

About the Commission's discipline process	1
Poor paperwork, missing signature.....	2
Poor paperwork, extending an expired agreement	2
Unlicensed trading	3
Poor paperwork, verbal agreements	3
Not in best interest, misleading advertising	4
Failure to provide duty of care.....	5
Failure to disclose, to follow lawful instructions	5
Poor paperwork, false statement.....	6
Verbal negotiations and expired contracts.....	7
Poor paperwork, failure to provide duty of care	8
Misleading advertising.....	9
Unprofessional conduct as a principal	10
Failure to understand and explain agency	11
Unprofessional conduct.....	12
Failing to provide brokerage with documents.....	12
Poor paperwork	13
Advertising without authority.....	13
Poor paperwork, extending expired agreements	14
Poor paperwork, poor handling of transaction brokerage.....	14
Unlicensed trading	15
Brokerage audits—strike three, four, and five.....	16

About the Commission's discipline process

The Nova Scotia Real Estate Commission is responsible for the administration of the Real Estate Trading Act and the Commission Bylaw. Part of that responsibility is dealing with public complaints about a brokerage or an industry member.

Complaints are investigated by the Commission's compliance staff. While complaints typically originate from a specific event or circumstance, the compliance staff reviews all events and paperwork surrounding the transaction. The compliance staff prepares an investigation report for each case, which is then reviewed by the registrar. The registrar determines whether there was a breach of the Act or Bylaw and in cases where there was a breach, recommends charges and penalties. The cases are then presented to the Complaint Review Committee who may reject or approve the registrar's decision.

After the committee reviews the cases and approves the proposed charges, the industry member is sent a statement of allegations and a settlement agreement. If the industry member accepts a settlement agreement, the industry member must satisfy the penalty imposed.

If the industry member does not agree with a settlement agreement, then the matter is referred to a full discipline hearing. After the Commission's and witnesses' evidence has been examined and cross examined at a hearing, the Hearing Panel decides whether the industry member is guilty of any of the charges brought forward at the hearing. The charges may include those proposed in the settlement agreement, but are not necessarily limited to those charges. If they are found guilty of any of the charges, there is then an opportunity for both the Commission and the industry member to speak to appropriate penalties.

An industry member has the right to appeal the decision of the Hearing Panel to the Nova Scotia Court of Appeal, should they wish to and if there are grounds to do so.

Contracts need to be signed by all parties to the agreement—including brokerage agreements

A brokerage agreement, whether seller or buyer, is a contract and agency agreement between the client and the brokerage. The client receives the services of the brokerage in exchange for the remuneration specified in the agreement. To be considered a valid contract, brokerage agreements must be signed by all parties to the agreement. In the two cases on this page, neither salesperson signed on behalf of the brokerage, putting the brokerage remuneration at risk, in addition to violating the Bylaw.

An expired agreement is a dead agreement

If an expiry date needs to be extended in a brokerage agreement, the extension must be executed, in writing, before the original deadline expires. The reason for this is once a contract expires, it ceases to exist. This is universal in contract law. For example, when a labour contract expires, neither employer nor employee can revisit the contract and make changes to the benefits and wages that were paid out under the terms of the contract. Likewise, when a cell phone contract expires, neither the provider nor the subscriber can go back and request modifications.

Poor paperwork, missing signature

The Commission received a written complaint from a seller unhappy with the actions of the buyers' salesperson on the sale of the seller's home. The seller claimed that the buyers' salesperson was unprofessional and incompetent. Specifically, the seller alleged the salesperson did not include a purchase price on the agreement of purchase and sale, forgot the closing date, removed the key after the pre-closing inspection and accused the seller of taking property out of the house that was meant to stay.

The Commission investigated the complaint and found insufficient evidence to support a charge of unprofessional behaviour and accepted the industry member's explanation for the mix-up with the closing date. The investigation did reveal poor paperwork, including submitting an offer with no purchase price, failing to document inclusions, and failing to sign the buyer designated brokerage agreement on behalf of the brokerage.

Results

The salesperson was charged with violating Bylaw 702 Article 2 for failing to include a purchase price, Bylaw 702, Article 11, for failing to sign the buyer-designated brokerage agreement.

Penalty

The salesperson was fined \$500 for violating Bylaw 702 Article 2, \$400 for violating Bylaw 702, Article 11, and received a warning letter for failing to document inclusions. The salesperson was also ordered to complete a course requirement.

Poor paperwork, extending an expired agreement

The Commission received a complaint from unsuccessful buyers about the conduct of the associate broker that listed the property they tried to purchase. The complainants alleged they had a verbal agreement with the seller, which the listing associate broker did not honour and instead favoured the offer from one of the associate broker's clients. The complainants alleged the associate broker did not protect the interests of the seller when the seller accepted an offer that was substantially less than their offer, and that they heard after-the-fact that the associate broker waved the commission to make the sale happen. The complainants also believed that the associate broker was one of the buyers.

The Commission investigated the complaint and found that the complainants were given ample opportunity to present a condition-free offer to the seller, which they did not do until several hours after negotiations began between the successful buyer and the associate broker. Based on the statement by the seller, the seller was fully aware of the complainant's offer and chose to accept an offer they felt was more attractive. There was no accepted verbal offer; the seller said they would consider the complainants' offer provided it was submitted "condition-free". The evidence did not support that the associate broker presented the offer from their own client more favourably than the offer presented by the complainants.

The associate broker was not one of the buyers and remuneration was as specified in the seller brokerage agreement.

The investigation did reveal the associate broker did not sign the seller brokerage agreement on behalf of the brokerage, and extended the expiry date of the seller brokerage agreement after the agreement expired.

What's wrong with verbal offers?

There are a number of issues resulting from industry members engaging in verbal offers.

Verbal offers violate the Real Estate Trading Act, which requires all offers to be in writing.

The Statute of Frauds requires land transactions to be in writing.

The legal requirement to have contracts to purchase and sell land in writing and signed by the parties to the transaction, means a verbal contract is unenforceable.

Handling verbal offers

If an industry member is representing a buyer, the industry member must tell the buyer they can't engage in verbal offers.

If an industry member is representing a seller and a verbal offer is conveyed by a buyer's industry member, tell the seller what was offered and tell the buyer's industry member to put it in writing because no verbal counter offer or acceptance will be forthcoming.

In terms of disclosure regarding multiple offers, a verbal offer does not constitute an offer requiring disclosure.

Results

The associate broker was charged with violating Bylaw 702, Article 11, for poor paperwork.

Penalty

The associate broker was fined \$400 for violating Bylaw 702, Article 11, and ordered to complete a course requirement.

Unlicensed trading

The Nova Scotia Association of REALTORS® contacted the Commission requesting the licence status of a salesperson who terminated their licence four months earlier. The salesperson appeared on a brokerage website as licensed and had listings advertised on realtor.ca. The Commission licensing officer contacted the broker and told them to remove the salesperson from the website immediately because the industry member was unlicensed.

The broker explained that they sent the paperwork to the Annapolis Valley Real Estate Board (AVREB) to transfer the salesperson's licence.

Results

The industry member was charged with violating Real Estate Trading Act Section 4(1) for trading without a licence. The broker was charged with violating Bylaw 704(f) for permitting an unlicensed person to perform duties restricted to licensed industry members.

Penalty

The salesperson was fined \$750 for violating Real Estate Trading Act Section 4(1).

The broker was fined \$1,000 for violating Bylaw 704(f).

Poor paperwork, verbal agreements

The Commission received a complaint from a buyer about the conduct of the salesperson who listed the property the buyer attempted to purchase. The unsuccessful buyer claimed the listing salesperson acted unprofessionally and, in their opinion, illegally. The complainant was upset because they never received a written rejection of the offer, and the property sold for \$5,000 less than they were prepared to offer. The complainant also noted the property was sold by another salesperson at the same brokerage and they believed the listing salesperson was doing favours for their colleague and keeping the commission in house.

When the Commission investigated, the evidence did not support the allegation that the listing salesperson acted unprofessionally by not rejecting the complainants offer in writing. The sellers rejected the offer, and that rejection was communicated to the complainant's salesperson. The evidence also did not support the complainant's allegation that there was collusion to keep the transaction within the brokerage. All offers were presented; including verbal offers.

The investigation did reveal the salespeople engaged in verbal offers. The complainant's salesperson offered verbally on the property, which the listing salesperson communicated to the sellers and verbally conveyed the seller's rejection. It is important to note that verbally rejecting an offer is not engaging in verbal offers. However, the listing salesperson did engage in verbal offers with the salesperson representing the successful buyers by conveying a verbal counteroffer.

The investigation also revealed changes to the accepted offer that were not initialed by all parties and while under transaction brokerage, the listing salesperson failed to act as an

What is misleading advertising?

The Commission receives complaints about advertisements that are perceived as misleading. In determining whether or not an advertisement is false or misleading, the Commission considers both the literal meaning of the advertisement and the general impression it creates. This is the same approach as that taken by the Courts and other law-enforcement organizations. An advertisement is considered misleading when it makes a representation or claim that is false or misleading in a material respect.

An advertisement may be considered misleading even if it is not demonstrated that a consumer was actually misled. It is only necessary to show that the advertisement is capable of misleading a reasonable consumer.

In this case, the listing salesperson indicated that the property had income potential, which was false. The property zoning was for a single-family dwelling.

impartial facilitator by advising the sellers to counter the second buyer's offer with a higher price. When parties enter into transaction brokerage, the industry members involved in the transaction can no longer advocate on behalf of one party.

Results

The salesperson was charged with violating Bylaw 702, Article 11, for engaging in verbal offers and not obtaining initials on changes to the agreement of purchase and sale; and violating Bylaw 721 (d) for not treating the interests of both parties in an even-handed and impartial manner.

The salesperson representing the successful buyers was charged with violating Bylaw 702, Article 11, for engaging in verbal offers and not obtaining initials on changes to the agreement of purchase and sale.

The salesperson representing the complainant left the industry and refused to cooperate with the investigation. Should the salesperson wish to re-license they must first address the allegations raised during the investigation.

Penalty

The salesperson was fined \$750 for violating Bylaw 702, Article 11 and \$400 for violating Bylaw 721 (d), and ordered to complete a course requirement.

The salesperson representing the successful buyers was fined \$400 for violating Bylaw 702, Article 11, and ordered to complete a course requirement.

Not in best interest, misleading advertising

The Commission received a complaint from sellers who said the salesperson that listed their property misrepresented them and that neither the salesperson nor the salesperson's broker would speak to them when the sellers received a notice of claim from the buyers of their property. The buyers were suing the sellers because the property they purchased was advertised as having "an in-law suite with rental income potential", when the property was actually zoned R1, permitting only a single-family dwelling.

When the Commission investigated the complaint, the investigator found the property was advertised as having an in-law suite and rental income potential. The signed PCDS indicated the property conformed to municipal bylaws and regulations concerning the existing zoning, that there was supporting documentation and that the documentation would be provided to the buyer. The salesperson claimed the sellers knew the unit was illegal, and told him such when listing the property; however, this conversation could not be substantiated. The evidence did support that the salesperson did not independently confirm the legality of the unit, because the salesperson stated they knew it was illegal all along. Despite this, the salesperson advertised the property as having an in-law suite with income potential. As for the PCDS stating the property conformed to municipal bylaws and regulations, and that there was supporting documentation to prove it, the salesperson stated the sellers completed the PCDS and they did not review the completed document.

The complainants alleged that the salesperson and their broker failed in their duties to represent them after the sale had closed; however, duties of agency, except confidentiality, expire when the agency contract expires.

Results

The salesperson was charged with violating Bylaw 708 (a) by creating misleading advertising stating an R1 dwelling had an in-law suite with rental potential; and violating Bylaw 702,

Who is responsible for verifying zoning?

The answer is both the listing industry member and the buyer's industry member.

The listing industry member is obligated to discover facts about a property to avoid errors, misrepresentations and concealment of pertinent facts. As well, the listing industry member must ensure a true presentation in all advertising. This includes providing the correct zoning information.

The buyer's industry member is responsible for locating suitable properties for their client, as well as discovering any relevant facts about any property for which the buyer is considering making an offer.

Waiving SOBP schedules

In this case, the salesperson relied on the financing date in Part 1: Common Clauses to provide proof of financing. The problem with that is the financing clause in the SOBP waiver supersedes the financing date in the agreement of purchase and sale. The reason for this is buyers may choose to waive the SOBP condition without the sale of their property, in which case, proof of financing is of significant importance because the buyer may be responsible for mortgages on two properties. The clauses

Article 2, for not acting in the best interest of their clients for failing to review the PCDS.

Based on this complaint, the buyers' salesperson was subject to a separate investigation, which is documented in the following case (*Failure to provide duty of care*).

Penalty

The salesperson was fined \$750 for violating Bylaw 708(a) and \$400 for violating Bylaw 702, Article 2.

Failure to provide duty of care

The Commission opened an investigation into the conduct of the buyers' salesperson from the previous case (*Not in best interest, misleading advertising*). The Commission alleged that a salesperson failed in their fiduciary duties by not confirming, or advising their clients to confirm, the land-use Bylaw for the subject property. The Commission alleged the salesperson failed in their fiduciary duties when they did not obtain (or attempt to obtain) the documentation that was supposed to be provided as per section 8 of the property condition disclosure statement.

The evidence supported the allegations. The salesperson's defense was that they were not educated on their duty to, or advise their clients to, confirm land use bylaws and zoning. The evidence showed that the salesperson had been through the salesperson's licensing course and subsequent continuing professional education courses in which this topic was covered. It was the position of the Commission that reasonably prudent industry members ought to know their obligations, both as agents for their clients and as licensees under the Real Estate Trading Act.

The seller was to provide the buyer with documentation on the land-use bylaw, but the buyer never received the documentation and their salesperson never requested it. It was the position of the Commission that the buyer's salesperson had a duty to review the PCDS with their client and identify items such as the land-use documentation in the fulfillment of Bylaw 702, Article 2, which states that industry members are to protect and promote the best interest of their client.

Results

The salesperson was charged with violating Bylaw 702, Article 2, for not protecting and promoting the best interests of their client when they did not attempt to obtain the documentation as per the PCDS; and violating Bylaw 702, Article 10 for not discovering facts pertaining to the subject property, which a reasonably prudent industry member would discover in order to avoid error, misrepresentation, or concealment of pertinent facts.

Penalties

The salesperson was fined \$500 for each violation (\$1,000), and issued a letter of reprimand.

Failure to disclose, to follow lawful instructions

The Commission received a complaint from an unsuccessful buyer about the listing salesperson of the property the buyer attempted to purchase. The complainant alleged the salesperson acted unprofessionally, did not disclose a relationship with the seller, and cut the complainant out of a transaction in favour of their own client and financial benefit.

When the Commission investigated, the investigator found the complainant's offer was subject to the sale of their current property (SOBP) and accepted by the seller. The contract gave the complainant nine days to unconditionally sell their house. The complainant's house sold unconditionally on day two and verbal notice of the sale was given to the listing salesperson. On

also impose different obligations of the buyer.

The SOBP clause gives the buyer a set amount of time to waive the SOBP condition and proof of financing must be provided before the condition can be waived.

The financing clause in Part 1: Common Clauses requires written notice only if the buyer has not obtained satisfactory financing by the date in the agreement. The requirement is simply written notice, not a letter of refused financing from a financial institution.

In situations where a buyer's offer is contingent on waiving the SOBP, it is of the utmost importance to fulfill all the requirements within the allotted time period. Otherwise, as demonstrated here, a seller can terminate in favour of another offer.

Multiple offers—representing a seller

If you are the seller's industry member, inform the seller immediately.

Recommend the seller review every offer prior to making a decision, if circumstances allow.

If the seller indicated in the seller brokerage agreement to disclose the existence of multiple offers, tell the buyers' industry members as soon as possible.

Advise your seller of options, such as:

- *Accept one offer, reject all others*

day five, a second offer was accepted on the property and the complainant was given 24 hours to waive the SOBP. The complainant's salesperson submitted the SOBP removal schedule the same day, however, proof of financing was not provided until three days later. When proof of financing was received, the listing industry member told the complainant's salesperson that the transaction was terminated because the letter of financing was not provided within the 24-hour period to waive the SOBP per the terms of the SOBP schedules.

The investigator found no evidence that the listing salesperson acted unprofessionally. The listing salesperson was instructed by the seller to follow the instructions of the seller's lawyer. The seller's instructions were lawful and agency requires a salesperson to follow the lawful instructions of their client. Both buyers were represented by different brokerages so there was no financial benefit to the listing salesperson regardless of which buyer purchased the property. The only issue with the listing salesperson was not disclosing the seller was a family member.

The investigator did find evidence that the complainant's salesperson did not act appropriately in the transaction. The complainant's property was sold on day two and the complainant instructed the salesperson to remove the SOBP that day, however, the salesperson did not submit the SOBP removal schedule until three days later. The salesperson, acting on the advice of their broker, also advised the complainant that the letter of financing did not have to be provided until the financing date in the agreement of purchase and sale.

Results

The listing salesperson was charged with violating Bylaw 702, Article 21, for not disclosing the seller was a relative to the buyer in writing.

The complainant's salesperson was charged with violating Bylaw 702, Article 39 (a), for not following the lawful instructions; and violating Bylaw 702, Article 6, for not rendering skilled and conscientious service.

The broker was charged with violating Bylaw 704 (c) for not adequately supervising their salesperson when they sought the broker's advice on the SOBP waiver schedule and financing letter.

Penalty

The listing salesperson was fined \$400 for violating Bylaw 702, Article 21.

The complainant's salesperson was fined \$750 for violating Bylaw 702, Article 39 (a) and \$500 violating Bylaw 702, Article 6, and ordered to complete a course requirement.

The complainant's broker was fined \$500 for violating Bylaw 704 (c).

Poor paperwork, false statement

The Commission received a complaint from a buyer about the conduct of the listing salesperson of the property the buyer attempted to purchase. The salesperson representing the complainant submitted an agreement of purchase and sale on the subject property and told the complainant that the listing salesperson said the price, closing date, and terms were acceptable to the seller, and that they would have the signed paperwork by the end the day. They did not hear from the listing salesperson for two days. On the second day, the complainant called anonymously acting as an interested buyer. When asked about the property, the listing salesperson said there were no accepted offers, the only offer received was going to be countered, and offered to show the complainant the house. The complainant was upset because two days earlier they were told that they had a deal pending completed paperwork.

- *Counter one offer and set others aside pending the result*
- *Reject all offers*

Back up offers: *A back-up offer is not a competing offer; it is a second accepted offer that only comes into play if the first offer falls. Because a back-up offer is not a competing offer, the disclosure requirement does not apply. The only exception to this rule is transaction brokerage. To remain fair and impartial to all parties, a back-up offer must be disclosed to the first buyer.*

Multiple offers—buyers

If the seller's industry member discloses multiple offers, inform the buyer as soon as possible.

Tell the buyer what the seller's options are in a multiple offer situation.

Tell the buyer their options, such as:

- *Increase the offer*
- *Leave offer as it is*
- *Withdraw the offer*
- *Reconsider the fixtures, chattels, terms and conditions of the offer*

The seller eventually proposed a counter offer and the complainant accepted; but when issues arose from the home inspection, the listing salesperson was very difficult to reach. A second salesperson from the complainant's brokerage became involved in the transaction. Eventually, the deal fell on an amendment and the seller accepted another offer. The complainant then submitted a complaint alleging the listing salesperson acted unethically, unprofessionally and illegally.

When the complaint was investigated, the evidence did not support the complainant's allegations of unethical and illegal conduct. There were extenuating circumstances in this case (the seller was in and out of the country and the hospital), and the evidence showed that the listing salesperson was in contact the complainant's salesperson during the offer stage and did apprise them of the seller's situation.

Much of the complaint stemmed from the complainant's salesperson failing to understand and explain the offer process to their client. The registrar empathized with the complainant's frustration with being told there was an agreement only to find out the seller was entertaining another offer; but there was no evidence the listing salesperson violated the *Real Estate Trading Act* or Bylaw because their client decided to accept another offer.

The salespeople did engage in other activities that violated the Bylaw, including verbal agreements, both to extend the expiry date on the agreement of purchase and sale and on the acceptance of the counter offer.

The listing salesperson misled the complainant's salesperson twice about the existence of a back up offer and presented a counter offer after the irrevocable date expired.

The complainant's salesperson, and the other salesperson at the brokerage who became involved with the deal shortly before it fell, both incorrectly advised the complainant on the offer process.

Results

The listing salesperson was charged with violating Bylaw 702, Article 2, for submitting a counter offer that was already expired, which was not in the best interests of their client; violating Bylaw 702, Article 11, for entering into verbal agreements; and violating Bylaw 702, Article 34, for stating there was a backup offer when there wasn't, which is creating a false statement.

The complainant's salesperson was charged with violating Bylaw 702, Article 11, for entering into verbal agreements and for not having their client date the acceptance on the counter offer.

Penalty

The salesperson was fined \$400 for violating Bylaw 702, Article 2; \$400 for violating Bylaw 702, Article 11; and \$750 for violating Bylaw 702, Article 34.

The complainant's salesperson was fined \$400 for violating Bylaw 702, Article 11. Both the complainant's salesperson and the other salesperson from the brokerage were sent warning letters on the importance of correctly advising clients on the offer process.

Verbal negotiations and expired contracts

The Commission received a complaint from buyers about the conduct of the listing salesperson of the property they attempted to purchase. The complainants alleged the listing salesperson acted in an unprofessional and unethical manner by leading them to believe their deal was firm when the sellers had accepted an offer from another party. They also alleged the listing salesperson led them to believe the sellers might entertain a lower sale price which resulted in delaying the finalization of the deal.

Duty of care

Real estate brokerages owe a duty of care to clients as well as a limited duty of care to customers. Industry members must conduct themselves in accordance with a standard of care expected of knowledgeable practitioners. Failure to do so exposes brokerages and industry members to liability for professional negligence as well as the Commission discipline process.

The standard of care is based on how ordinary and prudent members of the industry would conduct themselves under similar circumstances. The standard expected is not of perfection, but of reasonableness according to how knowledgeable, well-trained practitioners would act.

It is expected that all industry members have an understanding of agency and the duties it imposes, including the duty to protect the best interests of the client and the duty to respond in a timely manner.

Duplicate clauses

The mandatory agreement of purchase and sale contains a well and septic clause, which, when effected, triggers the use of the mandatory well and septic form. If you are in a situation where you have to deal with a duplicate clause, the duplicate clause cannot contradict the clauses in the Commission mandatory forms.

The Commission investigator reviewed the transaction paperwork. The complainants submitted an offer below the asking price and with a number of conditions. The sellers countered the offer, increasing the price and removing some of the conditions. The counter was left open until 11:00 a.m. Both salespeople engaged in verbal negotiations over the price and eventually the counter offer was signed and sent back, but after the deadline expired. The complainants believed they were the successful purchasers until it was time to set up the property inspection and they were told the house was sold to someone else with a full price offer and fewer conditions.

The investigation did not reveal unethical or unprofessional conduct; however both salespeople failed to act in the best interests of their clients by engaging in verbal negotiations and not amending agreements to extend deadlines.

The complainant's broker attempted to contact the listing broker while the transaction was in play by phone and by email to address the situation, however, the listing broker was unreachable and the complainant's broker was eventually put through to an unlicensed employee.

Results

The listing salesperson was charged with violating Bylaw 702, Article 11, for entering into verbal (unenforceable) agreements; and violating Bylaw 702, Article 2, for failing to address the expiry date in the counter offer and not obtaining an extension.

The complainants' salesperson was charged with violating Bylaw 702, Article 11, for entering into verbal agreements; and violating Bylaw 702, Article 2, for submitting a counter offer that was already expired.

The listing broker violated Bylaw 703 (a), which requires a broker or managing associate broker to be available to supervise and be actively engaged in the management of the brokerage.

Penalty

Both salespeople were fined \$400 for violating Bylaw 702, Article 11, and \$400 for violating Bylaw 702, Article 2.

The listing broker was fined \$500 for violating Bylaw 703 (a).

Poor paperwork, failure to provide duty of care

The Commission received a complaint from a seller about the salesperson who represented the buyer on the sale of their home. The sellers alleged the salesperson acted unprofessionally by trying to have them pay half the costs for a new drilled well ten days before the scheduled closing. By leaving such a request to the last minute, sellers allege the salesperson put them in a position where they felt undue stress and pressure to comply, despite having met the conditions of the agreement.

The evidence shows that the sellers agreed to an amendment that gave the buyers until two weeks of closing to get a "0" bacteria test, failing which they would install a "system" that would yield a "0" bacteria count test result. If the bacteria test was positive, the seller would have to deal with rectifying the issue near to the closing date. The final water test was negative and no further action ought to have been necessary. The buyers' decision to ask for half the cost of a drilled well was not, as per the evidence, the salesperson's decision. The salesperson did advise the seller's salesperson days before the final water test that if the test failed, the buyer would be seeking compensation for a new drilled well, but the actual request came from the buyer's lawyer.

The evidence in this case did support that the buyer's salesperson did not protect and promote the best interests of their clients. The salesperson told the Commission that well-water quality

Licensed assistants and the Real Estate Trading Act

Throughout the course of several investigations, the Commission investigators have noted a misconception within the industry about the obligations of licensed assistants under the Real Estate Trading Act. Specifically, that their obligations are lessened by being an assistant (employee of another industry member). This is not true. All licensed individuals, whether employees or independent contractors, are regarded the same under the Real Estate Trading Act.

What duties can't unlicensed assistants permitted perform?

Unlicensed employees cannot perform the following duties:

- *host public open houses*
- *carry out pre-closing viewings*
- *present and sign any documents dealing with a real estate transaction*
- *solicit a contract to trade in real estate*
- *make cold calls by telephone or in person to potential clients*
- *negotiate any terms of a real estate transaction*
- *discuss or explain listings, offers, contracts, or other similar matters with anyone outside the employ of the brokerage*
- **advertise directly or indirectly in real estate**
- *respond to advertising inquiries from the public*

and quantity were important to the buyers, but the paperwork did not reflect this concern. The agreement of purchase and sale the salesperson prepared had duplicate (and ambiguous) water-test clauses; the salesperson had amendments prepared that were signed incorrectly and communicated late; the second amendment was so ambiguous that the salesperson's own team was not clear on what "system" the amendment was referring to. Finally, the salesperson was unsure what happened with the drilled well request, because they were not involved in the trade after the final water test, other than to do the pre-closing walkthrough on the scheduled closing date. The salesperson was also not aware that the closing date had been extended by three days.

The Commission also found that neither salesperson involved in the transaction prepared an amendment to extend the closing date. Also, the water test amendments were ambiguous, and the timing unclear. A licensed assistant had prepared two of the amendments.

The evidence in this case also showed that the seller's salesperson did not communicate to her clients that the buyers might want a drilled well when notified of this before the final water test. The evidence also indicated the salesperson presented a verbal offer during the negotiations.

Results

The buyer's salesperson violated Bylaw 702, Article 2, for not protecting and promoting the best interests of their client by not properly addressing their concerns with well water quality; and violated Bylaw 702, Article 11, for poor paperwork.

The buyer's salesperson's licensed assistant terminated their licence before the conclusion of the investigation. Prior to obtaining a real estate licence in the future, they will be required to respond to the Commission's allegation of writing ambiguous clauses.

The seller's salesperson also terminated their licence prior to the conclusion of the investigation. Prior to obtaining a real estate license in the future, the salesperson will be required to respond to the Commission's allegations of preparing poor paperwork and presenting a verbal offer.

Penalties

The salesperson was fined \$750 for violating Bylaw 702, Article 2, and \$500 for violating Bylaw 702, Article 11.

Misleading advertising

The commission initiated an investigation into a salesperson who had for-sale sign on a property that showed an unlicensed person advertising as a team with the salesperson. The team name was the name of the unlicensed person. When the Commission investigated, they found the sign had been up for over a month. The investigator also noted that the salesperson's website displayed a photo of the same unlicensed person identified as a "Professional Real Estate Consultant". Given the two instances, and a previous history of advertising non-compliance, the Registrar opened an investigation into the salesperson's advertising practices.

The evidence supported that on two occasions, the salesperson advertised in a manner that implied that an unlicensed person was licensed to trade in real estate. The salesperson was also advertising as a real estate team, despite being the only person licensed to trade in real estate. In addition to those instances, one month after the salesperson was asked to respond to the investigation, an ad appeared in a print publication advertising the real estate services of the salesperson and the unlicensed person.

Broker review of advertising was an ongoing issue with this brokerage. The broker had been copied on a number of letters respecting advertising infractions, twice regarding advertising of the unlicensed person in this complaint, and was fined in 2010 for failing to review advertising.

New means new

New is an absolute term and should not be used unless the facts support its use. In this case, the salesperson stated they believed it was okay to advertise items as new if they were less than a year old. This is not true. If the items were renovated or replaced in the last year, the ad should have said they were renovated or replaced in the last year. However, in this case, the claims were false. Had the extensive renovations been conducted, there would have been receipts and trades people testimony to support the claims.

Material latent defect

A material latent defect is a fault in the property that would not be discovered by a reasonably thorough building inspection (for example, a serious crack in the foundation that has been covered over with paneling or, in this case, a concealed grey water pipe draining directly into a lake).

Bylaw 702, Article 10, states "The industry member has an obligation to discover facts pertaining to every property for which the industry member accepts an agency which a reasonably prudent industry member would discover in order to fulfil the obligation to avoid error, misrepresentation, or concealment of pertinent facts. The industry member shall disclose, in writing whenever possible, any known material latent defects to their clients or other industry members involved in a transaction."

Results

The salesperson was charged with violating Bylaw 708 for misleading advertising.

The broker was charged with violating Bylaw 704 (b) for not reviewing advertising.

Penalty

The salesperson was fined \$500 for violating Bylaw 708.

The broker was fined \$2,000 for violating Bylaw 704 (b). The broker was also ordered to provide the Commission with a written description of what measures and protocols they will implement at the brokerage to rectify recurring advertising issues at the brokerage.

Unprofessional conduct as a principal

The Commission received a complaint from a buyer about the listing salesperson, who was also the seller, for misrepresenting the property they purchased. The complainant alleged that the salesperson lied on the listing cut about a septic tank, which turned out to be a holding tank, and hid access to a section of the basement from an inspector to conceal a pipe releasing grey water into the lake on which the property fronted. The complainants also allege the salesperson lied to an environmental official about having fixed a problem with grey water discharging into the lake. They also allege the salesperson lied on the MLS® cut sheet, stating the house had "new" items, that were, in fact, not new.

When the complaint was investigated, the compliance investigator discovered the salesperson advertised the property as "fully renovated" with "new bathrooms, new kitchen", "new roof, electrical, windows, siding, etc." When questioned about the renovations, the salesperson stated their understanding of "new" was that if renovations were within one year then it was okay to advertise them as "new". This is not true. Additionally, the salesperson refused to provide receipts for any of the renovations described as "new", nor provide a name of any subcontractors. In short, the salesperson did not provide any evidence to corroborate his claims that items in the house were "new". It was the Registrar's opinion that the salesperson's advertising intentionally mislead buyers about the property, and failed to provide any proof to the Commission when asked to verify that the items cited as new were in fact new.

Regarding the other allegations, the evidence supported that the property did not have a septic system, but did not conclusively support that the salesperson knew this. The question is whether the salesperson intentionally mislead the buyers, or if the salesperson's actions were the result of ignorance. After reviewing the witness statements and the evidence and the fact that the salesperson owned the property for nine years, the Registrar deemed that, on a balance of probabilities, the salesperson ought to have known the septic system was a holding tank. There is no evidence a septic field existed from any source, including the salesperson.

Of greater concern was the four-inch pipe discharging grey water into the lake. Based on the evidence, the salesperson knew about the pipe and did not disclose this fact to the buyers. The salesperson also attempted to mislead the Commission about the pipe. In 2010, an environmental inspector visited the property to inspect allegations of grey water discharging into the lake. At the time, the salesperson denied access to the inside of the house. The inspector instructed the salesperson to cap off the pipe and cover it at the lake entrance. The salesperson told the inspector that they had done as instructed, however, in 2011, when the inspector re-visited the property, they noted grey water discharging from the pipe directly into the lake. The professional engineer that designed the new septic system for the buyer corroborated this. Throughout the investigation, the salesperson maintained that the pipe was a foundation/weeping tile discharge.

Transaction brokerage

Transaction brokerage occurs when a brokerage has agency relationships with a seller and a buyer and the buyer purchases the seller's property. In transaction brokerage, the brokerage and its industry members must treat both parties to the transaction in an even-handed, objective and impartial manner. Industry members cannot use discretion or judgment that benefits one client to the prejudice of the other client.

Your duties to both parties are:

- disclose conflict of interest, and obtain informed consent and agreement to transaction brokerage in writing*
- assist the buyer and seller in preparing a mutually acceptable agreement*
- provide any advice or information given to one party to the other party*
- provide information and advice to assist the parties in addressing issues of mutual interest to both parties*
- keep confidential the motivation of the buyer or seller*
- keep confidential the price a seller may be prepared to accept or a buyer is maybe willing to pay*
- disclose material latent defects concerning the property or the financial ability of the buyer to complete the transaction*
- prepare all necessary documents in accordance with the instructions of the buyer or the seller*
- exercise reasonable care and skill in the provision of services.*

The salesperson told the Commission that the grey water went into a “separate system”, however the salesperson’s description of the “system” that the grey water discharged into was vague and not supported by any independent evidence.

The Registrar stated that in his view, the salesperson’s credibility was low. The salesperson’s statements were riddled with inconsistencies, defamatory comments against his neighbour and his colleagues, uncorroborated “facts” and vague explanations, and on repeated occasions, the salesperson attempted to mislead the Commission investigation.

Results

The salesperson was charged with violating Real Estate Trading Act, Section 22(1) (a) and (b) for unprofessional conduct, and Section 38 (3) (b) for failing to disclose a material latent defect on the sale of their own property; and violating Bylaw 816 for providing false information during a Commission investigation.

Penalty

The salesperson is subject to a six-month licence suspension and was fined \$2,000 for Real Estate Trading Act violations and \$750 for violating Bylaw 816.

Failure to understand and explain agency

NSAR received a member-to-member complaint against a salesperson. After their investigation concluded, the matter was referred to the Commission at the request of the buyer involved in the transaction. The buyers alleged that the salesperson, acting in transaction brokerage, provided them with false information, disclosed confidential information to the seller, and alleged they made decisions based on the salesperson’s advice, not understanding their rights.

When the case was investigated, the evidence supported the allegations that the listing salesperson did not disclose their role in the transaction and get written acknowledgement before a relationship developed. The salesperson told the buyers that the house was listed by another salesperson at the brokerage, but under designated agency, the buyers could have independent representation through them. When the buyer did not see “designated agency” on the form, the salesperson wrote “according to designated agency” in the agency section of the agreement of purchase and sale. The salesperson worked for a common law brokerage.

The evidence did not support that the salesperson disclosed confidential information to the seller, as suggested by the buyer. However, the salesperson did not tell the seller (brokerage client) information the salesperson was legally obligated to tell their client.

The salesperson violated Bylaw 721(b), which requires the brokerage to provide the buyer and seller with the opportunity to review the transaction brokerage agreement and request more information before signing the agreement. The transaction brokerage agreement was completed a day after the offer was presented, countered, and accepted.

The salesperson provided advice to the buyers in transaction brokerage, which is a violation of Bylaw 721(d).

The transaction paperwork also contained a number of errors. Agency was completed incorrectly in the APS and one of the buyers did not sign the agency brochure. The salesperson had one of the buyers sign a blank APS because the buyer was going out of town, and the salesperson used an outdated copy of the APS, which violates Bylaw 702, Article 10, and Bylaw 712.

The evidence supports that neither salesperson understood their roles under transaction brokerage, which is a violation of Bylaw 702, Article 6.

The listing salesperson terminated their licence while the investigation was ongoing.

Agency obligations to a client

Undivided loyalty: you must act solely in the client's best interests, placing their interests above your own interests and above the interests of other parties. This means avoiding conflicts of interest and protecting the client's negotiating position at all times.

Confidentiality: you have a duty to keep the client's confidences. Confidential information includes any information about the client, the property, or the transaction that is not required by law to be disclosed.

Full disclosure: you must inform the client of all facts of which you know that might affect the relationship with the client or influence the client's decision in the transaction. This includes any conflicts of interest you might have. You are not to decide if information is important to the client, rather, you are obligated to disclose all relevant information to the client and they can make their own decisions.

Obedience: You must obey all of the client's lawful instructions. If the client insists you do something unlawful, you are obliged to refuse and consider terminating the relationship.

Reasonable care and skill: You must exercise reasonable care and skill in performing all assigned duties. You are expected to meet the standard of care of a reasonable and competent industry member. However, if you claim expertise in any area of practice, you will be held to a higher standard.

Full accounting: You must account for all money and property placed in your hands while acting on the client's behalf.

Results

The buyers salesperson violated

- Bylaw 702, Article 3, for failing to disclose the nature of services and their role;
- Bylaw 702 Article 6, for failing to provide skilled and conscientious service;
- Bylaw 702 Article 11, for poor paperwork;
- Bylaw 702 Article 39 (a) (xi), for failing to convey relevant information to the seller;
- Bylaw 721 (b), for failing to give the buyers and seller the opportunity to review the transaction brokerage agreement before entering into an agreement of purchase and sale.
- Bylaw 721(d) for failing to treat both parties in an impartial manner.

Penalty

The salesperson was fined \$400 for each violation (\$2,400) and was ordered to complete a course requirement.

Unprofessional conduct

The Commission received a complaint from buyers who alleged the salesperson that listed the property they attempted to purchase acted unprofessionally when they decided to use another brokerage to represent them in the transaction. The complainants said the listing salesperson was verbally abusive in dealing with their buyer's representative and breached confidentiality by calling the complainant's workplace and speaking to one of the complainant's colleagues.

When the complaint and the transaction were investigated, the registrar found that the evidence supported that the listing salesperson's conduct was unprofessional overall, particularly in dealing with the complainant's industry member.

Additional issues with the transaction came to light during the investigation.

The property was co-listed with another brokerage with a different agency model and two seller brokerage agreements were required, but only one was completed. To co-list a property between a designated agency brokerage and a common law brokerage, two brokerage agreements are required. There was an amendment to the seller brokerage agreement regarding co-listing, however, it did not specify the logistics of the arrangement between brokerages, such as the remuneration, responsibility for holding trust funds, inputting data, etc.

The salesperson at the co-listing brokerage emailed the buyers stating "I think we may have some negotiability on the price now!" The salesperson was working for the sellers and had a fiduciary obligation to act in the best interests of the seller, not negotiate a lower price for the buyers.

Results

The listing salesperson was charged with violating Bylaw 702, Article 35, for unprofessional conduct. The co-listing salesperson was charged with violating Bylaw 702, Article 2, for failing to protect and promote the best interests of their seller client.

Penalty

Both salespeople were fined \$400.

Failing to provide brokerage with documents

The Commission received a written complaint from a seller who alleged a salesperson made disparaging remarks concerning the seller's choice to market the property through a mere posting. When the complaint was investigated, there was insufficient evidence to prove the seller's allegations. When the transaction paperwork was reviewed, the Commission found the following issues:

Remuneration clause in buyer brokerage agreements

In this case, the salesperson recorded 0% for brokerage remuneration in clause 8.2 in the buyer designated brokerage agreement, meaning the buyer was not liable for any commission payable to the brokerage. This is clause 4.2 in the common-law buyer brokerage agreement.

In clause 8.3 (a) (i) and (ii) the salesperson checked “yes”, authorizing the brokerage to request payment from the seller’s brokerage or, if the property is not listed, from the seller. This is clause 4.3 in the common-law buyer brokerage agreement.

Clause 8.3 parts (b) (i) and (ii) were left intact. Clause (i) requires the buyer to pay any shortfall between the remuneration specified in clause 8.2 and the remuneration collected from the seller’s brokerage/seller in Clause 8.3 (a). Clause 8.2 specified 0% remuneration, so the buyer owes nothing under (b) (i). Clause (ii) states that any remuneration in excess of what is specified in 8.2 will be paid to the buyer. Since 8.2 was 0% remuneration, any remuneration paid by the seller’s brokerage/seller would then be excess funds and paid to the buyer.

When completing buyer brokerage agreements and the buyer does not want to pay remuneration to the brokerage, Clause 8.3 parts (b) (i) and (ii) must be struck or modified. If not, contractually, remuneration paid to the buyer’s brokerage goes to the buyer and the brokerage is left with nothing.

The salesperson had the seller sign a fee agreement; however the salesperson did not maintain a copy of the fee agreement to provide to the brokerage.

The salesperson had the buyer sign a buyer designated brokerage agreement that indicated “0%” commission in clause 8.2 and did not address clause 8.3 (b) (ii), but the brokerage collected a cooperating commission on another sale. Clause 8.3 (b) (ii) of this form specifies that any amount received by the brokerage that is more than the remuneration specified in 8.2 will be paid to the buyer. This issue was addressed in the brokerage’s 2012 and 2013 audit reports.

Results

The salesperson was charged with violating Bylaw 705 (c) for not providing the brokerage with a copy of the fee agreement.

Penalty

The salesperson was fined \$400 for violating Bylaw 705 (c).

Poor paperwork

The Commission received a complaint from a seller who alleged the listing salesperson refused to show the seller’s property on two separate occasions and also alleged that the salesperson cut two open houses short.

When the Commission investigated the complaint, the seller’s allegations could not be substantiated, however, a review of the transaction file revealed a number of issues.

The seller designated brokerage agreement was not signed by the salesperson as the brokerage representative. The brokerage representative needs to sign on behalf of the brokerage for the brokerage to have a claim for commission.

The listing date was June 25, 2008 and the expiry date was September 18, 2008. The year should have been 2012, not 2008.

The listing addendum not signed by the seller.

Results

The salesperson violated Bylaw 702, Article 11, for poor paperwork.

Penalty

The salesperson was fined \$400.

Advertising without authority

The commission received a complaint about a video posted to YouTube by a salesperson that gave a virtual tour of a property. The property was listed by an unrelated brokerage. When the Commission investigated, it was determined that the salesperson did not have written permission to record the videos or post them online.

Results

The salesperson violated Bylaw 709 for advertising a property without the written permission of the seller/ sellers lawful designate.

Penalty

The salesperson was fined \$400 for violating Bylaw 709.

Get it in writing

Bylaw 702, Article 15, states "The industry member shall not advertise a property without the seller's/ landlord's written authority, nor shall the advertised or offered price of a property be other than that which was agreed upon with the seller/ landlord."

In this case, a video of a property was posted to YouTube without the written consent of the seller, by a salesperson who worked at a different brokerage.

There is no grey area when it comes to advertising properties without written consent. If it happens and a complaint is filed, the advertisement is clear and undeniable evidence of a failure to comply with the Bylaw.

Poor paperwork, extending expired agreements

The Commission received a complaint from a potential buyer. The buyer alleged the listing broker acted unprofessionally by being unavailable to show a property and then refusing to allow the buyer to submit an offer on the property, favouring an offer received from a buyer client of the listing brokerage.

The evidence did not support the allegations. While the listing broker was unavailable to show the property, another industry member at the brokerage offered to set up a viewing at a later time, to accommodate notice to the tenant.

The evidence showed that the seller did not want to entertain any offers after they had confirmed a sale with the successful buyer. The broker was following the instructions of their client.

During the investigation, the following issues were identified with the transaction paperwork:

- There were several changes to the APS (as requested by the buyer in emails), to the seller brokerage agreement (term expiry) and to amendments to the seller brokerage agreement that were not properly documented.
- According to the Filogix history, the listing was "reactivated" several times based on amendments that were dated after the listing expired. The amendment also had an ambiguous handwritten note that the listing industry member said "reactivated" the listing for six months with a new expiry, and reduced the price to \$125,900
- The amendment to the APS accepted one day after it had expired and the seller did not select a response.
- The broker did not provide the Commission with a copy of the PCDS and confirmed the brokerage did not have a copy in the brokerage file. The broker did not provide the Commission with agency brochures for the buyer and the seller.
- Agency was completed incorrectly in the APS.

Results

The broker was charged with violating Bylaw 702, Article 11, for not obtaining initials on changes to the APS and extending the listing contract after it expired; violating Bylaw 621 for not retaining copies of the PCDS and agency brochures; violating Bylaw 702, Article 3, for not disclosing and seeking written acknowledgement from the buyer of the broker's role and the nature of services provided.

Penalty

The broker was charged \$500 for violating Bylaw 702, Article 3 and \$500 for violating Bylaw 621 (\$1,000), and ordered to complete a course requirement for violating Bylaw 702 article 11.

Poor paperwork, poor handling of transaction brokerage

The Commission received a complaint from buyers about the conduct of the salesperson who listed the property they purchased. The buyers allege the salesperson acted unprofessionally by entering into a transaction brokerage agreement with them and the seller, a long-time builder client of the brokerage.

The buyers also allege the salesperson did not properly amend the APS to accommodate necessary extensions to the water-test condition and the closing date. The buyers said the salesperson conducted a water test on their behalf without waiting for the appropriate period of time to lapse after the well was shocked. They believe they were misrepresented, which caused them to incur the cost of digging a new well on their property, because the well drilled by the builder allegedly produced toxic water that made the family sick.

Completing the Agency Relationships section

The improperly completed agency section in this case is a problem that is routinely identified during transaction-file audits. The agency section is made up of three parts, (a), (b), and (c). It is extremely important to note that section (c) is for transaction brokerage only, where both the seller and the buyer are clients of the same brokerage under common law or clients of the same Industry Member or team under designated agency. All other relationships are documented in sections (a) and (b) only.

White-out is never acceptable on an agreement

In this investigation, and in audits, the Commission staff occasionally encounter real estate documents on which white-out has been used to make changes or corrections.

Do not use white out on real estate documents. If a change needs to be made, strike the text that needs to be modified, write the corrections next to the text that was struck, and have all parties to the agreement initial the change.

When the complaint was investigated, the evidence showed the listing industry member did not properly amend the APS to extend date of the water test or the closing date.

The APS stated referenced schedules “c” and “d”, but there were two schedules named “c” in the file. The property migration clauses were not ticked, though both were initialed by all parties; one of the buyer’s name was removed from the APS with white-out; and the amendment to APS did not have an acceptance deadline, nor was page two used to indicate the seller’s response.

However, the evidence supported that the salesperson did not fulfill their duties to protect and promote the best interests of the client (the buyer). When the buyers decided to purchase one of the salesperson’s listings, the salesperson should have advised them of their option to seek independent representation.

The evidence also supported that the salesperson did not fulfill their duties under transaction brokerage, as per Bylaw 721(d)(i)(ii)(iv). The salesperson did not treat the interests of both the buyer and the seller in an even-handed, objective and impartial manner, nor did the salesperson exercise reasonable care and skill. The salesperson should not have conducted a water test on behalf of the buyers. The buyer could have done the test themselves, or have an independent third party do the test.

Upon review of the brokerage’s audit history, the matter of inappropriate transaction brokerage has been raised before. The evidence supports the broker did not take adequate steps to deal with this concern. This is a violation of Bylaw 704 (c).

Results

The salesperson was charged with violating Bylaw 702, Article 2, for not protecting and promoting the best interests of the buyer client; violating Bylaw 721(d)(i)(ii)(iv) for not fulfilling their duties under transaction brokerage; and violating Bylaw 702, Article 11, for poor paperwork.

The broker was charged with violating Bylaw 704 (c) for failing to adequately supervise the industry members at the brokerage.

Penalty

The salesperson was fined \$500 for violating Bylaw 702, Article 2; \$750 for violating Bylaw 721 (d), (i), (ii), (iv) and \$500 for violating Bylaw 702, Article 11.

The broker was fined \$750 for violating Bylaw 704 (c).

Unlicensed trading

The following industry members did not complete their education requirements by June 30th, and continued to trade in real estate, which is a violation of Real Estate Trading Act, Section 4. Four salespeople were each fined \$750.

Two brokers violated Bylaw 704 (f) by having an unlicensed person appear as licensed to trade in real estate on their website and were each fined \$750.

During the course of the investigations, two salespeople were identified as failing to provide their brokerages with transaction paperwork as required under Bylaw 705 (d). Both salespeople were charged with violating Bylaw 705 (d) and fined \$750.

Needs improvement

The following issues are commonly identified in needs-improvement audit findings:

- *Poor paperwork*
- *Vague clauses*
- *Inappropriate cash backs*
- *Missing paperwork (Bylaw 621 lists the requirements)*
- *No terminations for fallen deals*
- *Trust funds released without written authority*
- *Transaction brokerage where inappropriate*
- *Failure to disclose licensed status and intent*

Brokerage audits—strike three, four, and five

Every year, the Commission compliance auditors conduct yearly trust audits on each brokerage in Nova Scotia. In addition to the trust audits, each brokerage is subject to a brokerage audit every three years. At the end of an audit, the compliance auditors offer to meet with the broker to discuss any problem areas identified and address any questions the broker may have. Broker participation in an audit meeting is optional; however, the Commission strongly recommends brokers attend. This is a broker's opportunity to address problem areas, ask questions, and discuss ways they can improve their audit results in the future. The compliance auditors follow up with a formal audit report, which reiterates their findings during the audit. Audits results fall in one of three categories: very good, good, and needs improvement. Any brokerage that receives three consecutive needs-improvement audits is subject to disciplinary action. The fine for three consecutive-needs improvement audits is \$500 and the fine increases if the brokerage receives a fourth consecutive needs-improvement audit.

Three consecutive needs-improvement audits

Four brokers were fined \$500 for three consecutive needs-improvement audits.

Three of the brokers were required to take the trust accounting portion of the broker licensing course.

Four consecutive needs-improvement audits

Two brokers were fined \$1,000 and required to take the trust accounting portion of the broker licensing course.

Five consecutive needs-improvement audits

One broker was downgraded to a salesperson licence and is required to take the broker licensing course and pass the licensing exam, should they wish to become broker again.