

WHEREAS the Proposal, a copy of which is attached hereto, has been executed by Leo Luc Ronse, and Scott Andrew Strudwick, on his own behalf and on behalf of Scott Strudwick Personal Real Estate Corporation.

NOW THEREFORE, having made the findings proposed in the attached Proposal, and found that Leo Luc Ronse, Scott Andrew Strudwick and Scott Strudwick Personal Real Estate Corporation committed professional misconduct within the meaning of section 35(1)(a) of the *Real Estate Services Act* (“RESA”), pursuant to section 43 of the RESA the CORC orders that:

1. Leo Luc Ronse pay a discipline penalty to the Council in the amount of \$7,500 within ninety (90) days of the date of this Order.
2. Scott Andrew Strudwick and Scott Strudwick Personal Real Estate Corporation be jointly and severally liable to pay a discipline penalty to the Council in the amount of \$7,500 within ninety (90) days from the date of this Order;
3. Leo Luc Ronse and Scott Andrew Strudwick, at their own expense, each register for and successfully complete the course: REIC2600 Ethics in Business Practice, as provided by the Real Estate Institute of Canada in the time period as directed by the Council;
4. Leo Luc Ronse and Scott Andrew Strudwick, at their own expense, each register for and successfully complete the Real Estate Trading Services Remedial Education Course, as provided by Sauder School of Business at the University of British Columbia in the time period as directed by the Council; and
5. Leo Luc Ronse, Scott Andrew Strudwick and Scott Strudwick Personal Real Estate Corporation be jointly and severally liable to pay enforcement expenses to the Council in the amount of \$1,500 within sixty (60) days from the date of this Order.

If Len Luc Ronse, Scott Andrew Strudwick and/or Scott Strudwick Personal Real Estate Corporation fail to comply with any term of this Order, the Council 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 August, 2019, at the City of Vancouver, British Columbia.

ON BEHALF OF THE CONSENT ORDER REVIEW COMMITTEE

“Yasin Amlani”

Yasin Amlani
Consent Order Review Committee

Attch.

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

IN THE MATTER OF

**LEO LUC RONSE
(101788)**

AND

**SCOTT ANDREW STRUDWICK
(150985)**

AND

**SCOTT STRUDWICK PERSONAL REAL ESTATE CORPORATION
(150985PC)**

**CONSENT ORDER PROPOSAL BY LEO LUC RONSE, SCOTT ANDREW STRUDWICK
AND SCOTT STRUDWICK PERSONAL REAL ESTATE CORPORATION**

BACKGROUND AND FACTS

This Consent Order Proposal (the Proposal) is made by Leo Luc Ronse ("Mr. Ronse"), Scott Andrew Strudwick ("Mr. Strudwick") and Scott Strudwick Personal Real Estate Corporation ("SS PREC") to the Consent Order Review Committee ("CORC") of the Real Estate Council of British Columbia (the "Council") pursuant to section 41 of the *Real Estate Services Act* ("RESA").

For the purposes of the Proposal, Mr. Ronse, Mr. Strudwick on his own behalf and on behalf of SS PREC, and the Council have agreed upon the following facts:

1. Mr. Ronse (101788) has been licensed as a representative for trading services since 1996. He was previously licensed as a representative for trading services and for rental property management services between 1992 and 1993.
2. Mr. Ronse was at all relevant times licensed as a representative for trading services with Shewan Real Estate Ltd. dba Royal LePage - Wolstencroft (the "Brokerage").
3. Mr. Strudwick (150985) has been licensed as a representative for trading services since 2007.
4. Mr. Strudwick was at all relevant times licensed as a representative for trading services, also with the Brokerage.
5. Mr. Strudwick became licensed as SS PREC (150985PC) in 2016.

6. This matter arises out of a 2014 complaint to the Council from the buyers (the “Buyers”) of a property located on 39A Avenue in the Township of Langley (the “Township”), British Columbia (the “Property”).
7. Mr. Ronse and Mr. Strudwick worked together around 2013, but were not registered with the Council as a team.
8. On October 15, 2013, Mr. Ronse and Mr. Strudwick became the designated listing agents for the Property, under a Multiple Listing Contract with the seller of the Property (the “Seller”) of that same date.
9. Mr. Ronse and Mr. Strudwick had not acted for the Seller or listed the Property for sale before. However, they had previously acted for a different buyer (the “Former Client”), earlier in 2013, in a purchase transaction for the Property, then listed for \$429,000, that closed in February 2013.
10. As a result of their previous transaction involving the Property including showing, negotiating the price for, and presenting an offer to acquire the Property, each of Mr. Ronse and Mr. Strudwick was aware that the home on the Property had, at least earlier in 2013, needed substantial foundation repair, a new roof, and interior renovation. In fact, Mr. Strudwick used the “*tear down*” condition of the home on the Property in negotiating a lower sale price.
11. As the Former Client had intended to demolish the home on the Property, Messrs. Ronse and Strudwick were not instructed by the Former Client to make further investigations about the Property, its foundation, or to require a home inspection report.
12. The Former Client did not demolish the home. The Former Client assigned their contract of purchase of sale to the Seller.
13. The Seller did not demolish the home on the Property either. Messrs. Ronse and Strudwick’s marketing of the Property for the Seller described the home on the Property as “...*completely updated and modernized...*”
14. As co-listing designated agents for the Seller, each of Mr. Ronse and Mr. Strudwick was responsible for acting as the agent of the Seller and fulfilling the duties to the Seller set out in the RESA and the rules made under the RESA (the “Rules”) then in effect.
15. When listing the Property for sale, Mr. Ronse and Mr. Strudwick relied on verbal assurance from the Seller about renovations and repairs to the home on the Property, including its foundation. No Property Disclosure Statement for the Property was prepared by the Seller, as the Seller had not lived on the Property.
16. Mr. Ronse and Mr. Strudwick made some inquiries about the Property. They:
 - a. read an August 2013 letter from an engineering firm about alterations to the home on the Property (the “Engineering Firm Letter”);
 - b. reviewed a title search for the Property that had the following notation “Bylaw Contravention Notice, see XXXXX”; and

- c. phoned the Township to enquire about the notice on title for the Property, and Mr. Strudwick states he was advised on or about October 18, 2013, that a covered deck on the Property was built without a required permit.

17. However:

- a. the Engineering Firm Letter referred only to the adequacy of beams supporting the existing second floor wall and roof;
- b. neither Mr. Ronse nor Mr. Strudwick made further enquiries with the Township, or obtained confirmation in writing about the Bylaw contravention; and
- c. neither Mr. Ronse nor Mr. Strudwick made further inquiries about or obtained permit information respecting the renovations and updates to the Property they relied on in their marketing, or the foundation repair required, from the Township.

18. The Buyers made an offer for the Property in a Contract of Purchase and Sale dated October 21, 2013 (the "Contract"). The Contract was accepted on the same day or one day later. The Contract contained a completion date of November 13, 2013, a negotiated price of \$690,000, and among other things, was made subject to a home inspection and a title search.

19. The Buyers had a home inspection for the Property carried out. That home inspection did not note any concerns with respect to the structure of the home on the Property. However, the home inspection report observed that the home inspector could not access the crawl space to inspect the foundation, and that the garage on the Property should be evaluated by a structural engineer.

20. The Buyer's agent asked Mr. Strudwick about the Bylaw Contravention Notice on the title, and Mr. Strudwick disclosed by email, on October 24, 2013 or after the Contract was accepted, the information about the lack of a municipal permit for a covered deck on the Property, of which he was aware.

21. On October 29, 2013, the Buyer and the Seller agreed to an Addendum to the Contract that provided for a \$20,000 hold-back for the Seller to obtain the required municipal permit for the covered deck, and to make repairs identified in the home inspection report.

22. The listing, title search, and the home inspection of the Property each offered Messrs. Ronse and Strudwick the opportunity to adequately investigate and to disclose whether the Seller carried out renovations in 2013 with the appropriate municipal permits, and whether the substantial foundation repair needed to the home on the Property was made. Each of these issues was a *material latent defect*, as defined in the Rules, and known to Messrs. Ronse and Strudwick. Messrs. Ronse and Strudwick were required to disclose to all other parties to a trade in the Property, promptly and before any agreement for the acquisition or disposition of the real estate was entered into, any material latent defect including, but not limited to, the lack of a municipal permit for the covered deck.

23. After the sale of the Property completed, the Buyers experienced challenges with the home on the Property. The Buyers followed up with the Township and discovered:
 - a. In the summer of 2013, the Property was subject to Bylaw Notice Enforcement Tickets for construction without a required permit; and
 - b. In 1993, the Township passed a resolution relating to the subsiding foundations on the Property as follows: *“That the dwelling constructed on the property [...] is in contravention of the Building Bylaw in that it has been constructed on unsupervised fill material, and as a result of that condition is unlikely to be usable for its expected purpose during its normal lifetime [...]”*
24. Messrs. Ronse and Strudwick jointly earned a commission of about \$11,677.50 as the Seller’s agents.
25. In 2014, the Buyers commenced civil litigation in respect of the Seller, Messrs. Ronse and Strudwick, and others. The Council was informed that the litigation was resolved confidentially in about 2017.
26. A Notice of Discipline Hearing was issued on March 5, 2018, and served on Mr. Ronse.
27. A Notice of Discipline Hearing was issue on February 20, 2018, and served on Mr. Strudwick and SS PREC.
28. None of Messrs. Ronse and Strudwick, or SS PREC has a discipline history with the Council.
29. Although SS PREC was licensed after the relevant times to this Proposal, under section 10.9 of the *Real Estate Services Regulation*, a personal real estate corporation is subject to the same discipline proceedings and other regulatory enforcement as its controlling individual.

PROPOSED FINDINGS OF MISCONDUCT

For the sole purposes of the Proposal and based on the Facts outlined herein, Mr. Ronse, Mr. Strudwick and SS PREC propose the following findings of misconduct be made by the CORC:

1. Mr. Ronse committed professional misconduct within the meaning of section 35(1)(a) of the RESA, while acting as the listing agent in 2013 for a property located on 39A Avenue (the “Property”), in the Township of Langley (the “Township”), British Columbia, in that he knew the home on the Property needed foundation repair, and that his client (the “Seller”) renovated the home on the Property for sale, and he failed to:
 - a. disclose to the buyers of the Property (the “Buyers”), or their agents, that a covered deck on the Property was built without a required municipal permit, which he knew about on October 18, 2013 prior to accepting an offer from the Buyers on about October 21, 2013 contrary to section 5-13 of the Council Rules, then in effect (the “Rules”);
 - b. disclose to the Buyers, or their agents, at all, the foundation repair required on the home on the Property, which he knew about, contrary to section 5-13 of the Rules; and

- c. take reasonable steps to verify the Seller obtained the required municipal permits to repair the foundation of, and make renovations to, the home on the property or disclose the lack of permits. He relied on verbal assurance from the Seller despite knowing that the home on the Property required foundation repair; the Seller extensively renovated the home instead of tearing it down; there was a Bylaw Contravention Notice on the title to the Property; and the Seller constructed a covered deck on the Property without the required municipal permit, all contrary to the best interests of the Seller and lacking in reasonable care and skill, and to sections 3-3(a) and 3-4 of the Rules.
2. Mr. Strudwick and SS PREC committed professional misconduct within the meaning of section 35(1)(a) of the RESA while acting as the listing agent in 2013 for a property located on 39A Avenue (the "Property"), in the Township of Langley (the "Township"), British Columbia, in that he knew the home on the Property needed foundation repair, and that his client (the "Seller") renovated the home on the Property for sale, and he failed to:
 - a. disclose to the buyers of the Property (the "Buyers"), or their agents, that a covered deck on the Property was built without a required municipal permit, which he knew about on October 18, prior to accepting an offer from the Buyers on about October 21, contrary to section 5-13 of the Council Rules, then in effect (the "Rules");
 - b. disclose to the Buyers, or their agents, at all, the foundation repair required on the home on the Property, which he knew about, contrary to section 5-13 of the Rules; and
 - c. take reasonable steps to verify the Seller obtained the required municipal permits to repair the foundation of, and make renovations to, the home on the property or disclose the lack of permits. He relied on verbal assurance from the Seller despite knowing that the home on the Property required foundation repair; the Seller extensively renovated the home instead of tearing it down; there was a Bylaw Contravention Notice on the title to the Property; and the Seller constructed a covered deck on the Property without the required municipal permit, all contrary to the best interests of the Seller and lacking in reasonable care and skill, and to sections 3-3(a) and 3-4 of the Rules.

PROPOSED ORDERS

Based on the Facts herein and the Proposed Findings of Misconduct, Mr. Ronse, Mr. Strudwick and SS PREC propose that the Notice of Discipline Hearing in this matter be resolved through the following Orders being made by the CORC, pursuant to section 43 of the RESA:

1. Mr. Ronse pay a discipline penalty to the Council in the amount of \$7,500 within ninety (90) days of the date of this Order.
2. Mr. Strudwick and SS PREC jointly and severally pay a discipline penalty to the Council in the amount of \$7,500 within ninety (90) days of the date of this Order.
3. Mr. Ronse and Mr. Strudwick, at their own expense, each register for and successfully complete the course: REIC2600 Ethics in Business Practice, as provided by the Real Estate Institute of Canada in the time period as directed by the Council;
4. Mr. Ronse and Mr. Strudwick, at their own expense, each register for and successfully complete the Real Estate Trading Services Remedial Education Course as provided by the Real Estate

Division, Sauder School of Business at the University of British Columbia in the time period as directed by the Council.

5. Mr. Ronse, Mr. Strudwick and SS PREC jointly and severally pay enforcement expenses to Council in the amount of \$1,500 within sixty (60) days from the date of this Consent Order.
6. If any of Mr. Ronse, Mr. Strudwick or SS PREC fails to comply with any of the terms of this Order, a Discipline Committee may suspend or cancel Mr. Ronse, Mr. Strudwick or SS PREC's licence without further notice to any of Mr. Ronse, Mr. Strudwick or SS PREC.

ACKNOWLEDGEMENTS AND WAIVER OF APPEAL RIGHT

1. Messrs. Ronse and Strudwick and SS PREC acknowledge and understand that the Council may refer or decline to refer the Proposal to the CORC. If the Proposal is referred to the CORC, it may be accepted or rejected by the CORC. If the Proposal is rejected by the CORC, the matter may be referred to a disciplinary hearing.
2. Messrs. Ronse and Strudwick and SS 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 CORC; 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. Messrs. Ronse and Strudwick and SS PREC acknowledge and are aware that the Council will publish the Proposal and the Consent Order or summaries thereof in its Report from Council newsletter, on the Council's website, on CanLII, a website for legal research and in such other places and by such other means as the Council in its sole discretion deems appropriate.
4. Messrs. Ronse and Strudwick and SS PREC acknowledge and are aware that the Superintendent of Real Estate has the right, pursuant to section 54 of the RESA, to appeal any decision of the Council, including any Consent Order made by the Council in relation to this matter.
5. Messrs. Ronse and Strudwick and SS PREC hereby waive their right to appeal pursuant to section 54 of the RESA.
6. The Proposal and its contents are made by Messrs. Ronse and Strudwick and SS 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 Messrs. Ronse and Strudwick and SS PREC in any civil proceeding with respect to the matter.

"Leo Luc Ronse"

LEO LUC RONSE

Dated 23rd day of July, 2019

"Scott Andrew Strudwick"

**SCOTT ANDREW STRUDWICK on his own behalf
and on behalf of SCOTT STRUDWICK PERSONAL
REAL ESTATE CORPORATION**

Dated 23rd day of July, 2019