



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 -

CHRISTOPHER BROWN

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, 7 and 39 of the *REBBA 2002* Code of Ethics.

ORDER: Fine of \$7,500.00 payable to RECO on or before December 31, 2018.

WRITTEN REASONS: *attached*

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. Brown is registered as a salesperson under the Act. He was employed by Brokerage A at the time the subject listing agreement was entered into. On May 31, 2016, he

transferred brokerages to Brokerage B, which is where he was employed at the time of the subject sale.

2. On May 3, 2016, on behalf of Brokerage A, Brown executed a Listing Agreement with Seller A and Seller B (“the Sellers”) for the property at 1-A Avenue, City A (“the Property”). The Listing Agreement provided for a total commission of 5%, with 2.5% payable to any co-operating brokerage.
3. On May 10, 2016, the Property was listed for sale on the Multiple Listing Service (the “Listing”). The Listing outlined that any co-operating brokerage would be paid a commission of 2.5% upon sale of the Property.
4. On July 29, 2016, Buyer A and Buyer B (“the Buyers”) entered into a buyer representation agreement (“BRA”) with the Brokerage C with salesperson Representative A acting as their representative. The BRA commenced on July 29, 2016 and was set to expire on December 31, 2016. The Buyers also signed a Working With a Realtor form acknowledging that Brokerage C was representing their interests as buyers.
5. On the same day, Representative A submitted an offer for the Property to Brown on behalf of the Buyers. The offer included a Confirmation of Cooperation and Representation form indicating that the Buyers were represented by Brokerage C with Representative A acting as the Buyers’ representative.
6. Brown and Representative A corresponded over the terms of the offer.
7. A deal was not reached between the Buyers and the Sellers.
8. Approximately 15 days later, Brown and the Buyers met and discussed making a new offer. Brown sent an email to the Buyers stating if the Buyers were still interested in purchasing the Property, they should approach him directly to submit an offer, with an incentive for them as purchasers.
9. Brown did not make all reasonable efforts to contact Representative A to inquire if the BRA with the Buyers was still in force. Brown could have taken more steps to contact Brokerage C.
10. On August 21, 2016, the Buyers entered into a buyer customer service agreement and signed a Confirmation of Co-operation and Representation form and a Working With a Realtor form. However, on the latter two documents, Brown unintentionally, but

incorrectly, indicated that the brokerage providing customer service to the Buyers was Brokerage A. That was Brown's former brokerage; the forms ought to have indicated that it was Brokerage B, his current employer, who was providing customer service to the Buyers.

11. The Buyers submitted an offer which was ultimately accepted.
12. Brown violated Sections 3, 7, and 39 of the Code of Ethics by communicating information without consent directly to the Buyers when he ought to have known that the Buyers were represented by another registrant which contributed to the Buyers breaking a representation agreement with another registrant, and by inserting the wrong brokerage into contractual documentation.

It is agreed that Brown breached 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.

Dealings with other registrants

7. A registrant who knows or ought to know that a person is a client of another registrant shall communicate information to the person for the purpose of a trade in real estate only through the other registrant, unless the other registrant has consented in writing.

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

CHRISTOPHER BROWN, the Respondent, be ordered to pay a penalty of \$7,500.00 on or before December 31, 2018.

By initials below, I, CHRISTOPHER BROWN, 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, CHRISTOPHER BROWN, 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, CHRISTOPHER BROWN, 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, 7, 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. CHRISTOPHER BROWN is Ordered a Fine of \$7,500.00 payable to RECO on or before December 31, 2018.

[Released: February 21, 2018]