

REAL ESTATE COUNCIL OF ALBERTA

NOTICE OF ADMINISTRATIVE PENALTY

To: CB Richard Ellis Alberta Limited

And To: David Forbes, Broker
c/o CB Richard Ellis Alberta Limited
500, 530 – 8th Ave. S.W.
Calgary, AB T2P 3S8

In accordance with s. 39 and s. 83 and the Bylaws of the *Real Estate Act*, R.S.A. 2000 c. R-5 (the "**Act**"), the Executive Director of the Real Estate Council of Alberta ("**RECA**") has determined that there is sufficient evidence of conduct deserving of sanction in regard to CB Richard Ellis Alberta Limited ("**CBRE**") to assess an Administrative Penalty. The evidence giving rise to the Executive Director's decision is as follows:

In or about December, 2000 or January, 2001, CBRE hired P.T. ('P.T. ') for the position of Property Manager. According to her letter of employment, P.T. responsibilities were as follows:

As a key member of the asset services team, you shall be responsible for the administration of a commercial portfolio in the metropolitan Edmonton region. Responsibilities include preparation and execution of building operating budgets, collection of arrears, approval of payables, working with operation staff in the performance of theirs' and your respective responsibilities, and the performance of other responsibilities related to the administration of the commercial real estate portfolio. You shall also assist in business development as reasonably required.

Between January, 2000 and May, 2003, P.T. traded in real estate when she provided property management services on behalf of CBRE, in relation to the Edmonton commercial portfolio. P.T. was actively involved in the lease renewal process for certain existing tenants, and she would collect rent arrears when required to do so. She provided these services notwithstanding that she did not hold the appropriate authorization for that purpose issued by RECA.

It was the responsibility of CBRE, as a brokerage licensed under the Act, to ensure and confirm that P.T. had obtained the appropriate authorization from RECA prior to employing her to trade in real estate.

The Executive Director believes this conduct is in contravention of Rule 20(f) made pursuant to the Act, which states:

20 A brokerage must

- (f) not employ a person to trade in real estate or deal in mortgages, as the case may be, unless that person meets the requirements of the Act, these Rules, and the Bylaws, and all levies, fees, premiums, fines, administrative penalties and other amounts that are payable under or pursuant to the Act, these Rules, or the Bylaws or under any predecessor enactments in respect of that person have been paid.

In accordance with s. 39 and s. 83 of the Act and Part 5 of the Bylaws of the Act, an Administrative Penalty in the amount of **\$1000.00** has been assessed against CBRE for its contravention of Rule 20(f). Payment of this Administrative Penalty shall be accepted by the Executive Director as complete satisfaction of the amount of the penalty and no further proceedings under Part 6 of the *Real Estate Act* will be taken against CBRE in respect of the contravention. A person who pays an Administrative Penalty may not be charged under this Act with an offence in respect of this contravention.

This sum is payable to the Real Estate Council of Alberta within thirty (30) days of the date of issuance of this Notice of Administrative Penalty. If CBRE fails to pay the amount set out in this notice, the Executive Director may commence legal action against it to recover the amount owing in respect of the Administrative Penalty as a debt due to the Real Estate Council of Alberta.

If CBRE disputes this Notice of Administrative Penalty in accordance with section 35 of the Bylaws, CBRE may appeal it to a Hearing Panel. CBRE will be given a full opportunity consistent with procedural fairness and natural justice to present evidence before the Hearing Panel and make representations in relation to the contravention.

If CBRE has any questions in regard to this Notice of Administrative Penalty, please contact Stephen Wheeler, RECA Legal Services, at the Real Estate Council of Alberta.

DATED this 16th day of December, 2005.

REAL ESTATE COUNCIL OF ALBERTA

Per: "Bob Myroniuk"
 Bob Myroniuk
 Executive Director