

**IN THE MATTER OF A DISCIPLINE HEARING HELD PURSUANT TO THE
REAL ESTATE AND BUSINESS BROKERS ACT, 2002, S.O. 2002, c. 30, Sch. C**

BETWEEN:

REAL ESTATE COUNCIL OF ONTARIO

- AND -

PASQUA AMATI

DISCIPLINE DECISION AND REASONS FOR DECISION

Subject to Rule 4.02 of the Discipline and Appeals Committee Rules of Practice (*REBBA 2002*), I, the Chair of the Discipline Committee (*REBBA 2002*) have reviewed and considered the Agreed Statement of Facts and Penalty together with the Waiver of Hearing submitted by the Parties to this proceeding and provide the following Order:

FINDINGS: In violation of Sections 4, 5 and 21(1) of the *REBBA 2002* Code of Ethics.

ORDER: Fine of \$ 9,000.00 payable to RECO on or before four (4) months after the release of the decision date.

Successful completion of the RECO MCE: Compliance and Ethics in Real Estate, Parts 1 and 2 courses on or before four (4) months after the release of the decision date and provide proof of completion to RECO within 60 days of completion of the courses.

WRITTEN REASONS:

REASONS FOR DECISION

INTRODUCTION

This matter proceeded on the basis of an Agreed Statement of Facts and Penalty and Waiver of Hearing, pursuant to Rule 4.02 of the Rules of Practice (*REBBA 2002*).

The Agreed Statement of Facts and Penalty read:

AGREED STATEMENT OF FACTS AND PENALTY

It is agreed as follows:

1. At all relevant times, Pasqua Amati (“Amati”) was registered as a salesperson under the *Real Estate and Business Brokers Act, 2002* (“Act”).
2. At all relevant times, Amati was employed (as defined in the Act) at Brokerage A.
3. At all relevant times, Representative A was registered as a salesperson, under the Act and is also employed (as defined in the Act) at Brokerage A.
4. Although Individual A is the Complainant in this matter she filed the Complaint on behalf of Buyer A and Buyer B (the “Buyers”).
5. On or about February 8, 2022, Representative A, on behalf of Seller A and Seller B (the ‘sellers’), listed for sale on the local real estate board multiple listing service (‘MLS®’) a property located at 1-A Street, City A (the “Property”). Details of the MLS® Listing included:
 - a) List Price: \$2,750,000
 - b) Property Inspection Report available upon Request.
6. On or about February 16, 2022; the Buyers expressed interest to Amati about making an offer on the Property. Amati obtained the Property Inspection Report that was made available by the Sellers for the Buyers to review. Amati prepared an offer on behalf of the Buyers that included the following details:
 - a) Purchase Price: \$2,660,000
 - b) Completion Date: June 22, 2022
 - c) Schedule A to the agreement:

“The Buyer acknowledges that the home inspection report provided by a third party was ordered and obtained for the seller’s purpose. Neither the Sellers nor the Listing Brokerage makes any representation or warranties regarding the report or its content. Any reliance on this report is at the buyer’s risk. The Sellers and the Listing Brokerage recommend that the Buyer obtain an independent inspection from an accredited home inspection company”.
7. Following this offer made by the Buyers, the Sellers signed back the offer by amending the price and closing date to the following in the Offer:

- a) Purchase Price: \$2,646,000
 - b) Completion Date: March 30, 2022
8. The Agreement of Purchase and Sale (“APS”) for the Property was accepted by all parties on February 16, 2022.
 9. On March 30, 2022, the Property closed as scheduled. The Buyers took possession of the Property.
 10. On March 31, 2022, after closing, the Buyers contacted Amati regarding building permits for the Property. The Buyers were commencing renovations and/or work at the Property. Amati contacted Representative A regarding the Buyers’ inquiry and was told that no permits were available for the Property.
 11. On April 11, 2022, the Buyers had their own Home Inspection Report prepared for the Property identifying issues that were not disclosed by the Sellers prior to the acceptance of the APS.
 12. On May 11, 2022, an Order to Comply (“Order”) (assessment by qualified engineers; seek permits for work previously completed; pass inspection) was issued by the City A regarding the “*extensive interior and exterior renovations that occurred without the benefit of the required Building, Drain, Plumbing or HVAC Permits*”.
 13. The Buyers indicated that they were not informed of the Property not having the required permits available that would have been required to carry out the renovation(s) within the Property. The Buyers have incurred out-of-pocket costs to correct the deficiencies that the City A identified at the Property.
 14. Amati did not provide advice to their Buyers to include any warranties and/or inspection clauses that would protect their interest in case the renovations at the Property were carried out negligently and/or incorrectly.

SUMMARY OF AGREEMENTS

It is agreed that Amati failed to comply with the Code of Ethics (O. Reg. 580/05) as follows:

- A. Amati failed and/or neglected to take reasonable steps to determine the material facts and appropriately advise their Buyers about issues which could impact the Property regarding the renovations that were carried out by the Sellers, contrary to sections 4, 5 and 21(1) of the Code of Ethics.

It is agreed that Amati failed to comply with the following sections of the Code of Ethics:

Best interests

4. A registrant shall promote and protect the best interests of the registrant's client.

Conscientious and competent service, etc.

5. A registrant shall provide conscientious service to the registrant's clients and customers and shall demonstrate reasonable knowledge, skill, judgment and competence in providing those services.

Material facts

21. (1) A broker or salesperson who has a client in respect of the acquisition or disposition of a particular interest in real estate shall take reasonable steps to determine the material facts relating to the acquisition or disposition and, at the earliest practicable opportunity, shall disclose the material facts to the client.

AGREED PENALTY

A) The Respondent understands and agrees to the following penalty:

To pay a fine of **\$9,000.00** on or before 4 months after the release of the decision date and to successfully complete the following courses or programs by the identified completion date:

Course Title (Provider)	Completion date
RECO MCE Compliance and Ethics in Real Estate - Parts 1 & 2	On or before 4 months after the release of the decision date

To provide proof of completion to RECO within 60 days of completion of the courses.

Respondent acknowledgements:

1. I acknowledge that I have read and understand the penalty outlined herein and agree to the said terms and/or conditions.
2. I acknowledge my right to seek legal counsel in this matter before signing this agreement.
3. I agree, understand, acknowledge and consent to waiving my right to a hearing before the Discipline Committee.

Waiver of hearing before the Discipline Committee:

4. The parties consent to disposing of the matter without a hearing before the Discipline Committee and agree to the terms set out herein.
5. The parties request an Order from the Chair of the Discipline Committee that includes this Agreement of Facts and Penalty as a final settlement of this matter.

By signature below the Parties agree, acknowledge, understand and consent to the final settlement of this matter by way of this Agreed Statement of Facts and Penalty.

[The Agreed Statement was duly signed by the Parties.]

DECISION OF THE CHAIR

Having reviewed and considered the Agreed Statement of Facts, the Chair of the Discipline Committee (*REBBA 2002*) concluded that the Respondent breached Sections 4, 5 and 21(1) of the *REBBA 2002* Code of Ethics. The Chair of the Discipline Committee (*REBBA 2002*) is also in agreement with the joint submission of the Parties as to penalty and accordingly makes the following order:

1. PASQUA AMATI is Ordered a Fine of \$9,000.00 payable to RECO on or before four (4) months after the release of the Decision date.

2. PASQUA AMATI is Ordered to successfully complete RECO MCE Compliance and Ethics in Real Estate, Part 1 and Part 2 courses on or before four (4) months after the release of the Decision date, and to provide proof of completion to RECO within 60 days of completion of the courses.

[Released: May 14, 2024]