



Real Estate Council of Ontario

**IN THE MATTER OF A DISCIPLINE HEARING HELD PURSUANT TO THE
REAL ESTATE AND BUSINESS BROKERS ACT, 2002, S.O. 2002, c. 30, Sch. C**

BETWEEN:

REAL ESTATE COUNCIL OF ONTARIO

- AND -

**JAVED ALI, AMANDEEP SINGH SETHI a.k.a. AMAN SETHI and
BHARAT BHUSHAN GUPTA a.k.a. BHUSHAN GUPTA**

DISCIPLINE DECISION AND REASONS FOR DECISION

Subject to Rule 4.02 of the Discipline and Appeals Committee Rules of Practice (*REBBA 2002*), I, the Chair of the Discipline Committee (*REBBA 2002*) have reviewed and considered the Agreed Statement of Facts and Penalty together with the Waiver of Hearing submitted by the Parties to this proceeding and provide the following Order:

JAVED ALI

FINDINGS:

In violation of Sections 2(1) in relation to Sections 10(1), 10(2), 11(2)(b), 12 and 14 and Sections 3, 4, 5, and 38 of the *REBBA 2002* Code of Ethics.

ORDER:

Fine of \$25,000.00 payable to RECO on or before August 30, 2019.

Successful completion of the Real Estate Institute of Canada “REIC 2600: Ethics and Business Practice” course and provide RECO with confirmation of successful completion on or before August 30, 2019.

AMANDEEP SINGH SETHI a.k.a. AMAN SETHI

FINDINGS:

In violation of Sections 3, 4, 5, 28(1), and 38 of the *REBBA 2002* Code of Ethics.

ORDER:

Fine of \$25,000.00 payable to RECO on or before August 30, 2019.

Successful completion of the Real Estate Institute of

Canada “REIC 2600: Ethics and Business Practice” course and provide RECO with confirmation of successful completion on or before August 30, 2019.

BHARAT BHUSHAN GUPTA a.k.a. BHUSHAN GUPTA

FINDINGS: In violation of Section 2(1) in relation to Section 10(1), 10(2), and Sections 3, 4, 5, and 38 of the *REBBA 2002* Code of Ethics.

ORDER: Fine of \$20,000.00 payable to RECO on or before August 30, 2019.

Successful completion of the Real Estate Institute of Canada “REIC 2600: Ethics and Business Practice” course and provide RECO with confirmation of successful completion on or before August 30, 2019.

REASONS FOR DECISION

INTRODUCTION

This matter proceeded on the basis of an Agreed Statement of Facts and Penalty and Waiver of Hearing, pursuant to Rule 4.02 of the Rules of Practice (*REBBA 2002*).

The Agreed Statement of Facts and Penalty read:

AGREED STATEMENT OF FACTS AND PENALTY

I. BACKGROUND

1. Javed Ali (“Ali”) is registered as a salesperson under the *Real Estate and Business Brokers Act, 2002* (“Act”). At all relevant times, Ali was employed by Brokerage A, a brokerage also registered under the Act (the “Brokerage”). At the Brokerage, Ali headed a team of salespersons, all of whom operated together as a group on behalf of Ali known as “Team Ali”.
2. Amandeep Singh Sethi, also known as Aman Sethi (“Sethi”) is registered as a salesperson under the Act. At all relevant times, Sethi was employed by Brokerage A, and a member of Team Ali.

3. Bharat Bhushan Gupta, also known as Bhushan Gupta, (“Gupta”) is registered as a salesperson under the Act. While Gupta too was once employed by Brokerage A and was a member of Team Ali, in 2012, before the relevant time, Gupta transferred his registration to Brokerage B.

II. 6180 1-A STREET COURT

4. Ali represented Seller A and his spouse Seller B, (collectively “Complainants”) in the sale of their residence located at 1-A Street, City A.
5. On or about March 21, 2013, the Complainants entered into a Listing Agreement with the Brokerage and Ali as representative (“Listing Agreement”). Ali did not ensure that the Listing Agreement had been properly signed on behalf of and as binding on the Brokerage, and did not ensure that it was signed by the Complainants when it was submitted to them for their signature, contrary to section 2(1) of O. Reg. 580/05, Code of Ethics (“Code”), as it pertains to section 14 of the Code, as well as section 5 of the Code. Additionally, Ali did not, on behalf of the brokerage, provide the Complainants with the information required by section 10(1) of the Code, contrary to section 2(1) of the Code, as it pertains to section 10(1), as well as section 3 of the Code.
6. 1-A Street later sold, and on July 31, 2013, title was transferred for \$349,500.00.

III. 2-B STREET

i. BUYER REPRESENTATION AGREEMENTS

7. On or about March 21, 2013, the Complainants entered into a Buyer Representation Agreement with the Brokerage (“First BRA”).
8. Although the First BRA had been reduced to writing and purportedly signed by the Complainants, Ali did not ensure it was properly signed on behalf of, and as binding on the Brokerage, contrary to section 2(1) of the Code, as it pertains to section 14, as well as section 5 of the Code. With respect to the First BRA, and contrary to a Working with a Realtor form that purports to indicate otherwise, Ali did not, on behalf of the Brokerage, provide the Complainants with the information required by section 10(1), contrary to section 2(1) as it pertains to section 10(1) of the Code, as well as section 5 of the Code.

9. On or about April 24, 2013, and notwithstanding that the first BRA had not expired, the Complainants entered into a second Buyer Representation Agreement with the Brokerage (“Second BRA”). The term of the Second BRA exceeded six months. Ali did not, on behalf of the Brokerage, direct the Complainants attention to the length of the term of the Second BRA, and did not ask them to initial the term in the space provided, contrary to section 2(1) of the Code, as it pertains to section 11(2)(b), as well as section 5 of the Code. Furthermore, Ali did not, on behalf of the Brokerage, provide the Complainants with the information required by section 10(1) of the Code, contrary to section 2(1) of the Code, as it pertains to section 10(1), as well as section 5 of the Code.
10. Contrary to representations made on the face of either the First and Second BRA, Ali did not ensure that the Complainants received copies of either agreements, contrary to section 2(1) of the Code, in respect of Section 12, as well as section 5 of the Code.
11. Ali then introduced the Complainants to Sethi, both of whom indicated that it would be Sethi’s role to represent the Complainants in buying a property. Ali, however, continued to represent the Complainants.

ii. AGREEMENT TO PURCHASE, TERMINATION & WAIVER

12. On May 20, 2013, the Complainants agreed to buy 2-B Street, City B, with a completion date of July 24, 2013 (“2-B Street Agreement”). Prior to completion, however, the sellers sought to be released from the 2-B Street Agreement, and to induce the Complainants into agreeing to do so, Ali and Sethi communicated that there had been a recent death in 2-B Street when they knew it had not been, contrary to sections 4, 5, and 38 of the Code. In turn, the Complainants signed a Mutual Release releasing the sellers from the 2-B Street Agreement. Sethi, however, signed as witness without having seen the Complainants sign the Mutual Release, contrary to sections 5 and 38 of the Code. Sethi also did not provide the Complainants with a copy of the Mutual Release, contrary to section 28(1) of the Code.

IV. 3-C- STREET

13. On June 9, 2013, the Complainants, represented by Ali and Sethi, agreed to purchase 3-C Street, City B for \$509,000.00 (“3-C Street Agreement”). Ali and Sethi, however, procured only one of the Complainants’ signatures on the 3-C Street Agreement, despite both Complainants being named as purchasers, contrary to sections 3 and 5 of the Code.

14. While the completion date on the 3-C Street Agreement was July 31, 2013, title to 3-C Street was not transferred to the Complainants until August 2, 2013. As it turned out, the seller had been paid \$500.00 (approx.) to extend closing. While Ali and Sethi had prepared an amendment extending the 3-C Street Agreement, it did not account for the additional monies paid to the seller, contrary to section 5 of the Code.

V. INVESTMENT PROPERTIES

15. Ali discussed with the Complainants about buying investment properties, and advised that they could qualify to purchase several in addition to their principal residence. Ali further advised the Complainants that they need only produce a down payment, and that he “had a team” of mortgage brokers, bankers, and lawyers who would assist them. Ali also said he would take care of getting the properties leased. As it turned out, none of these representations, promises, or agreements were ever reduced to writing, contrary to section 2(1) of the Code, as it pertains to sections 10(2) and 14, as well as sections 4 and 5 of the Code.
16. Each time the Complainants bought an investment property, Ali did not disclose to the Complainants at the earliest practicable opportunity, and before the Complainants agreed to engage him, the fact that he was in a multiple representation situation, contrary to section 2(1) of the Code, as it pertains to section 10(1) of the Code, as well as sections 3 and 4 of the Code.

VI. INVESTMENT PROPERTY: 4-D STREET

17. On or about October 3, 2011, Buyer A and Buyer B (“4-D Street Sellers”) bought the residential property located at 4-D Street, City D, for \$460,000.00. 4-D Street was purchased as an investment property, which a member of Team Ali had been managing for them.
18. On or about June 12, 2013, Sethi contacted the Complainants and recommended that they buy 4-D Street, and so on or about July 14, 2016, the Complainants agreed to purchase 4-D Street for \$499,000.00 (“4-D Street Agreement”). While the 4-D Street Agreement originally included a completion date of August 5, 2013, it was later amended to August 2, 2013 (“4-D Street Amendment”).

19. Based on representation documents, *i.e.*, a buyer representation agreement, the Complainants were purportedly represented in the purchase of 4-D Street by Gupta on behalf of Brokerage B. Ali and Sethi, however, were the ones, representing and providing real estate services to the Complainants on behalf of the Brokerage with respect to the purchase of 4-D Street, contrary to sections 5 and 38 of the Code.
20. Mortgage financing for the purchase of 4-D Street then obtained under false pretences, including:
 - a) False information about Seller B's employment and annual income;
 - b) Indications that the Complainant's would provide a down payment of \$24,950.00, or 5% of the purchase price ("Down Payment") - the source of which being from the sale of their existing property; and
 - c) Representations that 4-D Street was to be occupied by the Complainants.
21. On or about July 22, 2013, the Complainants signed a waiver ("Waiver") removing an inspection condition from the 4-D Street Agreement. While Ali signed the Waiver as having witnessed the Complainant's signatures, he did not actually see them do so, contrary to section 38 of the Code.
22. Gupta, on behalf of Brokerage B, purportedly represented the Complainants in their purchase of 4-D Street. This was done at Ali's behest and to make it appear as if the Complainants had independent representation. Accordingly, Ali made, or facilitated the making of, documents with respect to the Complainants purchase of 4-D Street that he knew, or ought to have known, were false, and or misleading, contrary to sections 4 and 38 of the Code. More specifically:
 - a) Individual Identification Information Records were provided to Gupta which suggested that Gupta had verified the identity of the Complainants when Gupta had not;
 - b) The 4-D Street Agreement indicated that Gupta had witnessed the Complainants signatures when he had not, and that he had signed the portion of the 4-D Street Agreement as it pertained to the commission trust when he did not;

- c) The Confirmation of Cooperation and Representation indicated that Gupta, on behalf of Brokerage B, was representing the Complainants', when Gupta was not, and it was Ali and Sethi; and
 - d) The 4-D Street Amendment represented that Gupta had witnessed the Complainants signatures when he had not.
23. Ali facilitated the obtaining of mortgage financing based on information he knew, or ought to have known, was false or misleading, contrary to sections 3, 4, 5, and 38 of the Code, such that:
- a) As noted above, that Gupta, on behalf of Brokerage B, was representing the Complainants in their purchase of 4-D Street;
 - b) While the 4-D Street Agreement indicated that the Complainants were purchasing the property for \$499,000.00, they were actually purchasing it for \$485,000.00. As it turned out, there had been an adjustment of \$14,000.00 in the Complainants' favour - an amount which had not been recorded on the 4-D Street Agreement, and in turn on title; and
 - c) The Complainants mortgage application with respect to 4-D Street indicated that the Complainants had made a down payment of \$24,950.00 from a previous home sale, 1-A Street. The Complainants, however, had only paid a deposit of \$5,000.00. A down payment allegedly paid by the Complainants was paid by a corporation named Business A, a corporation which Ali was associated at the relevant time and which payment was or ought to have been known by him.
24. Sethi made, or facilitated the making of documents with respect to the Complainants' purchase of 4-D Street that he knew, or ought to have known, were false or misleading, contrary to Sections 4 and 38 of the Code, namely:
- a) Individual Identification Information Records were provided to Gupta which suggested that Gupta had verified the identity of the Complainants when Gupta had not;

- b) The 4-D Street Agreement indicated that Gupta had witnessed the Complainants signatures when he had not, and that he had signed the portion of the 4-D Street Agreement as it pertained to the commission trust when he did not;
 - c) The Confirmation of Cooperation and Representation indicated that Gupta, on behalf of Brokerage B was representing the Complainants, when Gupta was not and it was actually Ali and Sethi; and
 - d) The 4-D Street Amendment represented that Gupta had witnessed the Complainants' signatures when he had not.
25. Sethi facilitated the obtaining of mortgage financing based on information that he knew, or ought to have known, was false and misleading, contrary to sections 4 and 38 of the Code. More specifically:
- a) As noted above, that Gupta, on behalf of Brokerage B, was representing the Complainants in their purchase of Legacy Lane;
 - b) While the 4-D Street Agreement indicated that the Complainants were purchasing the property for \$499,000.00, that the Complainants were actually purchasing 4-D Street for \$485,000.00. As it turned out, there had been an adjustment of \$14,000.00 in the Complainants favour - an amount which had not been recorded on the 4-D Street Agreement, and in turn on title; and
 - c) Information pertaining to Seller B's employment and annual income had been manipulated, and therefore false.
26. On or about July 12, 2013, Sethi provided an approximate accounting for how with an \$8,000.00 down-payment, which included the cost of closing, the Complainants could finance 4-D Street, including how: 4-D Street would be purchased for \$485,000.00 with a \$15,000.00 "cash back"; and there would be a credit of five (5) months' rent paid in advance, totalling \$10,000.00.
27. On representation and trade documents, including those submitted by Gupta to Brokerage B, the Complainants were nominally represented in their purchase of 4-D Street by Brokerage B and Gupta as the brokerage's representative. This was incorrect.

28. Gupta had signed and provided Brokerage B with a Buyer Representation Agreement which indicated that Brokerage B was representing the Complainants in their purchase of 4-D Street when, as far as the Complaints were concerned, they were being represented by Team Ali, contrary to sections 4 and 38 of the Code.
29. Gupta also provided Brokerage B with the following documents, contrary to Sections 3 and 38 of the Code:
 - a) The 4-D Street Agreement, which indicated that Brokerage B was representing the Complainants when they had not agreed to Brokerage B's representation of them; and
 - b) A Confirmation of Cooperation and Representation, which indicated that Brokerage B was representing the Complainants when they had not agreed to Brokerage B's representation of them.
30. Gupta, on behalf of Brokerage B, purportedly represented the Complainants in their purchase of 4-D Street. This was done at Ali's behest and to make it appear as if the Complainants had independent representation with respect to buying 4-D Street, when in reality they did not. In turn, and because Brokerage B was notionally representing the Complainants, Gupta failed to comply with section 2(1) of the Code, as it pertains to section and 10(2), as well as sections 3, 4, 5, and 38 of the Code. This includes how Gupta, including on behalf of Brokerage B:
 - a) Did not explain to the Complainants the nature of the Brokerage's relationship to them, contrary to sections 2(1) and 10(1) of the Code of Ethics;
 - b) Did not verify the identity of the Complainants; and
 - c) Did not submit to Brokerage B a complete copy of an offer for 4-D Street. As it turned out, "Schedule B" of what became the 4-D Street Agreement, and which prepared by someone unknown to Gupta, was missing.
31. Gupta provided false documents to Brokerage B, contrary to Sections 3 and 38 of the Code, including:

- a) Representing that he had submitted to and obtained from the Complainants their written acknowledgment of having received the information required by Section 10(1) of the Code of Ethics, as required by Section 10(2) of the Code of Ethics, when in fact he obtained an older copy of the said document from Team Ali and the Brokerage, and he altered the document by replacing the Brokerage's name with Brokerage B's name on the relevant line;
- b) Individual Identification Information Records purporting to indicate that he had verified the identity of the Complainants, when in fact he had obtained older copies of said documents from Team Ali and the Brokerage, with information about the Complainants already filled in, and he altered the document by replacing Mr. Ali's name and that of another registrant with his own name on the relevant line;
- c) A Buyer Representation Agreement purporting to be signed by the Complainants when it was not signed;
- d) The 4-D Street Agreement, including by representing that he witnessed the Complainants signatures when he did not and that he signed a Commission Trust Agreement" contained on the form of the 4-D Street
- e) A Confirmation of Cooperation and Representation form dated July 14/13 purporting to be signed by him when it was not; and
- f) A Receipt of Funds record indicating that he had received funds from the Complainants for a deposit when he had not.

AGREED PENALTY

JAVED ALI

JAVED ALI, the Respondent, be ordered to pay a penalty of \$25,000.00 on or before August 30, 2019.

In addition to the above penalty, the Respondent must enrol in the Real Estate Institute of Canada "REIC 2600 Ethics and Business Practice" course, and provide proof of successful completion of the course on or before August 30, 2019.

By initials below, I, JAVED ALI, 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, JAVED ALI, agree, understand, acknowledge and consent to waive the requirement for a hearing and to request an Order from the Chair of the Discipline Committee that includes this Agreed Statement of Facts and Penalty as a final settlement of this matter.

[Respondent's Initials]

By initials below, I, JAVED ALI, acknowledge that I exercised my right to be represented by Counsel in this matter.

[Respondent's Initials]

By signature below, the Parties agree, acknowledge, understand and consent to the final settlement of this matter by way of this Agreed Statement of Facts and Penalty.

AMANDEEP SINGH SETHI a.k.a. AMAN SETHI

AMANDEEP SINGH SETHI a.k.a. AMAN SETHI, the Respondent, be ordered to pay a penalty of \$25,000.00 on or before August 30, 2019.

In addition to the above penalty, the Respondent must enrol in the Real Estate Institute of Canada "REIC 2600 Ethics and Business Practice" course, and provide proof of successful completion of the course on or before August 30, 2019.

By initials below, I, AMANDEEP SINGH SETHI a.k.a. AMAN SETHI, 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, AMANDEEP SINGH SETHI a.k.a. AMAN SETHI, agree, understand, acknowledge and consent to waive the requirement for a hearing and to request an Order from the Chair of the Discipline Committee that includes this Agreed Statement of Facts and Penalty as a final settlement of this matter.

[Respondent's Initials]

By initials below, I, AMANDEEP SINGH SETHI a.k.a. AMAN SETHI, acknowledge that I exercised my right to be represented by Counsel or agent in this matter.

[Respondent's Initials]

By signature below, the Parties agree, acknowledge, understand and consent to the final settlement of this matter by way of this Agreed Statement of Facts and Penalty.

BHARAT BHUSHAN GUPTA a.k.a. BHUSHAN GUPTA

BHARAT BHUSHAN GUPTA a.k.a. BHUSHAN GUPTA, the Respondent, be ordered to pay a penalty of \$20,000.00 on or before August 30, 2019.

In addition to the above penalty, the Respondent must enrol in the Real Estate Institute of Canada "REIC 2600 Ethics and Business Practice" course, and provide proof of successful completion of the course on or before August 30, 2019.

By initials below, I, BHARAT BHUSHAN GUPTA a.k.a. BHUSHAN GUPTA, 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, BHARAT BHUSHAN GUPTA a.k.a. BHUSHAN GUPTA, agree, understand, acknowledge and consent to waive the requirement for a hearing and to request an Order from the Chair of the Discipline Committee that includes this Agreed Statement of Facts and Penalty as a final settlement of this matter.

[Respondent's Initials]

By initials below, I, BHARAT BHUSHAN GUPTA a.k.a. BHUSHAN GUPTA, acknowledge that I exercised my right to be represented by Counsel or agent in this matter.

[Respondent's Initials]

By signature below, the Parties agree, acknowledge, understand and consent to the final settlement of this matter by way of this Agreed Statement of Facts and Penalty.

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

DECISION OF THE CHAIR

Having reviewed and considered the Agreed Statement of Facts, the Chair of the Discipline Committee (*REBBA 2002*) concluded that the Respondent, JAVED ALI, breached Sections 2(1) in relation to Sections 10(1), 10(2), 11(2)(b), 12 and 14 and Sections 3, 4, 5, and 38 of the *REBBA 2002* Code of Ethics. The Chair of the Discipline Committee (*REBBA 2002*) is also in agreement with the joint submission of the Parties as to penalty and accordingly makes the following order:

1. JAVED ALI is Ordered a Fine of \$25,000.00 payable to RECO on or before August 30, 2019.
2. JAVED ALI is Ordered to successfully complete the Real Estate Institute of Canada "REIC 2600 Ethics and Business Practice" course, and provide RECO with confirmation of successful completion on or before August 30, 2019.

DECISION OF THE CHAIR

Having reviewed and considered the Agreed Statement of Facts, the Chair of the Discipline Committee (*REBBA 2002*) concluded that the Respondent, AMANDEEP SINGH SETHI a.k.a. AMAN SETHI, breached Sections 3, 4, 5, 28(1) and 38 of the *REBBA 2002* Code of Ethics. The Chair of the Discipline Committee (*REBBA 2002*) is also in agreement with the joint submission of the Parties as to penalty and accordingly makes the following order:

1. AMANDEEP SINGH SETHI a.k.a. AMAN SETHI is Ordered a Fine of \$25,000.00 payable to RECO on or before August 30, 2019.
2. AMANDEEP SINGH SETHI a.k.a. AMAN SETHI is Ordered to successfully complete the Real Estate Institute of Canada “REIC 2600 Ethics and Business Practice” course, and provide RECO with confirmation of successful completion on or before August 30, 2019.

DECISION OF THE CHAIR

Having reviewed and considered the Agreed Statement of Facts, the Chair of the Discipline Committee (*REBBA 2002*) concluded that the Respondent, BHARAT BHUSHAN GUPTA a.k.a. BHUSHAN GUPTA, breached Sections 2(1) in relation to Sections 10(1), 10(2), and Sections 3, 4, 5, and 38 of the *REBBA 2002* Code of Ethics. The Chair of the Discipline Committee (*REBBA 2002*) is also in agreement with the joint submission of the Parties as to penalty and accordingly makes the following order:

1. BHARAT BHUSHAN GUPTA a.k.a. BHUSHAN GUPTA is Ordered a Fine of \$20,000.00 payable to RECO on or before August 30, 2019.
2. BHARAT BHUSHAN GUPTA a.k.a. BHUSHAN GUPTA is Ordered to successfully complete the Real Estate Institute of Canada “REIC 2600 Ethics and Business Practice” course, and provide RECO with confirmation of successful completion on or before August 30, 2019.

[Released: August 29, 2018]