side to A Fong for review. These documents were categorized by the Brokerage as the "Listing File". On the transaction record provided to A Fong along with the Listing File, [Conveyancer 1] had made the following notations:
 - i. "Please note sellers are indicated as high risk"
 - ii. "Please see flagged photo ID."
 - iii. "Annie, please confirm whether the power of attorney individual needs to sign PNC and Disclosures"
 - d. On the copy of the Fake [Owner 1] ID provided to A Fong as part of the Listing File, [Conveyancer 1] had circled the smaller photo on the right side of the licence in red pen and written "It looks like they stick this on." On the bottom of the page, [Conveyancer 1] wrote "These are photos of the ID sent to the agent. I don't think the agent saw the physical ID."
 - e. When [Conveyancer 1] passed the Listing File to A Fong for review, she also verbally stated to A Fong that there was something "odd" about the Fake [Owner 1] ID and asked A Fong to take a look.

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- f. At 4:09 pm, [Conveyancer 1] sent an email to [Licencee 1] and [Brokerage Compliance Officer 1], the Brokerage's FINTRAC Compliance Officer, listing eight concerns about the transaction:
- i. T Li had never met the seller;
 - ii. T Li was randomly contacted by [Seller 1] and there was no listing agreement;
 - iii. The relationship between [Seller 1] and [Owner 1] seemed "weird";
 - iv. The seller insisted on being unrepresented;
 - v. The seller was not local;
 - vi. The seller's BC Driver's Licence appeared suspicious;
 - vii. T Li did not see the original IDs, only photos; and
 - viii. D Yang, another licensee within the same brokerage, represented the buyer.
- g. At 4:27 pm, [Brokerage Compliance Officer 1] emailed [Licencee 1] writing, "There is something definitely going on with this case..Everything does not seem right." [sic]
- h. At 4:43 pm, [Brokerage Compliance Officer 1] emailed [Licencee 1] to note that T Li indicated in the FINTRAC Forms that [Seller 1] had said the owner was in Toronto but the November 18 POA said it was signed in Vancouver. She also said that the BC Driver's Licence "does seem a little off for [Owner 1]".
- i. At 6:55 pm, [Licencee 1] emailed [Conveyancer 1] and [Brokerage Compliance Officer 1] stating that he had spoken to T Li, D Yang, and [Licencee 1] about the matter. [Licencee 1] wrote "This deal should not proceed with the information we have at hand and I already explained this to them. I don't think T Li wanted to proceed but D Yang has been pushing hard to make it happen." He further wrote, "I've asked the other agent questions about the deal and he has not answered them and continues to try to push the deal through anyway."
- j. At 6:57 pm, [Licencee 1] emailed [Brokerage Compliance Officer 1] stating that he had tried to contact the seller's previous realtor and the notary who witnessed the execution of the November 18 2019 POA, but had not been able to reach them.
- k. A Fong signed the transaction record sheet that [Conveyancer 1] had prepared accompanying the Listing file that was provided to her. [Conveyancer 1] interpreted A Fong's signature as confirmation that she should proceed with the next steps in the transaction.
43. On November 27, 2019:
- a. At 9:20 am, [Brokerage Compliance Officer 1] sent an email to [Individual 4] at the Financial Transactions and Reports Analysis Centre of Canada ("**FINTRAC**") forwarding [Conveyancer 1]'s 4:09 pm, November 26, 2019 email. [Brokerage Compliance Officer 1] stated that the BC Driver's Licence for [Owner 1] was "a bit off and does not look real". She further stated that the November 18 POA was signed in Vancouver when T Li was told the owner was in Toronto.

- b. Transaction records were prepared for T Li and D Yang for the sale of the Property. They show T Li receiving \$35,284.60 as the listing commission including GST and D Yang receiving \$23,252.90 including GST as the selling commission. They show T Li on the listing side described as "No Agency (but Tracy Li is helping)".
- c. [Conveyancer 2], a conveyancer at the Brokerage prepared the transaction documents for the buyer's side for A Fong for review and sign off. These documents were categorized as the "Selling File" by the Brokerage.
- d. L-M Lee reviewed and approved the commission amounts on the transaction record for the Selling File and inserted a hand-written notation "one cheque signed" in relation to deposit amounts paid by the buyer that would be released by the Brokerage.
- e. The transaction record for the Selling File was stamped approved.
- f. Conveyancing instructions were then prepared and forwarded to [Lawyer 1] and [Lawyer 2]. On the Conveyancer's Instruction Report, "No Agency" was set out for the Listing Broker/Agent(s), and Pacific Evergreen Realty Ltd. / David Yang PREC* was set out as the Seller Broker/Agent(s).
- g. The Brokerage prepared a trust cheque payable to [Lawyer 2] in Trust in the amount of \$31,562.50 being the balance of the deposit after deducting the commission retained by the Brokerage and sent that cheque by mail to [Lawyer 2].
- h. At 11:09 am, [Brokerage Compliance Officer 1] sent an email to [Conveyancer 1], copying [Licencee 1] and [Individual 5], asking her to have T Li fix certain aspects of the client identification forms for [Owner 1] and [Seller 1].
- i. On November 26 or 27, 2019, A Fong informed L-M Lee that she thought the transaction appeared suspicious. After discussing, L-M Lee advised A Fong to send an email to D Yang and T Li alerting them to the concerns.
- j. At 1:41 pm, A Fong sent an email to D Yang and T Li, copying L-M Lee, [Licencee 1], and A Fong, advising D Yang and T Li that the "transaction looks suspicious to us. We are worrying that it might be a scam".. A Fong also instructed D Yang and T Li to "consult a lawyer to ascertain the validity of the POA and the truthfulness of the ownership". D Yang says that he noted issues with the POA with [Buyer's Representative 1] and recommended that [Buyer's Representative 1] have it reviewed by his lawyer.
- k. D Yang did not inform [Buyer's Representative 1] of A Fong's concern that the transaction was suspicious and could be a scam. [Buyer's Representative 1] would not have purchased the Property if anyone had warned him that the transaction was suspicious.
- l. At 3:48 pm, [Assistant 1] sent a text message to [Seller 1] seeking more information about the occupation of the seller and his purported self-employment including the type of business, the industry in which he worked and the nature of the services being provided by the seller and noted this information was required as soon as possible.
- m. At 4:00 pm, [Assistant 1] emailed [Lawyer 2] to deliver a copy of the executed Property Disclosure Statement.

- n. None of T Li, D Yang, A Fong, or L-M Lee sought legal advice or spoke to the legal representatives for the parties directly at any time.
 - o. Neither L-M Lee nor A Fong followed up on the 1:41 pm, November 27, 2019 email to confirm their instructions had been followed. A Fong says that she would have expected L-M Lee to advise her to take steps to follow up if it was necessary or advisable for her to do so.
 - p. At 4:21 pm, [Assistant 1] sent the Contract documents to [Lawyer 1], lawyer for the seller.
 - q. At 5:15 pm, [Assistant 1] sent a text message to [Seller 1] to note that he missed a call from [Seller 1] and that he needed more information regarding the seller's occupation. [Seller 1] responded that he was driving and would respond when he was off the road.
 - r. At 7:17 pm, [Assistant 1] sent a text message to [Seller 1] asking for the occupation of the seller. [Seller 1] responded that the seller's "official employment status is still that of an International Student" and that the seller has been enrolled in media and broadcasting relations courses. [Seller 1] stated the seller was last enrolled at Macromedia University. [Assistant 1] confirmed receipt at 9:04 pm.
 - s. The Contract was assigned to [Company 1] and [Company 2].
 - t. [Company 1] was a company whose directors were [Individual 6] and [Buyer's Representative 2]. [Buyer's Representative 2] was also a director of [Buyer 1].
 - u. [Company 2] was a company whose sole director and officer was [Buyer's Representative 1].
44. On November 28, 2019:
- a. At 9:24 am, [Individual 4] replied to [Brokerage Compliance Officer 1]'s email and requested to speak with [Brokerage Compliance Officer 1] regarding the transaction.
 - b. [Brokerage Compliance Officer 1] submitted a Suspicious Transaction Report to FINTRAC regarding the transaction.
 - c. [Brokerage Compliance Officer 1] was also advised by [Lawyer 1] that the closing had been moved to November 29, 2019. No documents were provided regarding this change.
 - d. [Brokerage Compliance Officer 1] was also advised by [Lawyer 1] that the closing had been moved to November 29, 2019. No documents were provided regarding this change.
 - e. At 10:34 am, [Brokerage Compliance Officer 1] emailed [Licencee 1], A Fong, and L-M Lee forwarding her email exchange with [Individual 4] and [Conveyancer 1]'s 4:09 pm, November 26, 2019 email, while concurrently advising them of her conversation with [Individual 4] at FINTRAC. Her email noted that [Individual 4] provided feedback regarding the rush deal and the closing date being moved back, the series of counter offers, and the authenticity of the ID being at issue. [Brokerage Compliance Officer 1] further wrote that she spoke with [Conveyancer 2] and [Conveyancer 1] and was told [Lawyer 1] called to advise that the completion was moved to November 29, 2019 but provided no written agreement in that regard. Finally, she asked [Licencee 1] to speak to T Li regarding how [Seller 1] acted and to obtain further information regarding [Owner 1]'s occupation and date of birth.
 - f. At 12:25 pm, [Assistant 1] emailed [Brokerage Compliance Officer 1], copying A Fong, L-M Lee, [Individual 5], and [Individual 7], requesting L-M Lee's thoughts and feedback on the file

and stating to [Brokerage Compliance Officer 1] that he would not be proceeding on the file before hearing back from L-M Lee.

- g. At 12:31 pm, L-M Lee emailed [Licencee 1] and [Brokerage Compliance Officer 1], copying A Fong, [Individual 5], and [Individual 7], confirming that he had reviewed the emails between [Conveyancer 1], [Brokerage Compliance Officer 1], and [Individual 4] and that he supports filing a FINTRAC suspicious transaction report.
 - h. At 12:37 pm, [Licencee 1] emailed L-M Lee, copying [Brokerage Compliance Officer 1], A Fong, [Individual 5], and [Individual 7], to confirm he will wait for [Individual 7]'s feedback and to ask if anything further should be done aside from making a FINTRAC suspicious transaction report. At 2:23 pm, [Licencee 1] emailed the same individuals again requesting L-M Lee's specific thoughts as managing broker.
 - i. At 2:44 pm, L-M Lee emailed [Licencee 1], copying [Brokerage Compliance Officer 1], A Fong, [Individual 5], and [Individual 7], to state:

My concerns are that while we are to report "suspicious" transactions, it is best to avoid exposing the "omissions of actions" on our part, e.g. by trying to remedy whatever documents are missing before submitting the report.
 - j. At 2:49 pm, [Licencee 1] emailed L-M Lee, copying [Brokerage Compliance Officer 1], A Fong, [Individual 5], and [Individual 7], asking L-M Lee for clarification regarding his previous email.
 - k. At 5:35 pm, [Licencee 1] emailed [Brokerage Compliance Officer 1], copying A Fong, L-M Lee, [Individual 5], and [Individual 7], to advise "Mimi" that the seller in the subject transaction was a foreign resident for tax purposes and that 25% of the sale price should be held back to remit to the Canada Revenue Agency.
 - l. The November 15 POA was registered against title to the Property under charge number [Redacted].
45. On November 29, 2019: a. Title to the Property was transferred from [Owner 1] as registered owner in fee simple to [Company 2], Inc No. [Redacted] and [Company 1], Inc No [Redacted] with a declared value of \$1,725,000. The transfer form was signed before [Lawyer 1] by [Seller 1] as attorney for [Owner 1] in reliance on the November 15 POA.
46. At no time between November 16 to November 29, 2019 did L-M Lee directly communicate with T Li or D Yang to discuss the transaction regarding the November sale of the Property, beyond L-M Lee's November 22, 2019 email to [Assistant 1] where T Li was copied in regard to the draft addendum for the return of the deposit.
47. At no time between November 16 to November 29, 2019, did A Fong directly communicate with T Li or D Yang to discuss the transaction regarding the November sale of the Property, beyond A Fong's November 27, 2019 email to T Li and D Yang noting that the deal may be a scam and directing the T Li and D Yang to seek legal advice.
48. At no time did T Li or D Yang seek guidance from A Fong or L-M Lee in respect of the transaction regarding the November sale of the Property.

49. On December 3, 2019, A Fong received a performance review signed by L-M Lee as managing broker and [Individual 7] as Reviewing Officer.
50. On December 6, 2019:
 - a. T Li was paid \$35,048.35 by electronic funds transfer, being her commission on the sale of the Property less the Brokerage's deal fee of \$225.00 and plus GST.
 - b. D Yang was paid \$23,016.65 by electronic funds transfer, being his commission on the sale of the Property less the Brokerage's deal fee of \$225.00 and plus GST.
51. On January 15, 2020: a. [Company 1] and [Company 2] executed a contract of purchase and sale selling the Property to a third-party buyer, [Buyer 2], for \$2,150,000.00 with completion and possession dates on February 14 and 15, 2020 respectively (the "**Second Contract**"). The contract confirmed that D Yang had an agency relationship with [Company 1] and [Company 2].
52. On January 20, 2020, the parties to the Second Contract executed an addendum to the Second Contract.
53. On January 21, 2020, [Buyer 2] removed subjects on the Second Contract.
54. On February 14, 2020:
 - a. The Property transferred into the name of [Buyer 2] for a declared value of \$2,150,000.
 - b. D Yang received a commission of \$15,369.38 in regard to the sale of the Property in February 2020.
 - c. Pacific Evergreen Realty Ltd. paid a \$15,369.38 referral fee to [Company 3] in regard to the sale of the Property in February 2020. T Li was a recorded as a director of [Company 3] from December 31, 2017 to May 16, 2020. T Li was also the Chair of [Company 3] from at least March 18, 2018 to March 18, 2019. D Yang says that [Company 3] was T Li's husband's company.
55. On April 2, 2020: a. [Owner 1] filed a Notice of Civil Claim suing [Seller 1], two John Does, [Notary 1], T Li, D Yang, the Brokerage, [Lawyer 1] and his Law Corporation, [Company 1], [Company 2], and the directors of those companies for their involvement in the fraud.
56. On April 3, 2020: a. [Owner 1] filed a certificate of pending litigation against the Property.
57. On March 24, 2022, [Seller 1] and [Individual 8] were indicted on 4 counts including charges that they, from the 15th day of November, 2019 to the 2nd day of December, 2019, inclusive, deprived [Owner 1] of a residential house or of valuable security, or either, in excess of \$5,000 by fraud and theft, deprived [Buyer's Representative 1] and [Buyer's Representative 2] of money by fraud, and were in possession of property or the proceeds of property obtained by an indictable offence.
58. On that same indictment, [Individual 8] was also charged with additional counts including that he, from the 15th day of November, 2019 to the 2nd day of December, 2019, inclusive, fraudulently impersonated [Seller 1]; possessed identity information for [Seller 1], [Owner 1], or either, in circumstances giving rise to a reasonable inference that the information was intended to be used to commit fraud; obtained money, property, valuable security, or either, by false pretence; and acted upon forged documents being identification in the name of [Seller 1], [Owner 1], or either.

59. On July 18, 2023, [Owner 1] filed an Amended Notice of Civil Claim removing T Li, D Yang, Pacific Evergreen Realty Ltd., and others as defendants and adding [Individual 8]. The Amended Notice of Civil Claim included [Owner 1]'s waiver of recovery from the remaining defendants of the portion of any loss attributable to the removed defendants.
60. None of [Buyer's Representative 1], [Buyer's Representative 2], [Individual 6], and [Buyer 1] were T Li's clients in relation to the sale of the Property in November 2019.
61. As of the date of this Agreed Statement of Facts, the civil litigation was not resolved.
62. BCFSA received the complaint on April 3, 2020 from [Lawyer 3], General Counsel and Practice Advisor to the Society of Notaries Public of BC enclosing the above noted Notice of Civil Claim.

PROPOSED FINDINGS OF MISCONDUCT

For the sole purposes of the Proposal and based on the Facts outlined herein, A Fong and AF PREC propose the following findings of misconduct be made by the Superintendent:

1. Lok Chi Annie Fong and Annie Fong Personal Real Estate Corporation committed professional misconduct within the meaning of section 35(1)(a) and (d) of the RESA in that, while Lok Chi Annie Fong was licensed as a managing broker in relation to Pacific Evergreen Realty Ltd in the trading and rental property management categories, she:
 - a. In or about November 2019, failed to provide adequate supervision to T Li to ensure that she disclose in writing and in the form approved by the RECBC at the time whether or not she would represent [Seller 1]; [Owner 1], or an individual purporting to be [Owner 1]; or both of them as clients as required by the *Real Estate Services Rules* [the "Rules"], section 5--10 [*Disclosure of representation in trading services*], contrary to the Rules, section 3--1(3)(b) [*Accounts and records*];
 - b. In or about November 2019, failed to provide adequate supervision to D Yang to ensure that he disclose in writing and in the form approved by the RECBC at the time whether or not he would represent [Buyer 1] as a client as required by the Rules, section 5-10 [*Disclosure of representation in trading services*], contrary to the Rules, section 3--1(3)(b) [*Accounts and records*];
 - c. In or about November 2019, failed to provide adequate supervision of T Li to ensure that she would not continue to provide trading services to an individual acting under a power of attorney until she had taken sufficient steps to confirm the validity of a power of attorney used to transact the sale by the seller and the authority of the individual to transact before continuing to provide trading services;
 - d. In or about November 2019, failed to provide adequate supervision of D Yang to ensure that he would not continue to provide trading services in respect of the purchase of the Property until he had taken sufficient steps to confirm the validity of a power of attorney used to transact the sale by the seller and the authority of the individual acting under a power of attorney to transact before continuing to provide trading services;
 - e. Between on or about November 21, 2019 to November 29, 2019, failed to take reasonable steps to deal with any or all of T Li's conduct which she knew may constitute professional

misconduct, improper conduct, or negligent conduct on the part of T Li contrary to the Rules, section 3--1(2) [*Knowledge of improper conduct*], including the following:

- i. T Li providing trading services to [Seller 1] when she knew or reasonably ought to have known he was not duly authorized to deal with the property; and
 - ii. T Li's failure to take reasonable steps to confirm [Seller 1] was duly authorized to deal with the Property and to alert other persons acting in relation to the sale of the Property in light of the suspicious circumstances surrounding the sale of the Property; and
- f. Between on or about November 21, 2019 to November 29, 2019, failed to take reasonable steps to deal with any or all of D Yang's conduct which she knew may constitute professional misconduct, conduct unbecoming, improper conduct, or negligent conduct on the part of D Yang contrary to the Rules, section 3-1(2) [*Knowledge of improper conduct*], including but not limited to;
- i. D Yang's failure to properly disclose to [Buyer 1], separately from any service agreement or other agreement under which real estate services are provided, separately from any agreement giving effect to a trade in real estate, and in the form approved by RECBC, whether or not he would represent [Buyer 1] as a client in regard to the purchase of the Property; and
 - ii. D Yang's failure to take reasonable steps to confirm [Seller 1] was duly authorized to deal with the Property and to alert other persons acting in relation to the sale of the Property in light of the suspicious circumstances surrounding the sale of the Property.

each and all contrary to the Rules, sections 3-1(1)(a) [*Duty to be actively involved in brokerage management*], 3-1(1)(b) [*Duty to ensure the brokerage complies with the RESA and the Rules*], and 3--1(1)(c) [*Duty to supervise associate brokers and representatives*].

PROPOSED ORDERS

Based on the Facts herein and the Proposed Findings of Misconduct, A Fong and AF PREC propose that the Notice of Discipline Hearing in this matter be resolved through the following Orders being made by the Superintendent, pursuant to section 43 of the RESA:

1. A Fong and AF PREC be jointly and severally liable to pay a discipline penalty to BCFSA in the amount of \$50,000 payable within three (3) months from the date of this Order for A Fong's contraventions of section 35(1)(a) and (d) of the RESA and the Rules, sections 3-1(1)(a) [*Duty to be actively involved in brokerage management*], 3-1(1)(b) [*Duty to ensure the brokerage complies with the RESA and the Rules*], and 3-1(1)(c) [*Duty to supervise associate brokers and representatives*], and 3-1(3)(b) [*Accounts and records*].
2. A Fong, at her own expense, register for and successfully complete the Broker's Remedial Education Course as provided by the Sauder School of Business at the University of British Columbia in the time period as directed by BCFSA.

3. A Fong and AF PREC be prohibited from being the managing broker of any brokerage for a period of six (6) months from the date of this Order.
4. A Fong and AF PREC be jointly and severally liable to pay enforcement expenses to BCFSA in the amount of \$5,000 payable within three (3) months from the date of this Order.
5. If A Fong and AF PREC fail to comply with any of the terms of this Order, the Superintendent may suspend or cancel their licences without further notice to them.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

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

"Original signed by Annie Fong"

**LOK CHI ANNIE FONG on her own behalf and on behalf of
ANNIE FONG PERSONAL REAL ESTATE CORPORATION**

Dated ____ day of 11/16/2023, 202__