



Real Estate Council of Ontario

---

## **DISCIPLINE DECISION**

**IN THE MATTER OF A DISCIPLINE HEARING HELD PURSUANT TO  
BY-LAW NO. 10 OF THE REAL ESTATE COUNCIL OF ONTARIO**

**BETWEEN:**

**MANAGER OF COMPLAINTS, COMPLIANCE AND DISCIPLINE  
REAL ESTATE COUNCIL OF ONTARIO**

**- AND-**

**BRUCE LAW**

---

**DATE OF DECISION:** March 26, 2010

**FINDINGS:** In violation of Rules 1(5) and 46 of the RECO Code of Ethics

**PENALTY:** Administrative Penalty of \$7,000.00 payable to RECO within 120 days of sending this decision.

**COSTS AND EXPENSES:** N/A

**WRITTEN REASONS:**

### **REASONS FOR DECISION**

#### **INTRODUCTION**

The hearing was held on March 26, 2010 and proceeded as an Agreed Statement of Facts and Joint Submission as to Penalty. The Agreed Statement and Joint Submission was submitted to the Panel by RECO's Counsel. The Respondent did not attend. The Agreed Statement and Joint Submission read:

#### **AGREED STATEMENT OF FACTS AND PENALTY**

- 1.) Bruce Law, ("Mr. Law") is a Member of the Real Estate Council of Ontario ("RECO"), and at all material times, was registered as a broker with Brokerage A, pursuant to the *Real Estate and Business Brokers Act* ("Act").

- 2.) Seller Representative A is a Member of the Real Estate Council of Ontario (“RECO”), and at all material times, was registered as a sales representative with Brokerage A, pursuant to the Act.
- 3.) Registrant B is a Member of the Real Estate Council of Ontario (“RECO”), and at all material times, was registered as a principal broker with Brokerage B, pursuant to the Act.
- 4.) Mr. Law and Seller Representative A acted as the sellers’ representatives for a property listed by Brokerage A for a property located at 1-A Street, City A, Ontario, (“the Property”).
- 5.) Registrant B acted as the representative for a prospective buyer.
- 6.) In early November 2005, Registrant B presented an offer on behalf of his buyers, for the purchase of the Property. At that time, Registrant B informed RECO that he was communicating with Mr. Law regarding the Property. Both Mr. Law and Registrant B were listed as listing salespersons on the MLS listing information.
- 7.) The November 2005 offer was countered by the seller and subsequently rejected by the potential buyer, accordingly there was no accepted agreement achieved at that time.
- 8.) In December 2005, Mr. Law called Registrant B and advised that the seller would like to see an offer if the buyers were still interested.
- 9.) In early January 2006, Registrant B called Mr. Law and was informed that the Property had been sold conditional upon another buyers due diligence, until the end of January 2006.
- 10.) On or about January 26, 2006 Mr. Law called Registrant B and informed that the buyer was behaving in a “funny manner”, as the current negotiations were not satisfactory to the seller. Accordingly, if Registrant B’s buyer was still interested, the Property was still available.
- 11.) Registrant B inquired about the Property being open to offers given that Mr. Law had earlier advised of a conditional sale. Mr. Law advised that the Property was available.
- 12.) Registrant B proceeded to make arrangements with his buyer to revisit the Property, for an additional showing, as the tenant had vacated. Mr. Law installed a lock box and permitted Registrant B and his client to revisit the Property.
- 13.) On or about January 27, 2006, at approximately 10:30 a.m., Registrant B called Mr. Law and informed that he had an offer and requested a time and place for presentation.
- 14.) Mr. Law advised that it would be better for Registrant B to fax the offer to his office as it would be easier for him to consult with the sellers who had recently returned from a vacation. Registrant B complied with Mr. Law’s request and faxed the offer accordingly. Said offer was not at the level suggested by the seller.

- 15.) On or about January 27, 2006, at approximately 4:45 p.m., Mr. Law called Registrant B and informed him that the former buyers offer has been countered by the seller, with no conditions.
- 16.) Registrant B then proceeded to state that it would have been nice to let him know that a second offer had been registered, prior to his offer being presented. Registrant B further asked if the competing offer was from Mr. Law's or Seller Representative A's client, to which Mr. Law informed that it was from Seller Representative A's Buyers.
- 17.) Mr. Law admits that he could have been more clear to Registrant B that there was an active offer.

**Summary and Allegations:**

Accordingly, Mr. Law violated the Real Estate Council of Ontario's ("RECO") Code of Ethics under RECO's By-law No. 10, including in particular:

- 1.) Failed to deal fairly honestly and with integrity with Registrant B, by failing to disclose a commission advantage.
- 2.) Failed to adequately advise a cooperating salesperson of a competing offer.

Mr. Law is alleged to have breached the following Rules of the RECO Code of Ethics:

**Rule 1 – Ethical Behaviour** – A Member shall:

(5) deal fairly, honestly and with integrity with the public, other Members and third parties.

**Rule 46 – Unprofessional Conduct** – A Member shall not engage in an act or omission relevant to the practice of the professional that, having regard to all the circumstances would reasonably be regarded by Members of the public as disgraceful, dishonourable or unprofessional.

We also direct you to review the Guiding Principles of the RECO Code of Ethics. In particular, please refer to the Guiding Principles under Rules 1 and 46.

**AGREED PENALTY:**

Bruce Law be ordered to pay a penalty of \$7,000 within 120 days of the date of the decision of the Discipline Committee in this matter.

By initials below, I Bruce Law, acknowledge that I have read and understand the penalty outlined herein and agree to the said terms and/or conditions.

[Respondent's Initials]

By initials below, I Bruce Law, acknowledge that, should I wish to attend on the date this Agreed Statement of Facts and Penalty is heard by the Discipline Committee, I will advise the Hearings Coordinator forthwith in order that I may be informed of the date.

[Respondent's Initials]

By initials below, I Bruce Law, acknowledge that I was aware of my right to be represented by Counsel or agent in this matter.

[Respondent's Initials]

[The Agreed Statement was duly signed by the Parties.]

### **EXHIBITS**

1. Notice of Hearing, dated February 9, 2010
2. Agreed Statement of Facts and Penalty, dated January 22, 2010

### **DECISION OF THE PANEL**

Having reviewed and considered the Agreed Statement of Facts, the Panel concluded that the Respondent breached Rules 1(5) and 46 of RECO's Code of Ethics. The Panel is also in agreement with the Joint Submission of the parties as to penalty and accordingly makes the following order:

Pay an Administrative Penalty of \$7,000.00 payable to RECO within 120 days of sending this decision.