

BC FINANCIAL SERVICES AUTHORITY

**IN THE MATTER OF THE REAL ESTATE SERVICES ACT
SBC 2004, c 42 as amended**

AND

GEE SING JASON PAO

CONSENT ORDER

[This Order has been redacted before publication.]

RESPONDENTS: GEE SING JASON PAO

DATE OF CONSENT ORDER: December 7, 2022

PROCEEDINGS:

On December 7, 2022, the Superintendent of Real Estate (the "Superintendent") of the BC Financial Services Authority ("BCFSA") resolved to accept the Consent Order Proposal (the "Proposal") submitted by Gee Sing Jason Pao ("Mr. Pao").

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by Mr. Pao.

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that Mr. Pao provided rental property management services in British Columbia for remuneration without being licensed to do so under the provisions of, or otherwise exempt from licensing requirements under, the Real Estate Services Act ("RESA"), pursuant to Section 49 of the RESA, the Superintendent orders that:

1. Mr. Pao pay a discipline penalty to BCFSA in the amount of \$75,000 within three (3) months from the date of this Order, pursuant to Section 49(2)(d)(i) of the RESA;
2. Mr. Pao pay an additional penalty to BCFSA to reflect a disgorgement of the remuneration he received for unlicensed rental property management services between November 2016 and December 2017 in the amount of \$30,000 within three (3) months from the date of this Order, pursuant to Section 49(2)(e) of the RESA; and,
3. Mr. Pao pay to BCFSA the expenses in relation to the investigation in the amount of \$2,690 within three (3) months from the date of this Order, pursuant to Section 49(2)(c) of the RESA.

An amount ordered to be paid under section 49(2)(c),(d), or (e) of the RESA is a debt owing to the BCFSA and may be recovered as such.

Dated this 7th day of December, 2022 at City of Victoria, British Columbia.

BC FINANCIAL SERVICES AUTHORITY

"JONATHAN VANDALL"

Jonathan Vandall
Delegate of the Superintendent of Real Estate
Attachment – Consent Order Proposal submitted by Gee Sing Jason Pao

BC FINANCIAL SERVICES AUTHORITY

IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*

SBC 2004, c 42 as amended

IN THE MATTER OF

GEE SING JASON PAO

CONSENT ORDER PROPOSAL BY GEE SING JASON PAO

BACKGROUND AND FACTS

This Consent Order Proposal (the "Proposal") is made by Gee Sing Jason Pao ("Mr. Pao") to the Superintendent of Real Estate (the "Superintendent") of the BC Financial Services Authority ("BCFSA") pursuant to section 41 of the *Real Estate Services Act* ("*RESA*").

For the purposes of the Proposal, Mr. Pao has agreed to the following facts:

1. At all material times, Mr. Pao has been the sole proprietor of MG Property Management Co. ("MG").
2. MG had a mailing address of 5050 Kingsway, Burnaby, British Columbia.
3. Neither MG nor Mr. Pao have ever been licensed to provide rental property management services, nor have they met the criteria to be exempted under the *RESA* or the *Real Estate Services Regulations* (the "*RESA Regulations*").
4. On October 22, 2013, the Office of the Superintendent of Real Estate ("OSRE") received a complaint regarding alleged unlicensed property management activity by MG.
5. On May 1, 2014, Mr. Pao spoke with a Market Conduct Officer from the OSRE and admitted that he provided unlicensed property management services to approximately 35 residential units.
6. On September 30, 2014, Mr. Pao entered into a consent order with the Superintendent of Real Estate (the "Consent Order").
7. The terms of the Consent Order were that Mr. Pao and MG would cease conducting real estate services as defined in the *RESA* on November 30, 2014, unless and until he was appropriately licensed to do so. The Consent Order also stated that if Mr. Pao was not licensed by November 30, 2014, Mr. Pao and MG would:
 - a. Confirm in writing to each person who was receiving real estate services from them that they had ceased providing those services;
 - b. Within 5 days of November 30, 2014, pay out any funds held or under their control for a third party in relation to the provision of real estate services to the person entitled to them or place the funds in trust in British Columbia with a licensed real estate brokerage, notary public, or lawyer; and
 - c. Immediately upon request, provide to the staff of the Superintendent any documents or copies of documents that may reasonably be required to confirm compliance with the terms of the Consent Order.

8. Mr. Pao did not obtain a license by November 30, 2014 and continued to provide rental property management services for remuneration in violation of the Consent Order.
9. In June 2015 and August 2017, OSRE received two (2) further complaints that Mr. Pao was continuing to provide property management services at two residential properties.
10. On November 15, 2017, Mr. Pao provided staff of the OSRE with copies of eight (8) letters, each dated November 12, 2017, advising the respective recipients that effective immediately, Jason Pao and MG had ceased providing property management services. Each of the letters included a statement accounting for property management services rendered by Mr. Pao and/or MG.
11. On December 7, 2017, the OSRE received email correspondence from counsel for Mr. Pao ("Counsel"), which included declarations of earnings for 22 properties for which Mr. Pao had provided unlicensed property management services. Counsel also provided the OSRE with signed management contracts between MG and property owners, and copies of four (4) letters, each dated November 27, 2017, advising the respective recipients that Jason Pao and MG had ceased providing property management services. Each letter contained a final invoice for services rendered for the respective property.
12. Between 2000 and December 2017, Mr. Pao provided unlicensed rental property management services in relation to approximately 35 rental units consisting of individual condominiums, townhouses and other residential properties in the Lower Mainland of British Columbia.
13. In relation to one or more of the rental properties, in exchange for remuneration or the expectation of remuneration, Mr. Pao and MG:
 - a. Provided trading services in relation to the rental properties including finding tenants for property owners and entering into either written or verbal contracts to provide rental property management services to property owners and tenants;
 - b. Collected monthly rents and security deposits; and
 - c. Managed the rental properties on behalf of the rental properties' owners by collecting and making payments to and from third parties, negotiating or entering into tenancy agreements, and managing landlord and tenant matters including arranging repairs to the rental properties on behalf of the owners.
14. Between 2000 and December 2017, Mr. Pao received remuneration for unlicensed rental property management services by way of collecting monthly rent payments from tenants and retaining a fee prior to remitting the rent payments to the respective property owners.
15. Between 2014 and December 2017, Mr. Pao violated the terms of the Consent Order by continuing to provide real estate services in the form of unlicensed rental property management services after November 30, 2014.

PROPOSED FINDINGS OF MISCONDUCT

For the sole purposes of the Proposal and based on the Facts outlined herein, Mr. Pao proposes the following findings of misconduct be made by the Superintendent:

1. Mr. Pao provided rental property management services in British Columbia without being licensed to do so under the provisions of the *RESA* and without being otherwise exempt from licensing requirements under the *RESA*, contrary to section 3(1) of the *RESA*, when, in relation to one or more of up to 35 rental properties, he:

- a. Provided trading services in relation to the rental properties including finding tenants for property owners and entering into either written or verbal contracts to provide rental property management services to property owners and tenants; and
 - b. Managed the rental properties on behalf of the rental properties' owners by collecting and making payments to and from third parties, negotiating or entering into tenancy agreements, and managing landlord and tenant matters including arranging repairs to the rental properties on behalf of the owners.
2. Mr. Pao continued to provide rental property management services after entering into the Consent Order with the Superintendent to cease providing services, contrary to section 3(1) of the *RESA*, in that:
 - a. Mr. Pao failed to confirm in writing to each person who was receiving real estate services from him that he ceased providing those services by November 30, 2014;
 - b. Mr. Pao failed to, within 5 days of November 30, 2014, pay out any funds under his control regarding real estate services to the person entitled to them within 5 days after November 30, 2014; and
 - c. Mr. Pao provided unlicensed rental property management services between November 2014 and December 2017.

PROPOSED ORDERS

Based on the facts herein and the Proposed Findings of Misconduct, Mr. Pao proposes that the Second Amended Notice of Discipline Hearing in this matter be resolved through the following Orders being made by the Superintendent, pursuant to section 43 of the *RESA*:

1. Mr. Pao pay a discipline penalty to BCFSA in the amount of \$75,000 within three (3) months from the date of this Order, pursuant to section 49(2)(d)(i) of the *RESA*;
2. Mr. Pao pay an additional penalty to BCFSA to reflect a disgorgement of the remuneration he received for unlicensed rental property management services between November 2016 and December 2017 in the amount of \$30,000 within three (3) months from the date of this Order, pursuant to section 49(2)(e) of the *RESA*;
3. Mr. Pao pay to BCFSA the expenses in relation to the investigation in the amount of \$2,690 within three (3) months from the date of this Order, pursuant to section 49(2)(c) of the *RESA*.

ACKNOWLEDGMENTS AND WAIVER OF APPEAL RIGHT

1. Mr. Pao acknowledges and understands that the Superintendent may accept or reject the Proposal. If the Proposal is rejected by the Superintendent, the matter may be referred to a disciplinary hearing.
2. Mr. Pao acknowledges that they have been urged and given the opportunity to seek and obtain independent legal advice with respect to the disciplinary process, the allegations contained in the Notice of Discipline Hearing, and the execution and submission of the Proposal to the Superintendent; and, that they have obtained independent legal advice or has chosen not to do so, and that they are making the Proposal with full knowledge of the contents and the consequences if the Proposal is accepted.

3. Mr. Pao acknowledges and is aware that BCFSA will publish the Proposal and the Consent Order or summaries thereof on BCFSA's website, on CanLII, a website for legal research and in such other places and by such other means as BCFSA In its sole discretion deems appropriate.
4. Mr. Pao hereby waives their right to appeal pursuant to section 54 of the *RESA*.
5. If the Proposal Is accepted and/or relied upon by the Superintendent, Mr. Pao will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is intended to restrict Mr. Pao from making full answer and defence to any civil or criminal proceeding(s).
6. The Proposal and its contents are made by Mr. Pao for the sole purpose of resolving the Notice of Discipline Hearing in this matter and do not constitute an admission of civil liability. Pursuant to section 41(5) of the *RESA*, the Proposal and its contents may not be used without the consent of Mr. Pao in any civil proceeding with respect to the matter.

"JASON PAO"

GEE SING JASON PAO

Dated 5th day of December, 2022