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 -

SAMIR KUMAR ARORA (registered as SAMIR ARORA)

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 3 and 35 of the *REBBA 2002* Code of Ethics.

ORDER: Fine of $ 12,500.00 payable to RECO on or before May 15, 2025, with at least $2,000.00 of the total fine amount to be paid on or before July 15, 2024.

Successful completion of the Real Estate Institute of Canada (REIC) “REIC 2600: Ethics in Business Practice” course not later than six (6) months after the date of the Decision of the Discipline Committee and provide RECO with confirmation of successful completion within 60 days of completion of the course.

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, Samir Arora ("Arora") was registered as a broker under the *Real Estate and Business Brokers Act, 2002* ("Act").

2. Al all relevant limes, Arora was employed at Brokerage A.

3. At all relevant times, Seller A, Seller B and Seller C (collectively the "Sellers") were the homeowners and sellers of the subject property located at 1-A Street, Unit 2222, City A (the "Property").

4. At all relevant times, Representative A ("Seller Representative") was a salesperson with Brokerage B.

5. On or about February 25, 2022, the Sellers entered into a representation agreement with Brokerage B, with Representative A as the Seller Representative.

6. On or about March 1, 2022, the Property was originally listed on the local real estate board Multiple Listing Service ("MLS") as MLS Listing A1111111 ("First MLS Listing").

7. On or about March 3, 2022, Arora submitted an offer on their own behalf for the Property for $900,000 with a $45,000 deposit. Arora's offer was an unconditional offer, notably including no conditions for financing.

8. On or about March 3, 2022, the Sellers accepted Arora's offer. The completion date for the transaction was May 18, 2022.

9. On or about March 15, 2022, the Seller Representative sent a text message to Arora requesting Arora to correctly complete the Disclosure of Interest document submitted with the offer paperwork.

10. Arora agreed to send the corrected Disclosure of Interest form that day.

11. On or about May 11, 2022, the Seller Representative sent a text message to Arora to confirm Arora's legal representative for the transaction. Arora had previously stated that Lawyer A was going to be his legal representative, but Lawyer A's office stated that they were not acting for Arora in the subject transaction.

12. Later, on or about May 17, 2022, Arora called the Seller Representative and confirmed that Lawyer A was Arora's lawyer for the transaction. During the conversation, Arora stated an appraiser needed to go to the Property on May 18, 2022, as Arora was having difficulties securing financing and required an appraisal of the Property in order to obtain financing.

13. On or about May 18, 2022, the original closing date, Arora continued to confirm that the transaction would close as scheduled. After several calls and emails between the Seller Representative and Arora, wherein Arora confirmed that the transaction would close, the transaction failed to close.

14. During this period, the Sellers had purchased a new property with a closing date of May 18, 2022. Due to the failure to close the Property on the agreed date of May 18, 2022, the Sellers had to request an extension to close on the new property and were required to pay an additional deposit.

15. On or about May 19, 2022, the Sellers' lawyer sent an email to Arora's lawyer outlining the Sellers' terms and conditions, including the deadline of May 25, 2022, for an extension to close the transaction.

16. Later, on or about May 19, 2022, once Arora was made aware of the costs and penalties that the Sellers were seeking from Arora for Arora's failure to close on time, Arora called the Seller Representative. The Seller Representative alleged that Arora's behaviour was inappropriate during the phone call.

17. On or about May 20, 2022, the Seller Representative contacted Arora as Arora's lawyer had failed to respond to the Sellers' lawyer. Arora claimed that all of the requested documents were signed and that the transaction would close on May 25, 2022.

18. On or about May 24, 2022, the Sellers' lawyer had still not received the requested documents from Arora's lawyer. As the Sellers were uncertain that Arora would close the transaction, the Sellers began the process of obtaining a mortgage to close on their new property.

19. On or about May 24, 2022, Arora's lawyer contacted the Sellers' lawyer to advise that Arora had obtained the mortgage commitment, and that the transaction would close on May 25, 2022.

20. On or about May 25, 2022, the revised closing date, the Sellers' lawyer requested the Seller Representative contact Arora as Arora's lawyer failed to respond about the closing. The transaction did not close.

21. On or about May 30, 2022, the Sellers' lawyer advised Arora's lawyer that the Agreement of Purchase and Sale had been terminated and the Property was to be re-listed for sale.

22. On or about May 31, 2022, the Sellers' lawyer notified the Seller Representative to proceed with the re-listing of the Property as Arora had breached the Agreement of Purchase and Sale and the agreement had been terminated. The Property was re-listed as MLS Listing B2222222 ("Second MLS Listing").

23. On or about June 5, 2022, Arora contacted the Seller Representative and advised that there was still interest in the Property and that the funds were now arranged. The listing brokerage, Brokerage B, advised Arora to have Arora's lawyer communicate directly with the Sellers' lawyer.

24. On or about June 6, 2022, the Sellers accepted an offer of $838,000 from new buyers (the "New Offer").

25. On or about June 10, 2022, at approximately 4:30 p.m., Arora responded to the new buyer's representative, stating that the new buyers could not move forward with the transaction and that Arora would pursue legal action against the new buyers.

26. On or about June 10, 2022, the Sellers' lawyer emailed Arora's lawyer specifying that Arora was to stop communicating with the Seller Representative and the new buyer's representative.

SUMMARY OF AGREEMENTS

It is agreed that Arora failed to comply with the Code of Ethics (0. Reg. 580/05) as follows:

A. Arora neglected to maintain fair and honest communication with other registrants during a trade in real estate, contrary to Section 3 of the Code of Ethics.

B. Arora failed to demonstrate financial responsibility in the course of business contrary to Section 35 of the Code of Ethics.

It is agreed that Arora failed to comply with the following sections of the Code of Ethics (0. Reg. 580/05):

Fairness, honesty, etc.

3. A registrant shall treat every person the registrant deals with in the course of a trade in real estate fairly, honestly and with integrity.

Financial responsibility

35. A registrant shall be financially responsible in the conduct of business.

AGREED PENALTY

The Respondent understands and agrees to the following penalty:

To pay a fine in the total amount of **$12,500.00** on or before **May 15, 2025, with at least $2,000.00** of the total fine amount to be paid on or before **July 15, 2024.**

To successfully complete the following courses or programs by the identified completion date:

Course Title (Provider)	Completion date
REIC Ethics 2600	Not later than 6 months after the date of the Decision of the Discipline Committee on this matter.

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

Respondent acknowledgments:

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 3 and 35 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. SAMIR KUMAR ARORA (registered as SAMIR ARORA) is Ordered a Fine of $12,500.00 payable to RECO on or before May 15, 2025, with at least $2,000.00 of the total fine amount to be paid on or before July 15, 2024.

2. SAMIR KUMAR ARORA (registered as SAMIR ARORA) is Ordered to successfully complete the Real Estate Institute of Canada (REIC) “REIC 2600: Ethics in Business Practice” course not later than six (6) months after the date of the Decision of the Discipline Committee on this matter, and to provide proof of completion to RECO within 60 days of completion of the course.

[Released: May 27, 2024]