Real Estate Council of Ontario

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 -

MUTIAT MOSUNMOLA BELLO (registered as MUTIAT BELLO)

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, 4, 5, 38 and 39 of the *REBBA 2002* Code of Ethics.

ORDER: Fine of $ 23,000.00 payable to RECO not later than 300 days after the date of the Decision of the Discipline Committee in this matter, with at least $3,000.00 of the total fine amount to be paid on or before 60 days after the date of Decision

Successful completion of the RECO MCE Compliance and Ethics in Real Estate, Part 1 and Part 2 courses on or before 60 days after the date of the Decision, and to provide proof of completion to RECO within 30 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, Mutiat Bello ("**Bello**") was a salesperson employed with Brokerage A.

2. Individual A ("Client") was a friend of Bello who, at all relevant times, resided in City A, U.S.A.

3. In or around late 2021, Bello and the Client began a business relationship through which they planned to purchase properties in Ontario and then develop/redevelop the properties.

Purchase of Properties

4. A property (located at 1-A Road, City B, Ontario) was purchased in November 2021 by Bello as the first property to be part of the business venture (the "**City B Property**").

5. In February 2022, the Client provided Bello with $70,000 to put towards the City B Property.

6. Also in February 2022, Bello and the Client began taking formal steps to establish their business, including the incorporation of an overarching company for the business that they called "Project 111".

7. The business plan was for the Client to purchase a property to become the second property that would be part of Project 111 (to join the City B property).

8. To that end, the Client took steps to pre-qualify for a mortgage, and this step was undertaken with knowledge and involvement of Bello.

9. The pre-qualification process determined that the Client was able to pre-qualify for a purchase price of $525,000.00, based on a $105,000.00 down-payment and a $425,000.00 mortgage. This information was known to Bello.

10. On or about March 7, 2022, the Client (through a corporation) entered into a Buyer Representation Agreement with Brokerage A, with Bello as the sales representative.

11. Given the fact that the Client lived outside of Canada, the Client was heavily reliant on Bello in respect of finding, viewing and assessing potential properties for purchase.

12. Instead of looking for a single property, Bello found and encouraged the Client to purchase two properties. One of these properties was a parcel of vacant land and the other a tenanted property.

13. Further, Bello had discussions with the mortgage broker about how the Client could financially manage to purchase both properties and then encouraged the Client to proceed to purchase both properties.

14. On or around March 18, 2022, a parcel of vacant land located in City C, Ontario was purchased by the client (through the Client's own corporation) with Bello acting as the Client's representative (the "**Vacant Land**").

15. Bello included a number of conditions in the agreement of purchase and sale to protect the Client in the purchase of the Vacant Land. These included conditions related to: solicitor approval of the agreement, successfully arranging financing for the Vacant Land, and an assessment of whether the Vacant Land could be developed at a reasonable cost.

16. Although the conditions were not satisfied, and although Bello did not make any inquiries or take any steps to satisfy the conditions before the conditions were waived before the deadline set out in the agreement of purchase and sale.

17. On or about March 24, 2022, the Client (through the Client's own corporation) with Bello acting as the Client's representative, purchased a tenanted property, located at 1-A Street, City D, Ontario (the "**Tenanted Property**").

18. The Client offered to purchase the Tenanted Property at $615,000.00 – which was accepted.

19. Bello did not include any conditions in the agreement of purchase and sale for the Tenanted Property that would have offered protections to the Client relating to financing or the state/status of the property.

20. Ultimately, the Client was not able to secure financing to purchase both of the properties and, as a result, was unable to close on the purchase of the Vacant Land. The Client lost her $20,000.00 deposit as part of a release entered into in relation to this transaction.

SUMMARY OF AGREEMENTS

It is agreed that Bello failed to comply with the Code of Ethics as follows:

A. Bello failed to protect the Client's best interests when Bello encouraged and facilitated the client to make purchases that Bello knew were beyond the Client's financial means, contrary to sections 3, 4, 38, and 39 of the Code of Ethics; and

B. Bello failed to protect the Client's interests by facilitating the waiver of conditions that protected the Client without those conditions having been satisfactorily addressed, contrary to sections 3, 4, 5, and 38 of the Code of Ethics.

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

<u>Fairness, honesty, etc.</u>

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

<u>Best interests</u>

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

<u>Conscientious and competent service, etc.</u>

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.

<u>Error, misrepresentation, fraud, etc.</u>

38. A registrant shall use the registrant's best efforts to prevent error, misrepresentation, fraud or any unethical practice in respect of a trade in real estate.

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 fine in the total amount of **$23,000.00** not later than 300 days after the date of the Decision of the Discipline Committee in this matter, **with at least $3,000.00** of the total fine amount to be paid on or before 60 days after the date of Decision**;** and

b) To successfully complete the following courses by the identified completion date and provide proof of completion to RECO within 30 days of completion of the courses:

Course Title (Provider)	Completion Date
RECO MCE Compliance and Ethics, Parts 1 and 2	**On or before 60 days after the date of Decision**

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 3, 4, 5, 38 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. MUTIAT MOSUNMOLA BELLO (registered as MUTIAT BELLO) is Ordered a Fine of $23,000.00 payable to RECO not later than 300 days after the date of the Decision of the Discipline committee in this matter, with at least $3,000.00 of the total fine amount to be paid on or before 60 days after the date of the Decision.

2. MUTIAT MOSUNMOLA BELLO (registered as MUTIAT BELLO is Ordered to successfully complete RECO MCE Compliance and Ethics in Real Estate course, Part 1, on or before 60 days after the date of Decision.

3. MUTIAT MOSUNMOLA BELLO (registered as MUTIAT BELLO is Ordered to successfully complete RECO MCE Compliance and Ethics in Real Estate course, Part 2, on or before 60 days after the date of Decision.

4. To provide proof of completion to RECO within 30 days of completion of the courses.

[Released: February 14, 2024]