

**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 -

GEORGIA RAYNE CARROL

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 2(1), 4, 5, 13, 30, 36(3) and 39 of the *REBBA 2002* Code of Ethics.

ORDER: Fine of \$ 25,000.00 payable to RECO not later than 365 days after the date of the Decision of the Discipline Committee on this matter, with at least \$5,000.00 being payable within 60 days after the date of the Decision of the Discipline Committee on this matter.

Successful completion of the Real Estate Institute of Canada (REIC) "REIC 2600: Ethics in Business Practice" course not later than 90 days 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, Georgia Carrol ("**Carrol**") was registered as a salesperson under the *Real Estate and Business Brokers Act, 2002* ("**Act**").
2. At all relevant times, Carrol was employed at Brokerage A.
3. At all relevant times, Individual A ("**Complainant**"), was represented by Carrol and was seeking tenants for a rental property located at 1-A Street, City A (*the "Property"*).
4. At all relevant times, Individual B and Individual C (*jointly, the "Tenants"*), were the eventual tenants placed by Carrol.
5. In or around fall 2021, Carrol began advertising, screening, and holding showings for prospective tenants of the Property.
6. At no time did Carrol provide the Complainant with a written agreement outlining the services or compensation terms of the representation.
7. At all relevant times, Carrol held herself out to be a registrant performing real estate services, including in her email signature in correspondence with the Complainant which included a link to a website titled "Georgia Carrol – Website A".
8. At all relevant times, Carrol's website and various social media accounts advertised her brokerage as "Website A" and did not mention Brokerage A.
9. On or about January 4, 2021, Carrol began screening the Tenants for the Property.
10. On or about January 10, 2021, a Residential Tenancy Agreement was executed between the Tenants and the Complainant which included terms that the tenancy period started February 1, 2021, and rent was \$2,000.00 per month.
11. Although a tenant application form and pay stubs were provided, at no time did Carrol provide the Complainant with copies of any credit checks, or other verifications for the Tenants prior to the Tenancy Agreement being executed.

12. On or around January 26, 2021, Carrol invoiced \$2,000.00 to the Complainant for “tenant screening and placement” and received payment directly from the Complainant.
13. At no relevant time did Carrol report or provide documents to Brokerage A regarding the transaction for the Property.
14. On or about May 25, 2021, the Tenants ceased paying rent to the Complainant while continuing to occupy the Property.
15. On or about October 4, 2022, the Complainant was granted an order from the Landlord and Tenant Board (*the “LTB”*) for over \$33,377.16 in unpaid rent and/or eviction if payment was not made by the Tenants by October 15, 2022 (*the “Order”*).
16. On or about October 25, 2022, the Tenants were physically removed from the Property by a Sheriff under the Order.
17. Upon inspecting the Property after the eviction, the Complainant found that the Tenants had caused extensive damage to the Property and allege that the Tenants had failed to pay City A Water Utility bills for the Property totalling over \$9,796.84 between May 2021 and October 2022.

SUMMARY OF AGREEMENTS

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

- A. As a representative, Carrol failed to reduce an agreement for representation to writing, contrary to section 2(1) with respect to section 13 and 4 of the Code of Ethics.
- B. As a representative, Carrol failed to conduct, and/or provide to their client, the appropriate due diligence on a prospective tenants’ financial and rental history prior to advising the client to enter into a residential tenancy agreement, contrary to sections 4, 5, and 39 of the Code of Ethics.

- C. As a salesperson, Carrol failed to report or provide documentation regarding a transaction in real estate to the brokerage that employs them, contrary to section 2(1) with respect to section 30 and 39 of the Code of Ethics.
- D. As a representative, Carrol received a commission payment from a client directly and not through the brokerage that employs them, contrary to sections 4 and 39 of the Code of Ethics.
- E. As a salesperson, Carrol advertised in a manner without clearly and prominently identifying themselves and the brokerage that employs them, contrary to section 36(3) of the Code of Ethics.

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

Broker and salesperson.

- 2. (1) A broker or salesperson shall not do or omit to do anything that causes the brokerage that employs the broker or salesperson to contravene this Regulation.

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.

Seller representation agreements

- 13. If a brokerage enters into a seller representation agreement with a seller and the agreement is not in writing, the brokerage shall, at the earliest practicable opportunity and before any buyer makes an offer, reduce the agreement to writing, have it signed on behalf of the brokerage and submit it to the seller for signature.

Business records

30. In addition to the records required by Ontario Regulation 579/05 (Educational Requirements, Insurance, Records and Other Matters) made under the Act, a brokerage shall make and keep such records as are reasonably required for the conduct of the brokerage's business of trading in real estate.

Advertising

36. (3) A broker or salesperson shall not advertise in any manner unless the advertisement clearly and prominently identifies the brokerage that employs the broker or salesperson, using the name in which the brokerage is registered.

Unprofessional conduct, etc.

39. A registrant shall not, in the course of trading in real estate, engage in any act or omission that, having regard to all of the circumstances, would reasonably be regarded as disgraceful, dishonourable, unprofessional or unbecoming a registrant.

AGREED PENALTY

The Respondent understands and agrees to the following penalty:

- a) To pay a total fine of **\$25,000.00** not later than **365** days after the date of the Decision of the Discipline Committee on this matter, with at least \$5,000.00 being payable within 60 days after the date of the Decision of the Discipline Committee on this matter; and
- b) To successfully complete the following course or programs by the identified completion date and provide proof of completion to RECO within **60 days** of completion of the courses:

Course Title (Provider)	Completion date
REIC 2600 Ethics in Business Practice	Not later than 90 days after the date of the Decision of the Discipline Committee on this matter.

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 2(1), 4, 5, 13, 30, 36(3) and 39 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. GEORGIA RAYNE CARROL is Ordered a Fine of \$25,000.00 payable to RECO not later than 365 days after the date of the Decision of the Discipline Committee on this matter, with at least \$5,000.00 being payable within 60 days after the date of the Decision of the Discipline Committee on this matter.

2. GEORGIA RAYNE CARROL is Ordered to successfully complete the Real Estate Institute of Canada (REIC) "REIC 2600: Ethics in Business Practice" course not later than 90 days after the date of the Decision of Discipline Committee on this matter and to provide proof of completion to RECO within 60 days of completion of the courses.

[Released: May 30, 2024]