



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 -

SRINIVASULU PENUMADU (a.k.a. SRINI PENUMADU)

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:

FINDINGS: In violation of Sections 3, 4, 5 and 39 of the *REBBA 2002* Code of Ethics.

ORDER: Fine of \$4,500.00 payable to RECO on or before April 20, 2020.

WRITTEN REASONS:

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

1. Srinivasulu Penumadu (a.k.a. Srinu Penumadu) (“Penumadu”) is registered as a salesperson under the Real Estate and Business Brokers Act, 2002. At all relevant times, Penumadu was employed by the Brokerage A.
2. Representative A, a participant in certain subject events, was at all relevant times, registered as a salesperson with the Brokerage B.
3. Seller A is the Seller of a property located at 1-A Street, City A (the “Property”). Representative A was representing Seller A as the listing sales representative.
4. On or about October 19, 2018, Penumadu booked a showing for the Property between 6:30 p.m. and 7:30 p.m.
5. On or about October 19, 2018, Seller A arrived at the Property at approximately 7:00 p.m. to find no vehicle in the driveway. Seller A’s husband approached the Property and witnessed the lockbox was left open with no key inside and two pairs of shoes inside the front door. Seller A’s husband exited the Property.
6. Seller A and her husband believed the Property was being shown and decided to park their vehicle in close proximity of their Property. They witnessed two individuals exit the Property. One of the individuals struggled to put the key back into the lockbox. Eventually, the two individuals put the key back in the lockbox and left.
7. On or about October 19, 2018, Seller A, who was concerned, called Representative A and explained to him that she witnessed two individuals exit her Property using the lockbox.
8. On or about October 19, 2018, Representative A reached out to Penumadu for an explanation of who conducted the showing of the Property.
9. On or about November 25, 2018, an email response from Penumadu stated the following:

“Due to reasons beyond my control, I had to go pick up my kids from their classes and I noticed myself running late for the showing appointment. I informed my clients that I will be late by 15 minutes, so I requested them to meet me at the property at 6:45 pm. My clients reached the property at the agreed upon time, however, due to heavy traffic I was still on the road and was running late making it unlikely for me to reach there before 7:30 pm...”

Since I know them for more than 10 years now, I wanted them to have a chance to look at the property that day hence under pressure I shared the lockbox code with them. I was not able to reach before my clients completed their viewing and informed me that they are now done and leaving the property.” [SIC]

SUMMARY OF AGREEMENTS

It is agreed that Penumadu failed to comply with the Code of Ethics as follows:

1. Penumadu did not treat each person in the course of his trade in real estate fairly, honestly and with integrity, contrary to section 3 of the Code of Ethics.
2. Penumadu’s actions did not promote and protect the best interests of his clients, contrary to section 4 of the Code of Ethics.
3. Penumadu failed to conduct himself in a conscientious and competent manner, contrary to section 5 of the Code of Ethics.
4. Penumadu’s conduct represents an act or omission that, with regard to all the circumstances, is reasonably regarded as being disgraceful, dishonourable, unprofessional or unbecoming of a registrant, all contrary to section 39 of the Code of Ethics.

It is agreed that Penumadu failed to comply with the following sections of the Code of Ethics:

Fairness, honesty, etc.

3. A registrant shall treat every person the registrant deals with in the course of a trade in real estate fairly, honestly and with integrity.

Best interests

4. A registrant shall promote and protect the best interests of the registrant’s clients.

Conscientious and competent service, etc.

5. A registrant shall provide conscientious service to the registrant’s clients and customers and shall demonstrate reasonable knowledge, skill, judgment and competence in providing those services.

Unprofessional conduct, etc.

39. A registrant shall not, in the course of trading in real estate, engage in any act or omission that, having regard to all of the circumstances, would reasonably be regarded as disgraceful, dishonourable, unprofessional or unbecoming a registrant.

AGREED PENALTY

SRINIVASULU PENUMADU (a.k.a. SRINI PENUMADU), the Respondent, be ordered to pay a penalty of \$4,500.00 on or before on or before April 20, 2020.

By initials below, I, SRINIVASULU PENUMADU (a.k.a. SRINI PENUMADU), 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, SRINIVASULU PENUMADU (a.k.a. SRINI PENUMADU), 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, SRINIVASULU PENUMADU (a.k.a. SRINI PENUMADU), acknowledge that I was aware of 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 breached Sections 3, 4, 5 and 39 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. SRINIVASULU PENUMADU (a.k.a. SRINI PENUMADU) is Ordered a Fine of \$4,500.00 payable to RECO on or before April 20, 2020.

[Released: May 23, 2019]