

**REAL ESTATE COUNCIL OF ALBERTA**  
**NOTICE OF ADMINISTRATIVE PENALTY**

To: Tom Lam, Broker  
Argentum-Urban Mortgage  
Suite 109, 11012 Macleod Trail SE  
Calgary, Alberta T2J 6A5

In accordance with s.83 of the *Real Estate Act*, R.S.A. 2000 c.R-5 (the “*Act*”), the Executive Director of the Real Estate Council of Alberta has determined that Tom Lam has contravened s.67(1)(i) of the Rules made pursuant to the *Act* and as such an Administrative Penalty is warranted. The Executive Director’s reasons for this decision are as follows:

Section 67(1)(i) of the Rules made pursuant to the *Act*, states that a mortgage broker must ensure proper management and control of documents or records related to licensing, registrations and related regulatory requirements.

On April 25, 2011, RECA received a copy of the associate/associate broker application for registration for W.D. This application was sworn by affidavit by W.D. on November 10, 2010. The associate/associate broker application for registration indicated a positive response to question 20, regarding suitability. Also, RECA received a statement of termination from W.D. dated November 8, 2010.

On November 19, 2010, you terminated the registration of a mortgage associate, W.D. from Centum Triumph Financial Inc. then proceeded to register her to your brokerage, Argentum-Urban Mortgage, using the RECA Online system.

This activity was in contravention of s. 67(1)(i) of the Rules made pursuant to the *Act* and the RECA Online Electronic Filer Agreement you entered into with RECA on June 8, 2007, which states in part that the broker agrees to follow the procedures and

guidelines established for users of RECA Online, and comply with any applicable legislation.

The RECA Online User Manual states in part that before a broker is to proceed with any online licensing transaction, they are to ensure that the applicant has **not** selected a “yes” answer to any of the suitability questions, and that if they have, the broker is to forward the application to RECA for processing.

Additionally, the 2010/2011 associate/associate broker application for registration states in section C, that if you are making an application for renewal of your registration certificate these questions apply only to any and all situations and/or events that have taken place **SINCE THE DATE OF YOUR LAST APPLICATION** and as such, the positive response regarding suitability was incorrect. A new application should have been completed before it was processed.

Furthermore, the manual states in part that before a broker is to proceed with a cancellation the broker must ensure that a paper copy of the **Registration Cancellation** form has been completed by the associate or the broker and has been sworn by affidavit.

You failed to adhere to the instructions of the RECA Online User Manual and the terms of the RECA Online Electronic Filer Agreement. This is a contravention of s.67(1)(i) of the Rules and subject to an Administrative Penalty in the amount of **\$1,500.00**.

Payment of this Administrative Penalty shall be accepted by the Executive Director as complete satisfaction of the amount of the penalty and no further proceedings under Part 6 of the *Act* will be taken against you in respect of the contravention herein.

The penalty is payable to the Real Estate Council of Alberta within thirty (30) days of the date of issuance of this Notice of Administrative Penalty. If the penalty is not paid in accordance with this notice, the Executive Director may commence legal action against you to recover the amount owing in respect of the Administrative Penalty as a debt due to the Real Estate Council of Alberta.

If you dispute this Notice of Administrative Penalty in accordance with s.83.1 of the *Act*, you may appeal to a Hearing Panel. You will be given a full opportunity consistent with procedural fairness and natural justice to present evidence before the Hearing Panel and make representations to the contravention.

If you have any questions in regard to this Notice of Administrative Penalty, please contact Shawna Douglas, Information and Licensing Coordinator, at the Real Estate Council of Alberta.

DATED this 18th day of May, 2011.

REAL ESTATE COUNCIL OF ALBERTA

Per:

*Bob Myroniuk*  
Executive Director