

CITATION: Ellis (Re), 2024 BCSRE 22

Date: 2024-04-02

File # INC 24-5070

BC FINANCIAL SERVICES AUTHORITY

IN THE MATTER OF THE *REAL ESTATE SERVICES ACT*

SBC 2004, c 42 as amended

AND

IN THE MATTER OF

DONALD GEORGE ELLIS

(024868)

AND

PARAMOUNT REALTY LTD.

(X021144)

CONSENT ORDER

[This Order has been redacted before publication.]

RESPONDENTS: Donald George Ellis, Managing Broker, Paramount Realty Ltd.

Paramount Realty Ltd.

DATE OF CONSENT ORDER: April 2, 2024

COUNSEL: Abrisham Eshghi, Legal Counsel for the BC Financial Services Authority

PROCEEDINGS:

On April 2, 2024, 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 Donald George Ellis ("D. Ellis") on their own behalf and on behalf of Paramount Realty Ltd.

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by [D]. Ellis and Paramount Realty Ltd.

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that D. Ellis and Paramount Realty Ltd. committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* (“RESA”) and sections 75, 6(2)(b), 28(1)(a) and 28(1)(b) of the *Real Estate Services Rules* (the “Rules”), pursuant to section 43 of the RESA the Superintendent orders that:

1. D. Ellis and Paramount Realty Ltd. are jointly and severally to pay a discipline penalty to BCFSFA in the amount of \$20,000 if the Accountant’s Report is filed within 30 days of the date of this Order, payable on the date the Accountant’s Report is filed.
2. D. Ellis and Paramount Realty Ltd. are jointly and severally liable to pay enforcement expenses to BCFSFA in the amount of \$3,000, payable within 30 days of the date of this Order.
3. Paramount Realty Ltd’s. licence will be cancelled if it does not file its Accountant’s Report for the fiscal year ended December 31, 2022 within 30 days of the date of this Order.
4. D. Ellis’ licence will be cancelled if Paramount Realty Ltd. does not file its Accountant’s Report for the fiscal year ended December 31, 2022 within 30 days of the date of this Order. If D. Ellis’ licence is cancelled, D. Ellis shall be permitted to continue being licensed as an associate broker or representative.
5. If D. Ellis’ licence is cancelled, before D. Ellis is permitted to requalify as a managing broker, he must complete the Broker’s Licensing Course offered by the Real Estate Division at the Sauder School of Business at the University of British Columbia.

If D. Ellis and/or Paramount Realty Ltd. fails 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 2 day of April 2024 at the City of Victoria, 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*,
SBC 2004, c 42 as amended**

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IN THE MATTER OF

**DONALD GEORGE ELLIS
(024868)**

AND

**PARAMOUNT REALTY LTD.
(X021144)**

**CONSENT ORDER PROPOSAL BY DONALD GEORGE ELLIS
AND PARAMOUNT REALTY LTD.**

BACKGROUND AND FACTS

This Consent Order Proposal (the "Proposal") is made by Donald George Ellis ("D Ellis") and Paramount Realty Ltd. (the "Brokerage") 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, D Ellis, the Brokerage, and the Superintendent have agreed upon the following facts:

1. D Ellis (024868) was licensed as a managing broker in the trading and rental property management services categories between 1987 and 1992, and again since September 28, 2017. He was licensed as a representative in the same categories from 1981 to 1985 and associate broker from 1985 to 1987, and again between 1992 and 2017.
2. D Ellis was at all relevant times licensed as a managing broker with the Brokerage. He has been licensed as managing broker of the Brokerage since September 28, 2017. D Ellis has been the only licensee at the Brokerage since July 2019.
3. The Brokerage (X021144) has been licensed in trading services and rental property management since April 25, 1990.
4. The Brokerage's fiscal year end for the previous year was December 31, 2022.

5. Under section 75 of the *Real Estate Services Rules* (the “Rules”), the Brokerage must file its required review engagement financial statement, accountant’s report, and brokerage activity report (the “Accountant’s Report”) within 120 days after the end of each fiscal year, or by April 30, 2023.
6. On February 3, 2023, a notice was sent to D Ellis, through IRIS regarding two pending service requests concerning the 2022 Accountant’s Report filing. On April 24, 2023, another email reminder was sent via IRIS indicating that a Service Request was approaching its due date.
7. On May 12, 2023, [Auditor 1], Audit Specialist of BCFSA, sent D Ellis a letter advising that the 2022 Accountant’s Report had not been received, and that it had been due within 120 days of the Brokerage’s fiscal year end. [Auditor 1] also noted that disciplinary steps, including administrative penalties and disciplinary hearings could occur if the filing was not made by May 31, 2023.
8. On November 2, 2023, [Auditor 1] attempted to contact D Ellis but the phone number on file was out of service. On the same date, [Auditor 1] sent an email to D Ellis to notify the brokerage of the outstanding filing.
9. On November 3, 2023, D Ellis responded to [Auditor 1]’s email and advised that he was still active as managing broker and sole licensee and was trying to set up a different VOIP system without success. He also provided updated phone numbers.
10. On the same date, [Individual 1] (“[Individual 1]”) (unlicensed), the president of the Brokerage, also responded to [Auditor 1]’s email to advise that he failed to send to their bookkeeper the additional information requested and would provide an update the following Monday.
11. No further response was provided by D Ellis or [Individual 1].
12. On November 30, 2023, [Auditor 1] sent a follow-up email to D Ellis and [Individual 1] advising that the matter would be forwarded to the BCFSA’s legal department for further action.
13. On December 4, 2023, D Ellis sent an email to [Auditor 1] reiterating that efforts were underway to ensure the 2022 Accountant’s Report filing was completed.
14. To date, the Brokerage has not submitted its Accountant’s Report for the 2022 fiscal year to BCFSA.
15. A Notice of Discipline Hearing was issued on February 28, 2024, and served on D Ellis and the Brokerage.
16. On March 5, 2024, D Ellis confirmed service of the Notice of Discipline Hearing.

PROPOSED FINDINGS OF MISCONDUCT

For the sole purposes of the Proposal and based on the Facts outlined herein, D Ellis and the Brokerage propose the following findings of misconduct be made by the Superintendent:

1. The Brokerage committed professional misconduct within the meaning of section 35(1)(a) of the RESA by breaching the Rules, s 75 when it failed to file its required review engagement

financial statement, accountant's report, and brokerage activity report for the year ended December 31, 2022, by April 30, 2023; and

2. D Ellis, while the managing broker of the Brokerage, committed professional misconduct within the meaning of section 35(1)(a) of the RESA by breaching the RESA, s 6(2)(b) and Rules, s 28(1)(a) and (b) when he failed to ensure the Brokerage complied with the Rules in contravening the Rules, s 75 as alleged at paragraph 1.

PROPOSED ORDERS

Based on the facts herein and the Proposed Findings of Misconduct, D Ellis and the Brokerage 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:

1. D Ellis and the Brokerage be jointly and severally liable to pay a discipline penalty to BCFSa in the amount of \$20,000 if the 2022 Accountant's Report is filed within 30 days of the date of this Order, payable on the date the Accountant's Report is filed.
2. D Ellis and the Brokerage be jointly and severally liable to pay enforcement expenses to BCFSa in the amount of \$3,000, payable within 30 days of the date of this Order.
3. The Brokerage's licence be cancelled if it does not file its Accountant's Report for the fiscal year ended December 31, 2022 within 30 days of the date of this Order.
4. D Ellis' licence be cancelled if the Brokerage does not file its Accountant's Report for the fiscal year ended December 31, 2022 within 30 days of the date of this Order. If D Ellis' licence is cancelled, he shall be permitted to continue being licensed as an associate broker or representative.
5. If D Ellis' licence is cancelled, before he is permitted to requalify as a managing broker, he must complete the Broker's Licensing Course offered by the Real Estate Division at the Sauder School of Business at the University of British Columbia.
6. If either D Ellis or the Brokerage fails to comply with any of the terms of the Order set out above, the Superintendent may suspend or cancel their licence without further notice to them.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

1. D Ellis and the Brokerage 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. D Ellis and the Brokerage 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 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. D Ellis and the Brokerage 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. D Ellis and the Brokerage 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, D Ellis and the Brokerage will not make any public statement(s) inconsistent with the Proposal and its contents. Nothing in this section is intended to restrict D Ellis and the Brokerage from making full answer and defence to any civil or criminal proceeding(s).
6. D Ellis and the Brokerage acknowledge and are aware that the Superintendent is not bound to accept any application for relicensing or renewal of their licence. D Ellis and the Brokerage must always satisfy the Superintendent that they meet the requirements for a licence in section 10 of the RESA, and any Rules, regulations or other instruments made pursuant to the RESA.
7. The Proposal and its contents are made by D Ellis and the Brokerage 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 D Ellis and the Brokerage in any civil proceeding with respect to the matter.

"Original signed by Donald Ellis"

**DONALD GEORGE ELLIS, Managing Broker
for PARAMOUNT REALTY LTD**

Dated 27 day of MARCH, 2024

"Original signed by Donald Ellis"

**DONALD GEORGE ELLIS, Authorized
Signatory for PARAMOUNT REALTY LTD**

Dated 27 day of MARCH, 2024