

IN THE MATTER OF THE REAL ESTATE SERVICES ACT

- AND -

STANDARD ENTERPRISES LTD.

-AND-

SAMUEL SEN SAM LEUNG

-AND-

CAROLINE CHING HING LEUNG

-AND-

HENRY SEN KWAN LEUNG

-AND-

KAY LEUNG

-AND-

JOANNA SULK SAN LEUNG

**ORDERS UNDER SECTIONS 51 AND 49 OF
THE REAL ESTATE SERVICES ACT**

UPON REVIEWING the submissions and exhibits contained in the Investigation Report prepared by the staff of the Superintendent of Real Estate, I am of the opinion that:

1. On January 14, 2008, the Office of the Superintendent of Real Estate (the "Superintendent") received a complaint that Standard Enterprises Ltd. ("Standard") was providing rental property management services without being licensed under the *Real Estate Services Act*, S.B.C. 2004, c.42 ("RESA").
2. Standard was registered as a company in the Province of British Columbia on August 10, 2004. The registered and records office for Standard is 19th Floor – 1040 West Georgia St., Vancouver, BC. Standard's directors are:
 - (a) Samuel Sam Sen Leung ("Sam Leung");
 - (b) Caroline Ching Hing Leung ("C. Leung");
 - (c) Kay Leung ("K. Leung");

- (d) Joanna Suk Sen Leung (“J. Leung”); and
 - (e) Henry Sen Kwan Leung (“H. Leung”).
3. The Real Estate Council of British Columbia (the “Council”) has confirmed that Standard, Sam Leung, C. Leung, K. Leung, J. Leung and H. Leung are not licensed to provide real services in the Province of British Columbia.
4. Section 1 of *RESA* provides the following definitions:

“providing”, in relation to real estate services, includes

- (a) offering to provide such services,
- (b) holding oneself out as a person who provides such services, or
- (c) soliciting for the purposes of the provision of such services;

“real estate” means

- (a) real property,
- (b) regardless of whether it is or is not an interest in real property, a cooperative interest, shared interest in land or time share interest, as these are defined in the Real Estate Development Marketing Act, and
- (c) a right in relation to real property that is defined by regulation to be real estate,

but does not include a right in relation to real property that is excluded by regulation;

“real estate services” means

- (a) rental property management services,
- (b) strata management services, or
- (c) trading services;

“remuneration” includes any form of remuneration, including a commission, fee, gain or reward, whether the remuneration is received, or is to be received, directly or indirectly;

“rental property management services” means any of the following services provided to or on behalf of an owner of rental real estate:

- (a) trading services in relation to the rental of the real estate;
- (b) collecting rents or security deposits for the use of the real estate;
- (c) managing the real estate on behalf of the owner by
 - (i) making payments to third parties,
 - (ii) negotiating or entering into contracts,
 - (iii) supervising employees or contractors hired or engaged by the owner, or
 - (iv) managing landlord and tenant matters

but does not include an activity excluded by regulation;

“rental real estate” means real estate that is or is intended to be rented or leased;

“trading services” means any of the following services provided to or on behalf of a party to a trade in real estate:

- (a) advising on the appropriate price for the real estate;
- (b) making representations about the real estate;
- (c) finding the real estate for a party to acquire;
- (d) finding a party to acquire the real estate;
- (e) showing the real estate;
- (f) negotiating the price of the real estate or the terms of the trade in real estate;
- (g) presenting offers to dispose of or acquire the real estate;
- (h) receiving deposit money paid in respect of the real estate

but does not include an activity excluded by regulation;

5. Section 3(1) of *RESA* states as follows:

Requirement for licence to provide real estate services

3(1) A person must not provide real estate services to or on behalf of another, for or in expectation of remuneration, unless the person is

- (a) licensed under this Part to provide those services, or
- (b) exempted by subsection (3) of the regulations from the requirement to be licensed under this Part in relation to the provision of those real estate services.

6. The complaint against Standard alleged that an advertising circular had been distributed to an apartment building in Richmond, BC on Standard's letterhead. The advertising circular contained the following information about "Standard Enterprises Ltd. – Property Rental Agency":

- (a) "Our company specializes in single unit rentals (Condos, townhouses, duplexes and single family houses)"
- (b) "Over 20 years of rental experience in metro Vancouver area..."
- (c) "Low commissions; fees are only collected after units are tenanted"
- (d) "Services include tenant screening, attend Residential Tenancy Office (RTO) hearings and arbitrations; service notices, and order property repairs and conduct inspections"
- (e) "Let us rent your properties and manage your tenants professionally."

7. The advertising circular contained the following contact information:

- (a) "Call Sam at (604) 808-4908"
- (b) email at rent@standardenterprises.ca
- (c) mailing address of 474 East Columbia Street, New Westminster, with a phone number of 604.535.5303 and fax number of 604.525.5315.

8. The domain name "standardenterprises.ca" is registered to Standard Enterprises Ltd. with the administrative contact listed as "Sam Leung".
9. On September 25, 2008, a member of the Superintendent's staff (the "Staff") sent a pretext email to rent@standardenterprises.ca, advising that he had an apartment in the Richmond area and was looking for rental property management services.
10. On September 29, 2008, Staff received a response from "Sam Leung" of "Standard Enterprises Ltd." which read, in part, as follows:

"Thank you for your interest in our company and services.

We have been in the property rental business since 1980. Our compensation is 8% of monthly rental income.

We have 5 employees in our company..."

11. Attached to the September 29, 2008 from Sam Leung was a document entitled "about us" which contained the following additional information about Standard:

- (a) Under the heading "Corporate Profile" the following information was included:

"Standard Enterprises Ltd. is a property rental and property maintenance agency with more than 20 years experience in the greater Vancouver area. Our portfolio includes all types of residential units from multi-unit buildings to single detached homes. Since 1980, we have managed over 200 residential units, including four multi-unit buildings consisting of 91 units and 16 units in a downtown Vancouver Coal Harbour high rise. Currently we continue to manage over 100 residential units. Our philosophy is to resolve our tenants' and clients' concerns in an efficient cost-effective manner. Our objective is to give our customers the highest quality service to ensure their property and home is well managed and maintained at all times..."

- (b) Under the heading "Property Rental Program" the following information was provided:

"Our compensation:

- 8% of monthly rental income

This includes:

- Finding, screening and recommending new tenants
- Collection of rent
- Serving notices of eviction and other notices
- Conducting regular inspections of the property
- Preparing 'in and out of premises' inspection
- Attendance at the Residential Tenancy Branch hearings as required

- Receiving and ordering repairs to the property as required and obtaining approvals for maintenance expenditures

All property repair costs are paid by the owner. We will always provide a quotation and consult with the owner regarding maintenance and repairs.

We will inspect, photograph, and document property condition, including a complete list of appliances and fixtures.

We deposit all income, less the management fee, on a monthly basis so all funds are submitted by the 15th of every month.”

AND WHEREAS I find that:

1. Neither Standard, Sam Leung, C. Leung, K. Leung, J. Leung nor H. Leung are licensed under *RESA* to provide real estate services within the province of British Columbia. A license is required pursuant to section 3 of *RESA* for a person to provide real estate services to or on behalf of another.
2. Standard Enterprises Ltd., Sam Leung, C. Leung, K. Leung, J. Leung and/or H. Leung are actively engaged in providing real estate services to or on behalf of others for or in expectation of remuneration.
3. Neither Standard, Sam Leung, C. Leung, K. Leung, J. Leung nor H. Leung are exempted from the requirement to be licensed by subsection 3(3) of *RESA*, nor are they exempted from the requirement to be licensed by the Regulations.
4. Standard, Sam Leung, C. Leung, K. Leung, J. Leung and/or H. Leung are engaging in real estate services for which a license under *RESA* is required, although neither of them have the required license.

I THEREFORE CONSIDER THAT Standard, Sam Leung, C. Leung, K. Leung, J. Leung and H. Leung are conducting themselves in a manner that would enable me to make an order under section 49 of *RESA*.

I FURTHER CONSIDER that the length of time that would be required to hold a hearing in order to make an order under section 49 of *RESA* would be detrimental to the public interest. A hearing would likely take at least six months to prepare for and conduct. Standard, Sam Leung, C. Leung, K. Leung, J. Leung and H. Leung are presently conducting unlicensed activity without any supervision from a licensed person.

I AM FURTHER OF THE OPINION that it is in the public interest to make a summary order under section 51 of *RESA* so that the public is protected against further non-compliance with *RESA*.

I THEREFORE ORDER, pursuant to sections 51(2)(a) and 49(2)(a) of *RESA*, that Standard, Sam Leung, C. Leung, K. Leung, J. Leung and H. Leung:

Cease and desist conducting, directly or indirectly, real estate services including rental property management services, in British Columbia, effective immediately.

TAKE NOTICE that Standard, Sam Leung, C. Leung, K. Leung, J. Leung and/or H. Leung, may appeal this Order to the Financial Services Tribunal under section 54(1)(e) of *RESA*, or require a hearing before the Superintendent under sections 51(3) and 45(6) of *RESA*.

Dated at the City of Surrey, in the Province of British Columbia this 15th day of October, 2008.



L. Jay Mitchell
Acting Superintendent of Real Estate
Province of British Columbia

TO: Standard Enterprises Ltd.
19th Floor – 1040 West Georgia St.
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Samuel Sam Sen Leung



-and-



Caroline Ching Hing Leung

[REDACTED]

Henry Sen Kwan Leung

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Kay Leung

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