

The Register



August 2005

SREC On-Line

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Registrants, are you aware that simply by signing a contract agreeing to confidentiality issues, your broker can have the ability to access the brokerage's licensing and education information via the Internet thereby processing registrations with the brokerage immediately rather than sending the paperwork to the Commission office? Do you know that the real estate boards are relying on the "Public Inquiries" section of our website to determine the status of your license? If your broker was an on-line broker with the Commission, that information could be as immediate as the processing of it on a computer in your brokerage's office.

If you wish to search for a specific registrant, the names of brokerages in a particular centre in Saskatchewan or a list of brokerage offices in the province, all you have to do is enter our Internet address (www.srec.sk.ca) and on our home page click on the top menu item entitled "On-line Transactions". From the two drop-down items, simply choose "Public Inquiries".

Registrants and the public alike may access this information 365 – 24 – 7. If an individual or brokerage that you are searching for does not appear, try using wildcard characters as placeholders as the spelling of the name may vary. Please note that the Commission's website also contains all current real estate legislation and registration applications and information. If you have any questions, please visit our site and familiarize yourself with the material available to you.

Technology is changing the way we do business. More importantly, it is challenging all of us to expand our thinking and to explore new possibilities. Brokers, if you haven't already done so, you are invited to consider becoming a part of the ever-advancing technology and join us as an on-line broker.

The system is designed to offer the brokerage more autonomy and flexibility. We are here to answer any questions and assist you through the process of becoming an on-line brokerage.

We welcome comments that you have that could enhance the process for the benefit of all concerned and meet your office needs.

Mission Statement

To protect the public interest by ensuring that registrants act within a professional framework that promotes ethical conduct and integrity and strengthens consumer trust and confidence.

SREC Office Relocation

The Saskatchewan Real Estate Commission will be relocating its offices at the end of August.

However, please note that **effective immediately**, you may begin to use the following address:

237 Robin Crescent
Saskatoon, SK
S7L 6M8

Our fax number is: **306-373-2295**

Our telephone numbers will remain the same:

1-306-374-5233

1-877-700-5233

Our website address is: **www.srec.sk.ca** and we may be reached at the following e-mail addresses:

Al Jacobson	ajacobson@srec.sk.ca
Bonnie Bothner	bbothner@srec.sk.ca
Ed Miller	emiller@srec.sk.ca
Verna Olfert	info@srec.sk.ca
Jason Weiler	jweiler@srec.sk.ca

Associate Broker

Prior to July 1, 2005 the Saskatchewan Real Estate Commission researched its database and prepared a list of those individuals who qualified for the associate broker category of licensing. This category of registration allows those individuals who have achieved the educational qualifications for registration as a broker, but do not wish to act in the capacity of a broker, to be recognized for their additional educational qualifications.

In mid July, the Commission forwarded correspondence to those individuals that were identified providing them with a new Associate Broker Certificate of Registration. If you think you qualify for this category of licensing and have not received an amended certificate, please contact the Commission office at:

1-306-374-5233 or toll free at
1-877-700-5233

CPD Requirements

As part of registration renewal on June 30, 2006, **all registrants** are required to attend and successfully complete the *Real Estate Update* workshop between September 2005 and June 2006. Successful completion is given only for 100% attendance during the specific day of the workshop.

The workshops are held in ten different locations throughout the province, with a total of approximately 38 workshops being offered. The cost of the workshop is \$120.00/registrant. Class sizes are approximately 35 participants per workshop and are filled on a first come, first served basis.

The Saskatchewan Real Estate Association, the organization responsible for the administration and delivery of these workshops, forwarded a CPD information package to all registrants the last week of July. If you did not personally receive a package, please talk to your broker.

Merv Borgeson's Farewell

Merv Borgeson is retiring this summer. Merv has been the Executive Director of REIX (formerly the Alberta Real Estate Insurance Exchange) since its inception in 1991. He is also a past President of the Saskatchewan Real Estate Association and the Canadian Real Estate Association.

In order to commemorate Merv's years of dedication to this industry and to extend our best wishes in his retirement, the REIX Advisory Board welcomes you to attend his Retirement Farewell Reception Thursday August 25 in Calgary, Alberta.

There is a \$20 charge per person and registration is available online only. Due to the limited space, please register as soon as possible at www.eplyevents.com/merv

Commission Disciplinary Action

Levern Carriere – Salesperson (Sutton Group – Norland Realty) Saskatoon

Date of Decision: May 12, 2005

Disposition: Levern Carriere received a letter of reprimand; an order to pay a \$2,000 fine for violating Commission Bylaw 702; and a suspension of his Certificate of Registration from June 21, 2005 to July 4, 2005 inclusive.

Violation: Commission Bylaw 702 states: “A registrant shall protect and promote the interests of his or her client. This primary obligation does not relieve the registrant from the obligation of dealing fairly with all other parties to the transaction.”

Details: On June 25, 2003 Mr. Carriere completed, for a buyer, a conditional offer to purchase in the amount of \$260,000 with a \$5,000 deposit to be paid to the brokerage on or before June 26, 2003. The completion date on the contract was stated as July 18, 2003. On June 26, 2003 the buyer accepted the seller’s (a developer) counter offer on the newly built residence. The purchase price was agreed at \$267,500 with an approximate \$4,500 allowance for a fence and deck to be built into the purchase price. On June 26, 2003 after agreeing and accepting the seller’s counter offer, the buyer gave a \$5,000 cheque as a deposit on the transaction to Mr. Carriere, payable to Mr. Carriere’s brokerage and signed a removal of conditions form removing the deposit condition. The seller in this transaction was being represented by another brokerage.

On June 30, 2003 Mr. Carriere became aware that the buyers’ cheque was returned NSF. On July 3, 2003 Mr. Carriere obtained another \$5,000 cheque from the buyers to replace the NSF cheque. On July 10, 2003 Mr. Carriere was advised through the staff at his brokerage, that the second cheque had failed to clear the bank and was also returned NSF. On July 15, 2003 Mr. Carriere informed his broker that the original deposit cheque in this transaction and the second deposit cheque were both returned NSF from the bank. As Mr. Carriere had not notified the seller or the seller’s brokerage, he was instructed to do so immediately by his broker. By this time, the seller (the developer) had already complied with the requirement to add the deck and fence to the value of approximately \$4,500. On July 18, 2003 the buyers failed to complete the transaction and walked away from their obligation under the purchase contract. The property eventually sold on September 26, 2003 for a sale price of \$263,000 that amounted to a \$4,500 loss to the seller.

In handing down its decision, the hearing committee took into consideration that Mr. Carriere had previously been found in violation of professional misconduct of a similar nature and went on to say in the decision: “The handling of trust money is one of the most elemental tasks undertaken by a registrant. Consumers place significant trust in registrants that trust money will be handled properly and if there are problems that appropriate action will result. The holding of deposits by an independent third party is an important element to real estate transactions. If the deposit cheque is not held by the brokerage when it is represented that the brokerage does have the deposit in its trust account, consumers lose confidence in the real estate industry to complete real estate transactions. Mr. Carriere’s failure to notify, in a timely manner, the seller’s brokerage and the seller of the problem of the deposit cheque turned a small problem into a large problem.”

Judy Karle – Broker (Century 21 Country Connection Realty 2004 Corp.) Nipawin

Date of Decision: May 12, 2005

Disposition: Judy Karle received a letter of reprimand; an order to pay a \$500 fine for violating Section 58(4) of *The Real Estate Act*; and an order to pay a \$1,000 fine for violating Section 65(2)(d) of *The Real Estate Act*.

Violations: Section 58(4) of the Act states: “Where a registrant presents an offer mentioned in subsection (1) to a seller and the seller does not accept the offer; subsections (2) and (3) apply with respect to any amendment to the offer or counter offer, with any necessary modification.” Section 65(2)(d) of the Act states: “Where a brokerage or an associate of a brokerage directly or indirectly purchases or offers to purchase real estate or an interest in real estate, the brokerage or the associate, as the case may be, shall disclose to the seller, in writing, at the time of the offer: the amount, less any commission payable by the seller to the brokerage, that is being offered for real estate.”

Details: From 2003 through February 26, 2005, Century 21 Country Connection Realty (2004) Corp. and broker/owner, Judy Karle possessed seller’s brokerage contracts to market a \$275,000 residential property in Nipawin, Saskatchewan. On February 12, 2004 buyer #1 viewed the property with a representative from Century 21 Country Connection Realty (2004) Corp. Thereafter, buyer #1 ordered an appraisal on the property and on February 19, 2004 buyer #1 and the seller agreed to a \$210,000 Residential Contract of Purchase and Sale through representatives of Century 21 Country Connection Realty (2004) Corp. The contract required that buyer #1 remove all conditions on or before March 20, 2004. The property appraised at \$210,000. On or before March 19, 2004 buyer #1 removed all subject to conditions with the exception of suitable financing. On March 19, 2004 buyer #1’s representative presented an unsigned Amendment to the Residential

Contract of Purchase and Sale form to Judy Karle that asked the sellers to extend the financing condition to April 15, 2004. The representative communicated to Judy Karle that buyer #1 remained interested in the property and would write an unconditional offer if other buyers came forward. In error, Judy Karle presented the improperly completed mandatory amendment form to the sellers. The sellers granted no financing extension.

On March 21, 2004 Judy and Vern Karle and the sellers agreed to a \$190,000 Residential Contract of Purchase and Sale for the property. In preparing the mandatory Statement of Disclosure, Judy Karle erred in not disclosing to the sellers the amount of commission payable. Notwithstanding what each party may or may not have understood, the disclosure document stated that the sellers would net \$190,000. In actuality, the sellers netted \$190,000 (less \$8,700 commission plus the applicable taxes).

In handing down its decision, the Commission Hearing Panel stated that “when registrants trade in real estate on their own behalf, extra care must be taken to ensure that the interests of consumers are promoted and protected and that all facts of the transaction are clearly spelled out for the consumer so as to eliminate the possibility of the consumer feeling that he/she has been misled or are not aware of the complete nature of the agreement.” The Hearing Panel found that the commission disclosure failure was “more than a failure to complete the form properly, it was an overt action to alter the form.” The Hearing Panel noted that Judy Karle admitted her mistake, expressed remorse for her actions, co-operated with the Investigation Committee and Judy Karle had no previous sanction history with the Commission.

Commission Members

Phil Hoffort (North Battleford), Chairperson
 Larry Gingerich (Saskatoon,) Vice Chairperson
 Gary Cossette, Regina
 Cheryl Elliott, Prince Albert
 Richard Gibbons, North Battleford
 Phillip Mack, Regina
 Pat Stanley Beck, Saskatoon
 Randy Touet, Saskatoon
 Cameron Wilkes, Regina

Commission Staff

Al Jacobson, Acting Registrar
 Bonnie Bothner, Receptionist/Secretary
 Ed Miller, Investigator
 Verna Olfert, Administrative Assistant
 Jason Weiler, Programmer Analyst

E & O Insurance Premiums for Registrants Licensed in Saskatchewan & Alberta

REIX, the E & O Insurance provider for registrants in Saskatchewan also provides E & O Insurance for Alberta registrants. REIX would be pleased to answer any questions you may have relating to your coverage. REIX's toll free number is 1-877-462-7349.

The Saskatchewan registration process this year created an anomaly in the payment of premiums for some registrants. The registrants impacted are those who hold registration in both Saskatchewan and Alberta and have paid E & O premiums to both regulatory bodies. The Saskatchewan Real Estate Commission is in consultation with REIX to resolve this issue and develop policies for those registrants affected. To expedite the process, the Commission is asking for your co-operation. Please contact our office and let us know if you are licensed to trade in real estate in Saskatchewan and Alberta.

Legislative Amendments

Over the past several months, numerous legislative amendments have been made to *The Real Estate Act*, the regulations and the Commission Bylaws. An up-to-date version of these documents may be found at the Commission's website (www.srec.sk.ca). All registrants will also be receiving a copy of the Act and Bylaws (the two documents with the most substantive changes) through the 2005-2006 CPD seminar manual. If you have any questions about these changes, please feel free to contact a member of the Commission staff for clarification.

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 Saskatoon, Saskatchewan, S7L 6M8

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