

CITATION: Li (Re), 2023 BCFSA 43

Date: 2023-11-08

File # INC 20-41

THE BC FINANCIAL SERVICES AUTHORITY

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

AND

IN THE MATTER OF

TRACY XIAOMEI LI
(178286)

AND

TRACY LI PERSONAL REAL ESTATE CORPORATION
(178286PC)

CONSENT ORDER

[This Order has been redacted before publication.]

RESPONDENT: Tracy Xiaomei Li and Tracy Li Personal Real Estate Corporation

DATE OF CONSENT ORDER: November 8, 2023

COUNSEL: Gareth Reeves, Legal Counsel for the BC Financial Services Authority
Amandeep Sandhu, Senior Legal Counsel for the BC Financial Services Authority

PROCEEDINGS:

On November 8, 2023, the Superintendent of Real Estate (the "Superintendent"), or the Superintendent's authorized delegate, of the BC Financial Services Authority ("BCFSA") accepted the Consent Order Proposal (the "Proposal") submitted by Tracy Xiaomei Li ("T Li") and Tracy Li Personal Real Estate Corporation ("TL PREC").

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by the T Li and TL PREC.

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that T Li committed professional misconduct within the meaning of sections 35(1)(a) 35(1)(g) of the *Real Estate*

Services Act (“RESA”) and sections 3-3(a), 3-4, 5-8, and 5-10 of the *Real Estate Services Rules* (the “Rules”), pursuant to section 43 of the RESA the Superintendent orders that:

1. T Li and TL PREC be jointly and severally liable to pay a discipline penalty to BCFSA in the amount of \$100,000 within three (3) months from the date of this Order for T Li’s contraventions of section 35(1)(g) [*False or Misleading Statement in a Document Required or Authorized*] of the RESA and the Rules, sections 3-3(a) [*Duty to act in the best interest of the client*], 3-4 [*Duty to act honestly and with reasonable care and skill*], 5-8 [*Disclosures*] and 5-10 [*Disclosure of representation in trading services*].
2. T Li, at her own expense, register for and successfully complete the Real Estate Trading Services Remedial Education Course as provided by the Sauder School of Business at the University of British Columbia in the time period as directed by BCFSA.
3. T Li and TL PREC’s licences include conditions requiring enhanced supervision by a managing broker for a period of not less than six (6) months from the date of this Order, as more particularly described in Schedule 1 to this Order.
4. T Li and TL PREC be jointly and severally liable to pay enforcement expenses to BCFSA in the amount of \$7,000 within three (3) months from the date of this Order.

If T Li and TL PREC fail to comply with any term of this Order, the Superintendent may suspend or cancel their licences without further notice to them, pursuant to sections 43(3) and 43(4) of the RESA.

Dated this 8th day of November, 2023 at the City of Vancouver, British Columbia.

Superintendent of the BC Financial Services Authority

“Original signed by Jonathan Vandall”

Jonathan Vandall
Delegate of the Superintendent of Real Estate
Province of British Columbia

Attch.

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BC FINANCIAL SERVICES AUTHORITY

**IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*
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**TRACY XIAOMEI LI
(178286)**

AND

**TRACY LI PERSONAL REAL ESTATE CORPORATION
(178286PC)**

**CONSENT ORDER PROPOSAL BY TRACY XIAOMEI LI
AND TRACY LI PERSONAL REAL ESTATE CORPORATION**

BACKGROUND AND FACTS

This Consent Order Proposal (the "Proposal") is made by Tracy Xiaomei Li ("T Li") on her own behalf and on behalf of and Tracy Li Personal Real Estate Corporation ("TL PREC") 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, T Li on her own behalf and on behalf of TL PREC and the Superintendent have agreed upon the following facts:

1. T Li (178286) has been licensed as a trading representative since July 21, 2017. She was with [Brokerage 1] until January 26, 2018 and then with [Brokerage 2] until May 1, 2018 when she transferred to the Pacific Evergreen Realty Ltd. (the "Brokerage").
2. TL PREC became licensed on September 2, 2020.
3. T Li was at all relevant times licensed as a representative with the Brokerage.
4. In November and December 2019, two licensees being T Li and D Yang provided real estate services in relation to the purchase and sale of a residential property at [Property 1], Richmond (the "Property"). D Yang acted as a mentor to T Li and other licensees at the Brokerage. D Yang and T Li discussed the transaction regarding the Property as it proceeded. The managing brokers supervising T Li and D Yang in relation to the transaction were A Fong and L-M Lee. As detailed below, the sale of the property was effected by an individual identifying himself as "[Seller 1]" ("[Seller 1]") through a fraudulent Power of Attorney ("POA") executed by a co-conspirator of [Seller 1]'s posing as the true owner. The true owner was [Owner 1]. Herein [Seller 1]'s co-conspirator will be referred to as the Fake [Owner 1]. Also involved in the transaction and working with T Li and D

- Yang were T Li's assistant, [Assistant 1]; the Brokerage's FINTRAC compliance officer, [Brokerage Compliance Officer 1]; a conveyancer at the Brokerage, [Individual 3]; and a licensee engaged by the Brokerage, [Licencee 1].
5. On November 15, 2019:
 - a. [Seller 1] called T Li to arrange a listing interview.
 - b. The Fake [Owner 1] attended before [Notary 1], a qualified notary public in British Columbia, to execute a form of power of attorney.
 6. On November 16, 2019:
 - a. T Li met with [Seller 1] at the Property. He advised her that he was selling the Property on behalf of the owner, who he said was in Toronto. T Li has stated [Seller 1] introduced himself as the executive assistant to the owner who wanted to sell the Property and that he was acting under a power of attorney. [Seller 1] did not sign a listing agreement during that meeting. [Seller 1] explained that the owner had a bad experience with a tenant and just wanted to get rid of the Property. T Li showed [Seller 1] sold listings in the neighbourhood for the preceding six months and told him that the value of the property should be around \$2.1 million, but the house's poor condition would significantly negatively impact the value. [Seller 1] told T Li that the owner was willing to sell for \$1.8 million.
 - b. The Property was in superficially poor condition. It was missing all removable appliances including the fridge, washer, dryer, and dishwasher. Some copper piping had been taken from the mechanical room in the garage and a bathroom cabinet was missing legs. The backyard fence was missing a panel and the back door was broken. Photos of the premises disclose that portions of the cabinet laminated paneling were lifting below the range hoods and that there were some deficiencies in the painting in at least two of the bedrooms.
 - c. T Li returned to the Brokerage's Richmond office and told the licensees there about the deal. D Yang was present and said he might have a buyer, he briefly spoke with his client's representative, [Buyer's Representative 1], and then advised T Li that his client was interested and would send an offer. D Yang told T Li to sign a listing agreement as soon as possible.
 - d. T Li then called [Seller 1] and reported that an offer was coming to which he responded, "I guess the listing is yours."
 - e. D Yang prepared a Contract of Purchase and Sale between [Owner 1] as seller of the Property and [Buyer 1] as buyer. This first offer was for \$1,795,000 and was subject to a satisfactory viewing by the buyer. D Yang emailed this to T Li who emailed it to the email address for [Owner 1] provided by [Seller 1], [Email 1]. In that email, T Li offered to prepare a counteroffer on behalf of [Owner 1] for [Owner 1] to sign.
 - f. T Li called [Seller 1] to explain the offer to him. T Li then communicated [Seller 1]'s preference for early completion to D Yang who spoke to his client.
 - g. [Seller 1] refused or declined to sign any listing contracts, exclusive or not, because they had already found a buyer and he was working with multiple realtors.

7. On November 17, 2019:
 - a. T Li made requests for identification documents from [Seller 1]. He responded that he would have everything "tomorrow".
8. On November 18, 2019:
 - a. A title search by the Brokerage pulled on November 18, 2019 showed no registered or pending charges against the Property.
 - b. D Yang visited the Property for the first time and noted that it was, in his words, "run down".
 - c. A POA was notarized by a [Notary 1] in Vancouver, B.C. purporting to give [Seller 1] authority to act on behalf of [Owner 1]. It was executed by the Fake [Owner 1]. It identified [Owner 1] as a "student" and [Seller 1] as a "real estate manager". It was executed in Vancouver.
 - d. An email was sent from [Email 1], which purports to attach "the POA and BCDL". T Li has said that this was [Seller 1]'s driver's licence and that the POA was a single page and did not include [Seller 1]'s signature as attorney.
 - e. T Li responded to request [Owner 1]'s ID and proof of citizenship status and [Seller 1]'s citizenship or permanent resident card. [Seller 1] responded through [Email 1] to decline to provide [Owner 1]'s identification, relying on the POA. He also refused to sign an exclusive listing agreement saying they were working with other potential buyers.
9. On November 19, 2019:
 - a. [Buyer's Representative 1], D Yang, T Li, [Assistant 1], and [Seller 1] attended at the Property to view it around 2:00 pm. They toured the property. [Seller 1] showed T Li his driver's licence during this tour. [Seller 1] and T Li also had a phone call with an individual in Toronto who was identified as "Jason". Text messages from [Seller 1] to T Li identify "Jason" as a lawyer. T Li says she understood "Jason" was a realtor. [Seller 1] made a counteroffer of \$1,800,000 without subjects at this time.
 - b. During the meeting at the Property, T Li provided [Seller 1] with the following documents, all of which were back dated to November 16, 2019 and all were prepared in [Owner 1]'s name:
 - i. A "Fee Agreement Seller Pays (Buyer Represented Seller Not Represented)" agreement signed between the Brokerage as buyer's brokerage and [Owner 1] as seller, which indicated "Tracy Li/David Yang" as designated agents for [Buyer 1] providing for a commission of 7% on the first \$100,000.00 and 3% of the balance. Tracy Li executed the document on behalf of the Brokerage. The form states that [Owner 1], as seller, acknowledges that no agency exists between [Owner 1] and the Brokerage or the designated agents;
 - ii. A "Not a Client? Know the Risks" form;
 - iii. A "Your Relationship with a Real Estate Professional" form indicating there was no agency relationship between [Owner 1] and T Li; and
 - iv. A "Privacy Notice and Consent" form; and
 - v. A Property Disclosure Statement for the Property.

These documents were backdated to November 16, 2019 and to reflect T Li's understanding of the relationship as it had eventually formed and not to deceive [Seller 1] or [Owner 1].

- c. [Seller 1] signed a counteroffer of \$1,800,000 without subjects and provided it T Li. T Li forwarded the counteroffer to D Yang who forwarded it to [Buyer's Representative 1]. [Buyer's Representative 1] signed the counteroffer and returned it to D Yang, who returned it to T Li, who in turn returned it to [Seller 1].
 - d. T Li asked [Seller 1] for [Owner 1]'s identification and the fully executed POA via text message.
10. On November 20, 2019:
- a. At approximately 12:00 pm, [Buyer 1]'s inspector, [Buyer's Representative 1], D Yang, [Seller 1], and T Li attended at the Property. During this visit, [Buyer's Representative 1] noted cracks in the foundation along with fallen roof tiles. Verbal discussions occurred and an oral agreement was struck to revise the price to \$1,750,000 without subjects. [Seller 1] purported to call [Owner 1] to approve this offer.
 - b. At approximately 5:15 pm, the parties again met at the Property. [Buyer's Representative 1] then reduced his offer to \$1,725,000. T Li says this was because they were concerned the cold would cause a burst pipe while the Property was left vacant. D Yang says this was because of the cost to fix the furnace.
 - c. D Yang says that he spoke to [Buyer's Representative 1] about the fact that the contract would be signed through a POA and [Buyer's Representative 1] said his lawyer would deal with it.
 - d. Item 20A, restricting assignments, was removed from the Contract from the written offer.
 - e. [Seller 1] was provided a "Notice to Seller Regarding Assignment" form. The form was dated November 16, 2019, but was presented and signed on November 20, 2019.
 - f. The offer was accepted for \$1,725,000 with completion and possession to occur on December 9 and 10, 2019 respectively (the "**Contract**"). [Owner 1] was listed as unrepresented and [Seller 1] signed on behalf of [Owner 1]. D Yang was listed as agent for [Buyer 1]. The Contract was subject free and sold the Property in "as is where is" condition with all items which happened to be inside.
 - g. A "Paying for Real Estate Service: What Sellers Need to Know" disclosure was prepared listing the full commission payable and dividing it between the seller's and buyer's brokerages. [Seller 1] signed this document on behalf of [Owner 1].
11. On November 21, 2019:
- a. A lawyer, [Lawyer 1] notarized [Seller 1]'s signature on the POA as required to make it effective under *Power of Attorney Act*, RSBC 1996, c 370, s 17. He did so in two different forms, one of which was provided to T Li as noted below and one in relation to the form of power of attorney witnessed by [Notary 1] on November 15, 2019.
 - b. T Li says that she, and her assistant [Assistant 1], tried to call [Owner 1] a total of three times with no answer. She noted in a text message to [Seller 1] that "It's my duty to talk with him [[Owner 1]] to verify his identification." In response, [Email 1] sent T Li copies of the fully-executed POA and a purported driver's licence of [Owner 1].

- c. [Assistant 1] sent a draft addendum to L-M Lee regarding repayment of the deposit to [Buyer 1] if the deal failed to close. L-M Lee sent it on to [Licencee 1] for comment. [Licencee 1] was licensed with the Brokerage as a trading services representative licensee at that time and worked at a different branch from T Li and D Yang.
- d. T Li prepared Individual Identification Information Records for [Seller 1] and “[Owner 1]”. These were backdated to November 16, 2019. She indicated that she identified them by their driver’s licences. The form for “[Owner 1]” states on page 3 of 4 that:

I did not meet this property owner. His executive assistant who is selling the property on behalf of him provided the photot of his driver licence and gave me his phone number [phone number redacted]. But I wasn’t able to get a hold of him prior to do the transaction. According to [Seller 1], his assistant, the seller’s official status I still an International Student, He has been enrolled in various different courses in media and broadcasting relations over the past few years. It is his hope and dream to develop Apps & search enginges promoting the goods and services of others by preparing and plcing advertisements in an electronic magazine. His last enrolled course was Macromedia University.

[sic]

12. On November 22, 2019:

- a. [Licencee 1] emailed L-M Lee with A Fong, T Li, and [Assistant 1] in cc, asking various questions, including whether [Seller 1]’s ID was physically in hand when verifying it. After several emails between [Assistant 1] and [Licencee 1] with L-M Lee, A Fong, and T Li copied, [Licencee 1] raised additional issues on verifying [Seller 1]’s address and both [Owner 1] and [Seller 1]’s occupations. This included raising that there was no match on the POA address with “a tax report”. It appears these issues were not resolved in response but as noted above T Li viewed a physical copy of [Seller 1]’s driver’s licence during meetings at the Property.
- b. Addenda to the Contract were executed providing for the following:
 - i. The completion and possession dates were changed to November 27 and November 28, 2019 respectively;
 - ii. The POA would form part of the Contract;
 - iii. The property was sold in “as is where is” condition; and
 - iv. If either party was unable to complete the Contract, the deposit would “be forfeited without written or verbal consent to the non-defaulting party.” (The original version of this was prepared by D Yang to protect his client because he says he felt the transaction, in particular his dealings with [Seller 1] were suspicious.)
- c. The drafts of the above addenda were circulated via email between [Assistant 1], L-M Lee, and [Licencee 1].
- d. [Buyer’s Representative 1] and [Seller 1] signed the addenda.
- e. In addition, “Jason”, [Owner 1]’s purported lawyer or realtor in Toronto, purportedly prepared the wording of the final addenda and [Seller 1] texted the wording to T Li.

13. On November 23, 2016:
 - a. [Assistant 1] provided the Contract documents to [Conveyancer 1], a conveyancer at the Brokerage.
 - b. A Trade Record Sheet was prepared listing T Li as the seller's agent and D Yang as the buyer's agent.
14. On November 26, 2019:
 - a. [Conveyancer 1] sent an email to [Licencee 1] and [Brokerage Compliance Officer 1], the Brokerage's FINTRAC Compliance Officer, listing eight concerns about the transaction:
 - i. T Li had never met the seller;
 - ii. T Li was randomly contacted by [Seller 1] and there was no listing agreement;
 - iii. The relationship between [Seller 1] and [Owner 1] seemed "weird";
 - iv. The seller insisted on being unrepresented;
 - v. The seller was not local;
 - vi. The seller's driver's licence appeared suspicious;
 - vii. T Li did not see the original IDs, only photos; and
 - viii. D Yang, another licensee within the same brokerage, represented the buyer.
 - b. [Brokerage Compliance Officer 1] responded by email to [Conveyancer 1] stating "There is something definitely going on with this case. Everything does not seem right." [sic]
 - c. [Brokerage Compliance Officer 1] then emailed [Individual 1] at FINTRAC to note that [Seller 1] had said the owner was in Toronto but the POA was signed in Vancouver and stating that the drivers licence seems "a little off for [Owner 1]."
 - d. [Licencee 1] sent an email to [Conveyancer 1] and [Brokerage Compliance Officer 1] advising that the deal should not proceed with the information on hand and that he had explained this to T Li and D Yang. He states in the email: "I don't think Tracy wanted to proceed but David has been pushing hard to make it happen." He further states: "I've asked the other agent [D Yang] questions about the deal and he has not answered them and continues to try to push the deal through anyway."
 - e. [Licencee 1] also sent an email to [Brokerage Compliance Officer 1] stating that he had tried to contact the seller's previous realtor and the notary, but had not been able to reach them.
15. On November 27, 2019:
 - a. Transaction records were prepared for T Li and D Yang for the sale of the Property, they show T Li on the listing side described as "No Agency (but Tracy Li is helping)".
 - b. [Brokerage Compliance Officer 1] sent an email to [Conveyancer 1] asking her to have T Li fix certain aspects of the client identification forms for [Owner 1] and [Seller 1].
 - c. At 1:41 pm, A Fong sent an email to D Yang and T Li copying L-M Lee, [Licencee 1], and A Fong advising D Yang and T Li that the transaction appeared suspicious and that A Fong and L-M Lee worried it "might be scam". A Fong also instructed D Yang and T Li to consult a

- lawyer. D Yang says that he noted issues with the POA with [Buyer's Representative 1] and recommended that [Buyer's Representative 1] have it reviewed by his lawyer.
- d. Neither T Li nor D Yang sought legal advice or spoke to the legal representatives for the parties.
 - e. At 4:21 pm, [Assistant 1] sent the Contract documents to [Lawyer 1], lawyer for the seller.
16. On November 28, 2019:
- a. [Brokerage Compliance Officer 1] submitted a Suspicious Transaction Report to FINTRAC regarding the transaction.
 - b. [Brokerage Compliance Officer 1] was also advised by [Lawyer 1] that the closing had been moved to November 29, 2019. No documents were provided regarding this change; however, [Brokerage Compliance Officer 1] advised [Licencee 1], A Fong and L-M Lee of this fact via email, while concurrently advising them of her conversation with [Individual 1] at FINTRAC.
 - c. L-M Lee and [Licencee 1], copying A Fong, exchanged emails discussing the transaction and the suspicious transaction report to FINTRAC, including [Licencee 1] asking if anything further should be done in addition to FINTRAC reporting.
17. On November 29, 2019:
- a. The Contract was assigned to [Company 1] and [Company 2].
 - b. The Contract completed and the application to transfer the Property to [Company 1] and [Company 2] was registered with the Land Title Office. The Form A transfer was executed by [Seller 1] on behalf of [Owner 1] before [Lawyer 1].
18. On December 6, 2019:
- a. T Li was paid \$35,048.35 by electronic funds transfer, being her commission on the sale of the Property less the Brokerage's deal fee of \$225.00 and plus GST.
 - b. D Yang was paid \$23,016.65 by electronic funds transfer, being his commission on the sale of the Property less the Brokerage's deal fee of \$225.00 and plus GST.
19. On January 15, 2020:
- a. [Company 1] and [Company 2] executed a contract of purchase and sale selling the Property to a third-party buyer, [Individual 2], for \$2,150,000.00 with completion and possession dates on February 14 and 15, 2020 respectively.
20. On February 14, 2020:
- a. The Property transferred into the name of [Individual 2].
21. On April 2, 2020:
- a. [Owner 1] filed a Notice of Civil Claim suing [Seller 1], two John Does, [Notary 1], T Li, D Yang, the Brokerage, [Lawyer 1] and his Law Corporation, [Company 1], [Company 2], and the directors of those companies for their involvement in the fraud. The civil claim by [Owner 1] against the realtors, lawyers, notary, and initial purchaser has been settled.
22. BCFSA received a complaint on April 3, 2020 from [Individual 3], General Counsel and Practice Advisor to the Society of Notaries Public of BC enclosing the above noted Notice of Civil Claim.

23. A Notice of Discipline Hearing was issued on March 16, 2022 and served on T Li on her own behalf and on behalf of TL PREC.
24. T Li does not have a discipline history.
25. The following mitigating factors were identified:
 - a. T Li was a junior realtor;
 - b. T Li relied on the guidance and mentorship of more senior licensees during the transaction, including D Yang;
 - c. T Li has no disciplinary history;
 - d. The power of attorney [Seller 1] presented to T Li appeared, on its face, to have been executed by [Owner 1] on November 18, 2019 before a notary qualified in British Columbia and by [Seller 1] on November 21, 2019 before a lawyer qualified in British Columbia;
 - e. T Li made attempts to directly contact [Owner 1] via email and telephone and spoke to a purported representative of [Owner 1] in Ontario;
26. The following aggravating factors were identified:
 - a. Despite repeated attempts, T Li was unable to contact [Owner 1] directly;
 - b. The circumstances surrounding [Seller 1]'s use of a power of attorney included suspicious features and inconsistencies which were not adequately addressed during the transaction; and
 - c. T Li backdated disclosure and contractual documents, which obscured the actual order in which events occurred during the transaction.
- 27.

PROPOSED FINDINGS OF MISCONDUCT

For the sole purposes of the Proposal and based on the Facts outlined herein, T Li and TL PREC propose the following findings of misconduct be made by the Superintendent:

1. T Li and TL PREC committed professional misconduct within the meaning of section 35(1)(a) of the RESA in that, while T Li was licensed as a representative in relation to Pacific Evergreen Realty Ltd. in the trading category, she:
 - a. On or about November 16, 2019, failed to disclose to [Seller 1] in writing, separately from any service agreement or other agreement under which real estate services are provided, separately from any agreement giving effect to a trade in real estate, and in the form approved by the Real Estate Council of British Columbia ("RECBC") at the time whether or not she would represent [Seller 1] as a client in regard to the sale of real property with civic address at [Property 1], Richmond, British Columbia (the "Property") contrary to the Rules, sections 3-4 [*Duty to act honestly and with reasonable care and skill*], 5-8 [*Disclosures*] and 5-10 [*Disclosure of representation in trading services*];
 - b. On or about November 16, 2019, failed to disclose to [Owner 1], or an individual falsely purporting to be [Owner 1], in writing, separately from any service agreement or other agreement under which real estate services are provided, separately from any agreement

giving effect to a trade in real estate, and in the form approved by RECBC at the time whether or not she would represent [Owner 1], or an individual falsely purporting to be [Owner 1], as a client in regard to the sale of the Property contrary to the Rules, sections 3-4 [*Duty to act honestly and with reasonable care and skill*], 5-8 [*Disclosures*] and 5-10 [*Disclosure of representation in trading services*];

- c. On or about November 19, 2020, prepared and falsely dated the following documents as November 16, 2019 and delivered them to [Seller 1] to execute on behalf of [Owner 1]:
 - i. Fee Agreement Seller Pays (Buyer Represented Seller Not Represented);
 - ii. Not a Client? Know the Risks;
 - iii. Your Relationship with a Real Estate Professional;
 - iv. Privacy Notice and Consent; and
 - v. a Property Disclosure Statement for the Propertyeach and all contrary to the Rules, section 3-4 [*Duty to act honestly and with reasonable care and skill*];
- d. On or about November 19, 2019, prepared a Fee Agreement Seller Pays (Buyer Represented Seller Not Represented) for execution by [Seller 1] or [Owner 1] in which she indicated she and David Chian Wei Yang were the designated agents for the buyer when she knew, or reasonably ought to have known that she was not a designated agent for the buyer contrary to the Rules, section 3-4 [*Duty to act honestly and with reasonable care and skill*];
- e. On or about November 21, 2020, prepared and falsely stated on Individual Identification Information Records prepared for [Seller 1] and [Owner 1], or an individual falsely purporting to be [Owner 1], that she had ascertained their respective identities in reference to their driver's licences on November 16, 2019, when in fact:
 - i. she had first viewed [Seller 1]'s driver's licence on November 19, 2019;
 - ii. she had only seen a digital copy of the driver's licence of [Owner 1], or an individual falsely purporting to be [Owner 1], on November 21, 2019 and had never seen the authentic, valid original of that driver's licence,contrary to the Rules, section 3-4 [*Duty to act honestly and with reasonable care and skill*];
- f. Between on or about November 16, 2019 and November 21, 2019, provided trading services to [Seller 1]; [Owner 1], or an individual falsely purporting to be [Owner 1]; or both in relation to the sale of the Property where she knew or reasonably ought to have known that [Seller 1] was not duly authorized to deal with the Property contrary to the Rules, sections 3-3(a) [*Duty to act in the best interest of the client*] and 3-4 [*Duty to act honestly and with reasonable care and skill*]; and
- g. Further and in the alternative, between on or about November 16, 2019 and November 29, 2019, failed to take reasonable measures to confirm that [Seller 1] was duly authorized to deal with the Property in relation to its sale and failed to take reasonable measures to alert other persons acting in relation to the sale of the Property of the suspicious circumstances surrounding the sale of the Property conducted by [Seller 1] in light of suspicious circumstances surrounding the sale of the Property conducted by [Seller 1] which were known or reasonably ought to have been known to T Li, which included:
 - i. T Li was contacted by cold call by [Seller 1];

- ii. T Li did not see a copy of a Power of Attorney providing [Seller 1] with authority to conduct the sale of the Property on November 16, 2019;
- iii. [Seller 1] advised T Li that he did not want the Property listed for sale at all, that he wanted to keep the sale quiet, and that he wanted the sale to happen quickly;
- iv. The Property was vacant at all relevant times and had been broken into;
- v. [Seller 1] advised T Li that [Owner 1], or an individual falsely purporting to be [Owner 1], was willing to sell the property for an amount that was significantly less than the fair market value as assessed by T Li;
- vi. [Seller 1] advised T Li that [Owner 1] was in Toronto, Ontario and could not attend to the sale of the Property and later produced a form of power of attorney purporting to be signed by [Owner 1] and witnessed before a notary public in Vancouver, British Columbia on November 18, 2019;
- vii. [Seller 1] advised T Li that he was the executive assistant or personal assistant to [Owner 1] but the power of attorney provided to T Li on November 18, 2019 described him as a Real Estate Manager;
- viii. [Seller 1] provided an email address purporting to be [Owner 1]'s email address which was suspicious in format;
- ix. Tracy Xiaomei Li never communicated directly with [Owner 1], despite attempting to;
- x. [Seller 1] refused to sign an agency agreement with Tracy Xiaomei Li despite receiving trading services from her;
- xi. [Seller 1] initially refused to provide identity documents for [Owner 1], or an individual falsely purporting to be [Owner 1];
- xii. The power of attorney provided by [Seller 1] on November 18, 2019 was not fully executed on November 20, 2019, being the date the contract of purchase and sale for the Property from [Owner 1] to [Buyer 1] was executed; and
- xiii. The power of attorney provided by [Seller 1] on November 21, 2019 described [Owner 1] as a "student" and the copy of the photo identification purporting to show [Owner 1] indicated a birth date of October 22, 1978, [Seller 1] advised T Li on November 21, 2019 that [Owner 1]'s occupation was "self-employed", and [Seller 1] advised T Li's assistant on November 27, 2019 that [Owner 1] was an international student.

contrary to the Rules, sections 3-3(a) [*Duty to act in the best interest of the client*] and 3-4 [*Duty to act honestly and with reasonable care and skill*].

2. T Li committed professional misconduct within the meaning of section 35(1)(g) [*False or Misleading Statement in a Document Required or Authorized*] when, while licensed as a representative in relation to Pacific Evergreen Realty Ltd. in the trading category, she engaged in any or all of the conduct set out in paragraph 1.c.

PROPOSED ORDERS

Based on the Facts herein and the Proposed Findings of Misconduct, T Li and TL PREC propose that the 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:

5. T Li and TL PREC be jointly and severally liable to pay a discipline penalty to BCFSA in the amount of \$100,000 within three (3) months from the date of this Order for T Li's contraventions of section 35(1)(g) [*False or Misleading Statement in a Document Required or Authorized*] of the RESA and the Rules, sections 3-3(a) [*Duty to act in the best interest of the client*], 3-4 [*Duty to act honestly and with reasonable care and skill*], 5-8 [*Disclosures*] and 5-10 [*Disclosure of representation in trading services*].
6. T Li, at her own expense, register for and successfully complete the Real Estate Trading Services Remedial Education Course as provided by the Sauder School of Business at the University of British Columbia in the time period as directed by BCFSA.
7. T Li and TL PREC's licences include conditions requiring enhanced supervision by a managing broker for a period of not less than six (6) months from the date of this Order, as more particularly described in Schedule 1 to this Order.
8. T Li and TL PREC be jointly and severally liable to pay enforcement expenses to BCFSA in the amount of \$7,000 within three (3) months from the date of this Order.
9. If T Li and TL PREC fail to comply with any of the terms of this Order, the Superintendent may suspend or cancel their licences without further notice to them.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

1. T Li and TL PREC acknowledge and understand 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. T Li and TL PREC acknowledge 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 have 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. T Li and TL PREC acknowledge and are 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. T Li and TL PREC hereby waive their right to appeal pursuant to section 54 of the RESA.
5. If the Proposal is accepted and/or relied upon by the Superintendent, T Li and TL PREC will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is intended to restrict T Li or TL PREC from making full answer and defence to any civil or criminal proceeding(s).
6. The Proposal and its contents are made by T Li and TL PREC 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 T Li and TL PREC in any civil proceeding with respect to the matter.

"Original signed by Tracy Li"

**TRACY XIAOMEI LI on her own behalf and on behalf
of TRACY LI PERSONAL REAL ESTATE
CORPORATION**

Dated 6 day of Nov, 2023

Schedule 1

Enhanced Supervision Conditions

- 1) Tracy Xiaomei Li and Tracy Li Personal Real Estate Corporation's (collectively, the "Licensee") licences will be restricted to a brokerage (the "Brokerage") acceptable to the Superintendent of Real Estate (the "Superintendent") of the BC Financial Services Authority ("BCFSA"), which at the date of these conditions is Pacific Evergreen Realty Ltd., for a period of not less than six (6) months (the "Enhanced Supervision Period").
- 2) During the Enhanced Supervision Period, the Licensee must remain under the direct supervision of [Individual 4], the managing broker of the Brokerage who is acceptable to the Superintendent, and who has confirmed in writing to the Superintendent that he has read these conditions, is aware of his duties under these conditions, and agrees to accept these duties (the "Managing Broker").
- 3) These conditions are in addition to the Licensee's and the Managing Broker's obligations under the *Real Estate Services Act* ("RESA"), and the Regulations and Rules made under the RESA (together, the "Legislation"). The Managing Broker may impose his own additional conditions to ensure that the Licensee meets her obligations under the Legislation.
- 4) The Licensee must keep the Managing Broker informed weekly, or more frequently as required, of the real estate services that she is providing and other real estate-related activities that she is engaging in by providing written status reports (the "Status Reports") to the Managing Broker that include, for each matter, as applicable:
 - a. the names of the principals and their agents;
 - b. the locations of the properties;
 - c. a description of services provided;
 - d. the status of the matter;
 - e. scheduled dates (e.g. closing dates and dates for waiver or satisfaction of conditions precedent);
 - f. funds paid and received; and
 - g. any other information relevant to the matter.
- 5) To ensure that the Licensee meets the Licensee's obligations under these conditions and the Legislation, the Managing Broker must meet with the Licensee on a weekly basis during the Enhanced Supervision Period to discuss the following:
 - a. the most recent Status Report;
 - b. any practice issues identified by the Managing Broker or the Licensee;
 - c. the appropriate course of action for addressing any identified practice issues and/or whether appropriate steps have been taken to address previously identified practice issues; and

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- d. confirm the Licensee's attendance at or completion of any educational or training opportunities recommended by the Managing Broker.
 - 6) The Licensee must consult with the Managing Broker in advance of taking any action on matters in respect of which there are questions or concerns regarding compliance with the Legislation, other applicable legislation, or the Brokerage's policies and procedures.
 - 7) In addition to providing the Brokerage with all records required under the Legislation, the Licensee must provide the Brokerage with all records created in connection with the provision of real estate services regardless of whether such records are associated with a specific transaction, including records of listing presentations, appraisals, comparative market analyses, correspondence, and referrals.
 - 8) The Licensee must obtain the Managing Broker's approval before presenting documents prepared by the Licensee to principals or their agents for execution.
 - 9) The Licensee must provide to the Managing Broker all documents signed by the Licensee's principals and the Managing Broker must review all such documents.
 - 10) The Managing Broker will provide a written report to BCFSa each quarter with the first delivered on the date three months from the commencement of these conditions (each, an "Interim Report") confirming in relation to that period (the "Reporting Period"):
 - a. that the Licensee has provided real estate services under their direct supervision;
 - b. that the Licensee's activities have been carried out competently and in compliance with these conditions, the Legislation, all other applicable legislation (to the best of the Managing Broker's knowledge having made reasonable inquiries), and in accordance with Brokerage's policies and procedures, or alternatively, providing details of non-compliance;
 - c. that they have reviewed all transactions in which the Licensee has provided real estate services, and that all documents relevant to the transactions are contained in the appropriate deal file and kept at the Brokerage;
 - d. that the Licensee has not conducted real estate services outside of the Brokerage and that any remuneration he has received for real estate services provided has been received only from the Brokerage;
 - e. they have met with the Licensee on a weekly basis to discuss the matters specified under these conditions; and
 - f. the number of real estate transactions that the Licensee has conducted and details regarding the principal(s), the agency offered, and any dealings with unrepresented parties.
 - 11) Each Interim Report will be reviewed by BCFSa, who will determine if the Licensee has been providing real estate services in accordance with the Legislation and these conditions during the Reporting Period and if not, will so advise the Managing Broker and the Licensee.
 - 12) Within 30 days before the end of the initial Enhanced Supervision Period or any continuation period, or within 14 days after the Managing Broker ceases to be the Managing Broker, whichever

- is earlier, the Managing Broker must provide a final report (the "Report") to BCFSa confirming in relation to the Enhanced Supervision Period or applicable continuation period, or during the period in which Managing Broker acted as Managing Broker under these conditions, as applicable:
- a. that the Licensee has provided real estate services under their direct supervision;
 - b. that the Licensee's activities have been carried out competently and in compliance with these conditions, the Legislation, all other applicable legislation (to the best of the Managing Broker's knowledge having made reasonable inquiries), and in accordance with Brokerage's policies and procedures, or alternatively, providing details of non-compliance;
 - c. that they have reviewed all transactions in which the Licensee has provided real estate services, and that all documents relevant to the transactions are contained in the appropriate deal file and kept at the Brokerage;
 - d. that the Licensee has only conducted real estate services through her Brokerage and any remuneration he has received for those real estate services has been through the Brokerage only;
 - e. they have met with the Licensee on a weekly basis to discuss the matters specified under these conditions; and
 - f. the number of real estate transactions that the Licensee has conducted and details regarding the principal(s), the agency offered, and any dealings with unrepresented parties.
- 13) The Report will be reviewed by BCFSa, who will determine if the Enhanced Supervision Period or any continuation period has provided an adequate opportunity for BCFSa to make a determination that the Licensee is providing real estate services in accordance with the Legislation and these conditions and if not, will so advise the Managing Broker and the Licensee and may continue the conditions for a continuation period.
- 14) The Managing Broker must immediately report to BCFSa anything of an adverse nature with respect to the Licensee's real estate services, including
- a. failure by the Licensee to observe these conditions, the requirements of the Legislation or all other applicable legislation; and
 - b. complaints received by the Brokerage, including the nature of the complaint, the parties involved, and how the complaint was resolved.
- 15) The Managing Broker must ensure that the Licensee receives adequate, appropriate and ongoing training with respect to their obligations under the Legislation and the Brokerage's policies and procedures.
- 16) If the Managing Broker is absent from the Brokerage:
- a. for more than one week but less than one month, the Managing Broker may delegate his duties to another managing broker or an associate broker who confirms his agreement to accept the supervision duties under these conditions to BCFSa in writing; or

- b. for more than one month, the Licensee must notify BCFSA immediately and approval from the Superintendent for a successor managing broker to supervise the Licensee must be sought as set out in paragraphs 1-2 of these conditions.
- 17) If for any reason the Managing Broker is unable to perform any of the duties imposed herein, he must immediately advise BCFSA.
- 18) If there is a change in the managing broker of the Brokerage, the former managing broker and the Licensee must immediately notify BCFSA in writing. If the Superintendent determines that the successor managing broker (the "Successor") is acceptable as a managing broker for the purposes of these conditions, the Successor will be provided with a copy of these conditions and will be asked to confirm in writing to the Superintendent that the Successor has read these conditions, is aware of the Successor's duties under these conditions, and agrees to accept these duties. If the Successor fails to provide such confirmation within 14 days of becoming a managing broker at the Brokerage, the Successor will be deemed to be unable or unwilling to perform the duties set out in these conditions.
- 19) Failure by the Licensee to adhere to one or more of the conditions may constitute professional misconduct and the Superintendent retains the discretion to investigate this and any other matter, including matters set out in the Interim and Final Reports reviewed by the Superintendent, pursuant to section 37 of the RESA.

I, acknowledge that I have received and read a copy of the above Enhanced Supervision Conditions and agree to the conditions as set out therein.

Acknowledged this 6 day of Nov, 2023

"Original signed by Tracy Li"

**Tracy Xiaomei Li on her own behalf and on behalf of
Tracy Li Personal Real Estate Corporation
Trading Representative, Pacific Evergreen Realty Ltd**

I, acknowledge that I have received and read a copy of the above Enhanced Supervision Conditions and agree to the supervision of the conditions as set out therein.

Acknowledged this _____ day of _____, 20__

Managing Broker, Pacific Evergreen Realty Ltd