

IN THE MATTER OF The Real Estate Act, S.A. 1996, c.R- 4.5

AND IN THE MATTER OF Gurmit Dhah, Salesperson (Agent)  
registered with We/Sell Real Estate Inc. o/a Sutton Group North East  
Real Estate

INTRODUCTION

1. The Executive Director of the Real Estate Council of Alberta conducted an investigation into whether the conduct of Gurmit Dhah, salesperson (agent) registered with We/Sell Real Estate inc. o/a Sutton Group North East Real Estate (hereinafter Sutton Group North East Real Estate) is deserving of sanction and/or whether he breached the requirements of the Real Estate Act or the Rules prescribed pursuant thereto.
2. The Executive Director and Gurmit Dhah agree to resolve all matters against Gurmit Dhah on the terms and conditions set out herein.

AGREED STATEMENT OF FACTS

3. Gurmit Dhah has been registered as a salesperson with Sutton Group North East Real Estate since 1992.
4. In or around January or February, 1998, Gurmit Dhah met M.S. through a lawyer they both knew. M.S. wished to sell his property. 630052 Alberta Ltd., a company in which Mr. Dhah was the sole shareholder, offered to purchase M.S. property for \$155,200. M.S. informed himself of property values and on the basis of his own research entered into a Real Estate Purchase Contract with Mr. Dhah dated February 23, 1998 for the sale of his property to 630052 Alberta Ltd. for \$155,200. There was no listing contract and no agency relationship between M.S. and Mr. Dhah. Mr. Dhah made the required real estate salesperson's licensing status written disclosures. "A.D." "B.M."  
"A.D." "B.M." who was an acquaintance of Mr. Dhah (Mr. Dhah having reported S.H. in a real estate purchase in 1994)
5. S.H. contacted Mr. Dhah to act as his buyer's agent. He wished to sell his current home and purchase a larger property. In his buyer's agent capacity Mr. Dhah showed S.H. listed properties. Mr. Dhah then suggested that S.H. look at the M.S. property, which was not yet listed. He did not indicate that a company which he owned had recently offered to purchase the property from M.S. and led S.H. to believe that M.S. continued to own the property.
6. Mr. Dhah first showed S.H. the exterior of the M.S. property. To view the interior, Mr. Dhah made an appointment with M.S. in or around early May, 1998 and advised S.H. that during the appointment S.H. should pose as a carpet layer. S.H. agreed to do this because he believed he could get a better price on the property since it was not listed and no

commissions were payable. Mr. Dhah and S.H. proceeded to view the property together and led M.S. to believe S.H. was a carpet layer.

7. After the viewing, on May 14, 1998, Mr. Dhah agreed to purchase S.H.'s current property and a Real Estate Purchase contract was completed. Mr. Dhah purchased this property in his own name and not that of his corporation.  
"G.D." "B.B."
8. On May 15, 1998, S.H. agreed to purchase the M.S. property from 630052 Alberta Ltd. for \$178,500 and a Real Estate Purchase Contract was completed. Mr. Dhah did not make the necessary written real estate salesperson's licensing status and property interest disclosures.  
"G.D." "B.B."
9. In or around late May or early June 1998, M.S. held a garage sale which S.H. attended. At this time, S.H. learned that Mr. Dhah's company had purchased the M.S. property from M.S. and that the difference between Mr. Dhah's company's purchase price of the M.S. property from M.S. and the purchase price of this same property by S.H. from Mr. Dhah was \$23,000.
10. Mr. Dhah drafted all of the Real Estate Purchase Contracts in these transactions. In the M.S. to 630052 Alberta Ltd. contract, which was a private transaction with no commissions, Mr. Dhah used the AREA purchase contract and failed to delete inapplicable clauses including clause 9.4 (referring to Seller's agent and listing contract). In the S.H. to Dhah's company contract, Mr. Dhah used the AREA contract and failed to delete inapplicable clauses including clause 9.4; he permitted S.H. to execute the purchase contract when his wife owned the property and was shown as one of the contracting parties on the contract. In the 630052 Alberta Ltd. to S.H. contract, he used an AREA contract and did not delete inapplicable clauses 9.4, 2.18, 9.3, S.H. and R.H. were named as buyers but only S.H. executed the contract and no waivers were obtained in regard to two conditions on the offer.
11. By reason of the matters described herein, Gurmit Dhah's conduct is deserving of sanction in that:
  - (a) he gained access for a showing of the M.S. property to S.H. by representing to M.S. that S.H. was a carpet layer thereby intentionally misrepresenting the facts and deceiving M.S. This is conduct deserving of sanction.
  - (b) in the 630052 Alberta Ltd. to S.H. transaction, Mr. Dhah breached Rule 29(a)(i)(ii) in that he did not provide written disclosure of his licensing status and that he had an interest in the M.S. property as purchaser. This is conduct deserving of sanction.

- (c) in the 630052 Alberta Ltd. to S.H. transaction, Mr. Dhah breached Rule 27, by not disclosing in writing to M.S. the negotiations for the sale of the M.S. property to S.H. This is conduct deserving of sanction.
- (d) Mr. Dhah did not ensure his role in the transaction was clear to S.H., in that he did not indicate to S.H. that he firstly acted as buyers agent for S.H. He further did not indicate that this role ceased when he entered into the private transaction with S.H. for the sale of the M.S. property to S.H. This is conduct deserving of sanction.
- (e) Mr. Dhah was unprofessional and careless in his preparation and drafting of documentation in the above noted transactions. This is conduct deserving of sanction.

### **SETTLEMENT TERMS**

- 12. In settlement of these issues, Gurmit Dhah's authorization to trade in real estate as a real estate agent will be suspended from December 1, 1999 up to and including January 31, 2000 and he will pay a fine in the amount of \$5,500 immediately to the Real Estate Council of Alberta.
- 13. Gurmit Dhah agrees that as a condition of his authorization to trade in real estate, he will successfully complete the Ethics and Business Practice course offered by the Real Estate Institute of Canada course within 6 months of ratification of this Consent Agreement.
- 14. Costs of this matter are in the amount of \$1,500 and are payable immediately to the Real Estate Council of Alberta.
- 15. Gurmit Dhah acknowledges that he has been given an opportunity to seek the advice of legal counsel and acknowledges that he is agreeing to the terms of settlement of his own free will.
- 16. Gurmit Dhah is aware that a copy of the Consent Agreement will be placed on his file and may be reviewed and considered in any future disciplinary proceedings.
- 17. Gurmit Dhah is aware the Real Estate Council of Alberta may publish the contents of this Consent Agreement.
- 18. Gurmit Dhah hereby waives any rights he may have under the Act or otherwise to a review, hearing, appeal or other judicial proceeding involving the matter referred to herein.

19. These settlement terms, which are subject to the approval of the Hearing Panel, are intended to resolve all matters described herein as between the parties to this agreement. With the exception of the Real Estate Council of Alberta's rights to enforce the terms of this agreement, neither Gurmit Dhah nor the Executive Director will take any further steps in these matters including the initiation of any proceedings before the Real Estate Council of Alberta or the courts in respect of the matters set out herein.

**IN WITNESS WHEREOF** the undersigned agree and accept the terms and conditions of this settlement this 22 day of November, 1999.

Signed and delivered  
in the presence of

"B.B."

Witness to the signature  
of Gurmit Dhah

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)  
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)  
)

"Gurmit Dhah"

Gurmit Dhah

The Executive Director recommends to the Hearing Panel the proposed terms of settlement based on the Agreed Statement of Facts.

**Real Estate Council of Alberta**

"J.P."

Witness to the signature  
of Bob Myroniuk

Per: "Bob Myroniuk"

Bob Myroniuk  
Executive Director

Recommendation Approved  
Recommendation Denied

✓

DATED at the City of Calgary, in the Province of Alberta this 30th day of November, 1999.

**Real Estate Council of Alberta**

Per: "Graham Downey"

Hearing Panel Chairperson

## AFFIDAVIT OF EXECUTION

CANADA	)	I, <u>B.B.</u> of
	)	(name of witness),
PROVINCE OF ALBERTA	)	the City of Calgary in the Province of Alberta
	)	
TO WIT:	)	MAKE OATH AND SAY:

1. THAT I was personally present and did see **GURMIT DHAH** named in the annexed instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purpose named therein.
  
2. THAT the same was executed at the City of Calgary in the Province of Alberta, and that I am the subscribing witness thereto.
  
3. THAT I know the said party and he is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the City  
 of Calgary in the Province of  
 Alberta this 22 day of  
Nov, 1999.

"C.E."  
 \_\_\_\_\_  
 A Commissioner for Oaths in and  
 for the Province of Alberta

"B.B."

(signature of witness)