

THE REAL ESTATE COUNCIL OF ALBERTA

Case Number: 013858
Name on Licence: Gurpreet Singh Hayer
Licence Type & Class: Real Estate Associate
Brokerage Name on Licence: HR3 Alberta Inc. o/a Re/Max Crown
Process: Section 39 & 83 of the *Real Estate Act*

Document: ADMINISTRATIVE PENALTY
Penalty: \$3,000

Payment

This Penalty must be paid **within 30 days** of the date this Notice was issued.

If you fail to pay the Penalty the Registrar may commence collection under Part 6 of the *Real Estate Act* and may suspend your licence under section 38.1 of the Rules.

If you pay the Penalty

- You will have satisfied the Administrative Penalty and no further proceedings under Part 6 will be taken against you.
- You cannot be charged under the *Real Estate Act* with an offence for the contravention(s) in this Administrative Penalty.

TO: Gurpreet Singh Hayer

The Registrar of the Real Estate Council of Alberta (RECA) has determined there is sufficient evidence you have contravened **section 58(o) of the *Real Estate Act* Rules** and this is conduct deserving of sanction.

Rule 58 - *The basic obligations of a licensee who is in a sole agency relationship with a buyer are to:*

(o) assist the buyer in negotiating favorable terms and conditions with a seller and in preparing and complying with legally binding agreement of purchase and sale of the property

Particulars of the contravention(s):

1. In and around February 2022, you failed to assist your clients, [H.S] and [K.K], in negotiating favorable terms and conditions and in preparing and complying with legally binding agreement of purchase of the property contrary to section 58(o) of the *Real Estate Act* Rules:
 - a) In February 2022, [H.S] and [K.K] entered into an Exclusive Buyer Representation Agreement with you representing Re/Max Crown.
 - b) In February 2022, following your advice, your clients entered into an unconditional purchase agreement without financing in place. Your clients required financing. You failed to adequately inform your clients of the risks involved with the unconditional offer.
 - c) In March 2022, when your clients failed to obtain financing for the purchase of the property, you advised your clients to enter an amendment to extend the purchase contract closing date.
 - d) In advising your clients to accept the amendment as written, you failed to act with reasonable care and skill as the term was ambiguous regarding the fee for extending the offer. This exposed your clients to incurring a significant fee.
 - e) The evidence indicates that your failure to assist your clients in negotiating favorable conditions and adequately drafted amendments placed them at serious financial risk. This was contrary to Rule 58(o) of the legislation.

Aggravating Factors

- There is a need for general deterrence. Licensees must properly advise clients on how to negotiate and interpret amendments to purchase contracts. Licensees must ensure contract terms are sufficiently precise and descriptive.
- The misconduct exposed your clients to significant financial risk. Your clients misunderstood what an unconditional offer meant and were concerned and anxious with having to seek financing. Also, the ambiguous term could have been interpreted as a significant financial penalty for your clients.
- You have not accepted responsibility for the ambiguous contract term or for failing to educate your clients on the risks of making an unconditional offer.

Mitigating Factors

- While the buyers were unclear as to the actual cost of the purchase contract amendment, the purchase closed without further incident.

Appeal

You have the right to appeal this Administrative Penalty to a Hearing Panel. See **section 83.1 of the *Real Estate Act*** for what you must do to appeal.

In an appeal you will be given a full opportunity consistent with procedural fairness and natural justice to present evidence before the Hearing Panel in relation to the contraventions alleged.

Your written notice of appeal must comply with section 83.1 and must be received by the Registrar **within 30 days** of you receiving this Administrative Penalty.

If you appeal, payment of the Penalty will not be required until an order to pay a penalty is issued by the Hearing Panel. If you have any questions regarding particulars or the appeal process, please contact:

Name: [A.B], Investigator
Email: [EMAIL]
Phone: 403.228.2954; Toll Free: 1.888.425.2754
Fax: 403.228.3065
Address: Real Estate Council of Alberta
Suite 202, 1506 11 Avenue SW
Calgary, Alberta, T3C 0M9

Issued at Calgary, Alberta, on March 28, 2024.

"Signature"

Warren Martinson, Registrar
Real Estate Council of Alberta