

REAL ESTATE COUNCIL OF ALBERTA

NOTICE OF ADMINISTRATIVE PENALTY

To: Lorne Stenseth , Broker
Stagecoach GMAC Real Estate Inc.
80 West Terrace Cres.
Cochrane, Alberta T4C 1R9 and
previously of 419287 Alberta Ltd. o/a
Re/Max West Real Estate

In accordance with s. 39 s. and 83 (previously 82) of the Real Estate Act and the Bylaws of the Real Estate Act, the Executive Director of the Real Estate Council of Alberta has determined that there is sufficient evidence of conduct deserving of sanction in regard to Lorne Stenseth, previous broker for 419287 Alberta Ltd. o/a Re/Max West Real Estate ("Re/Max West") and currently a broker with Stagecoach GMAC Real Estate Inc to assess an Administrative Penalty. The evidence giving rise to the Executive Director's decision is as follows:

On or about April 7, 2000, Lorne Stenseth was the broker for Re/Max West. On April 7, 2000 J.B. and W.B. ["the B.'s"]) completed "Status Change Forms" to leave the Brokerage of Seller Direct and join the Brokerage of Re/Max West. The Status Change forms were not sent to the Real Estate Council of Alberta and on April 8, 2000, both the B.'s traded on behalf of Re/Max West when they were not yet licensed with Re/Max West. Lorne Stenseth became aware that the B.'s had traded on behalf of Re/Max West prior to being registered with Re/Max West; however, Lorne Stenseth failed to take reasonable steps to deal with the conduct of the B.'s .

Lorne Stenseth advised an Investigator of the Real Estate Council of Alberta that he did not hire the agents for Re/Max West; he did not review the Re/Max West trade records; that he was not actively engaged with the daily operations of Re/Max West and he did not control of the daily activities of Re/Max West. The owner of the brokerage did all the daily operations of the Brokerage.

It was the responsibility of Lorne Stenseth to have been actively engaged in the management of the real estate brokerage with which he was registered. Lorne Stenseth failed to do so. The Executive Director therefore believes the conduct of Lorne Stenseth, then broker for Re/Max West was in contravention of Rule 21(1) (b) of the Rules made pursuant to the Real Estate Act and is conduct deserving of sanction. Rule 21(1) (b) states:

A broker must:

(b) must be actively engaged in the management of the real estate or mortgage brokerage with which the broker is registered.

In accordance with s. 39 and 83 (previously 82) of the Real Estate Act and Part 4 of the Bylaws of the Real Estate Act, an Administrative Penalty in the amount of **\$1000.00** has been assessed against Lorne Stenseth for this contravention. 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 you in respect of the contravention.

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

If you dispute this Notice of Administrative Penalty, in accordance with s. 35 of the bylaws, you may appeal it to a Hearing Panel. You 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 you have any questions in regard to this Notice of Administrative Penalty, please contact Jocelyne J. Caldwell, Assistant Legal Counsel, at the Real Estate Council of Alberta.

DATED this 29th day of **October, 2002**.

REAL ESTATE COUNCIL OF ALBERTA

Per: "Bob Myroniuk"
Bob Myroniuk
Executive Director