

IN THE MATTER OF The *Real Estate Act*, R.S.A. 2000 c. R-5

AND IN THE MATTER OF Nadia Glavonjic, then associate registered with Ranger Realty Company Ltd, currently registered with Re/Max Real Estate (Edmonton) Ltd O/A Re/Max Real Estate

INTRODUCTION

1. The Executive Director of the Real Estate Council of Alberta conducted an investigation into whether the conduct of Nadia Glavonjic, at all relevant times associate registered with Ranger Realty Company Ltd ("**Ranger Realty**") is deserving of sanction and/or whether she breached the requirements of the *Real Estate Act* (the "**Act**") or the Rules prescribed pursuant thereto (the "**Rules**").
2. The Executive Director and Nadia Glavonjic agree to resolve all matters against Nadia Glavonjic on the terms and conditions set out herein.

AGREED STATEMENT OF FACTS

3. Nadia Glavonjic ("**Glavonjic**") and her husband A.D. were both associates with Ranger Realty and worked together as a team.
4. On or around March 29, 2007, Glavonjic signed a Residential Real Estate Listing Contract with M.B. on behalf of Ranger Realty for 7308 Singer Way, Edmonton, Alberta (the "**Subject Property**").
5. E.K. and her daughter M.K. were previous clients of Glavonjic and A.D. Glavonjic knew they were interested in purchasing an investment property and she told them about the Subject Property. On April 15, 2007, Glavonjic showed E.K. and M.K. the Subject Property.
6. Glavonjic told the K's that the Subject Property was currently being leased by the builder and being used as a show home. She advised the K's that Subject Property would be a good investment because the builder would continue leasing the Subject Property until the end of the building development, which would help cover the expenses for one or two years.

7. The K's told Glavonjic that they were interested in the Subject Property, particularly because the lease with the builder was already in place. Glavonjic had acted in a Dual Agency role on a previous transaction with the K's so she explained to them that she was representing the seller for the Subject Property and this would be "the same situation" as when they bought their previous property.
8. Glavonjic did not obtain written consent of the parties to act as dual agent.
9. On May 11, 2007, Glavonjic prepared a Residential Real Estate Purchase Contract (the "**Purchase Contract**") for the Subject Property between M.B. and the K's. The purchase price was \$620,000 with an initial deposit of \$5,000 and an additional deposit of \$120,000.
10. In section 12 of the Purchase Contract, the representative listed for both the Buyers and the Seller is Nadia Glavonjic.
11. In section 8.1(e) of the Purchase Contract, under "Additional Buyer's Conditions" Glavonjic wrote the following:

To continue builder's lease with expenses paid.

In section 8.2, under "The Seller's Conditions" it states the following:

The buyer to except builder's leasing the place until the end of building development.

12. Glavonjic did not obtain a copy of the builder's lease and she was unaware of the terms of the lease, including how much the lease payments were for.
13. Glavonjic was scheduled for hip replacement surgery in July of 2007 so A.D. took over most of the handling of the file after the Purchase Contract was completed.
14. At some point prior to closing, the Buyers became aware that the builder was moving out and was not intending to continue the lease.
15. The Buyers met with their lawyer for the transaction A.J., as they were told by Glavonjic that he had the lease and they were concerned that the property was going to be vacant. A.J. advised them that there was no current lease and that he was never provided with a copy of the builder's lease at any point.
16. On August 16, 2007 the Buyers financing was secured and the transaction closed.

17. On August 23, 2007 the title for the Subject Property was transferred to the Buyers.
18. Sometime in early October the builder returned the keys for the Subject Property to M.B. On October 19, 2007 M.B. provided the keys to A.J.
19. On October 29, 2007 the Buyers picked up the keys to the Subject Property from A.J.'s office.
20. When Buyers received the keys to Subject Property there was no tenant in place.

CONCLUSION

21. By reason of the matters described herein, Glavonjic's conduct is deserving of sanction in that she:
 - (a) Failed to provide competent service, contrary to Rule 41(b) of the Rules:
 - Glavonjic drafted the Purchase Contract conditions in an unclear and ineffective manner. She failed to make continuation of the lease or at least a review of the terms of the lease by the Buyer a proper condition of the Purchase Contract (see paragraphs 11 and 12).
 - (b) Did not complete a written Dual Agency Agreement for the buyer and seller to sign prior to them entering into the transaction, contrary to Rule 59:
 - Glavonjic failed to have the Buyers and the Seller sign the Dual Agency Consent with respect to the Subject property prior to acting in a dual agency role (see paragraphs 7-9).
 - (c) Made representations or carried on conduct that was reckless or intentional and that misled or deceived any person or was likely to do so, contrary to Rule 42(a)
 - Glavonjic assured the Buyers that the lease with builder would continue for at least one or two years after they purchased the Subject Property. She assured the Buyers that the lease would cover the mortgage payments and expenses, despite the fact that she had not reviewed the lease and was unaware of the monthly payment amount.

Based on Glavonjic's representations, the Buyers believed that the builders lease was part of the Purchase Contract and would continue on after they took possession of the Subject Property (see paragraph 6, 11, and 12).

- Glavonjic told the Buyers that the lease was being taken care of by the lawyer. The lawyer was never provided with a copy of lease. Based on her representations, the Buyers thought that the lease was being handled by the lawyer and were unaware that property would be vacant upon possession (see paragraph 15).

SETTLEMENT TERMS

22. It is agreed that the following mitigating factors are relevant to the assessment of fines in this case:

- i. There is no disciplinary history for Ms. Glavonjic;
- ii. Ms. Glavonjic acknowledges that she made errors in her handling of the transaction and has expressed remorse for her conduct;
- iii. Ms. Glavonjic was dealing with personal and medical issues at the time of the transaction.

23. It is further agreed that the following aggravating factors are relevant to the assessment of fines in this case:

- i. The duties of competency and honesty are fundamental to maintaining the integrity of the real estate industry.

24. In settlement of the foregoing contraventions, it is agreed that the fines are as follows:

(a) Rule 41(b)	\$2,000
(b) Rule 59	\$1,500
(c) Rule 42(a)	\$2,000

Total	\$5,500
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25. Ms. Glavonjic also agrees to pay costs in the amount of **\$500.00**.

26. Ms. Glavonjic agrees to complete, within 6 months of the ratification of this Consent Agreement, the following units from Part 1 of the *Fundamentals*

of *Real Estate* course which is offered by the Real Estate Council of Alberta, or similar courses at the sole discretion of the Executive Director:

- i) Unit 5: Contract Law
- ii) Unit 4: Consumer Relationships

- 27. Ms. Glavonjic acknowledges that she has been given an opportunity to seek the advice of legal counsel and acknowledges that she is agreeing to the terms of settlement of his own free will.
- 28. Ms. Glavonjic is aware that a copy of this Consent Agreement will be placed on her file and may be reviewed and considered in any future disciplinary proceedings.
- 29. Ms. Glavonjic is aware that the Real Estate Council of Alberta may publish the contents of this Consent Agreement.
- 30. Ms. Glavonjic hereby waives any rights she may have under the *Real Estate Act* or other legislation or otherwise to a review, hearing, appeal, or other judicial proceeding involving the matter referred to herein.
- 31. These settlement terms are intended to resolve all matters described herein and, subject to the approval of the Hearing Panel, the Executive Director will take no further action under the *Real Estate Act* or before the courts in this regard.

IN WITNESS WHEREOF the undersigned agree and accept the terms and conditions of this settlement this 08 day of August, 2013.

Signed and delivered
in the presence of

S.P.
Witness to the signature
of Nadia Glavonjic

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Nadia Glavonjic

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**

S.P.

Witness to the signature
of Bob Myroniuk

Per: *Charles Stevenson*, for
Bob Myroniuk
Executive Director

Recommendation Approved X

Recommendation Denied _____

DATED at the City of _____, in the Province of Alberta this 10 day of August, 2013.

REAL ESTATE COUNCIL OF ALBERTA

Per: *Krista Bolton*
Hearing Panel Chairperson

Cc:
Ranger Realty Company Ltd
Re/Max Real Estate (Edmonton) Ltd.

AFFIDAVIT OF EXECUTION

CANADA)	I, <u>S.P.</u> of
)	
PROVINCE OF ALBERTA)	the City of Edmonton, in the Province of
Alberta)	
)	
TO WIT:)	MAKE OATH AND SAY:

1. THAT I was personally present and did see Nadia Glavonjic, 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 Nadia Glavonjic, in the Province of Alberta, and that I am the subscribing witness thereto.
3. THAT I know the said party and she is in my belief of the full age of eighteen years.

SWORN BEFORE ME at the City)	
of Edmonton, in the Province of)	
Alberta this 8 day of)	
August, 2013.)	
)	S.P.
)	(signature of witness)
)	
)	
G.B.)	
A Commissioner for Oaths in and)	
for the Province of Alberta)	