

**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 -

SUDERSHAN DULAT

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 \$ 20,000.00 payable to RECO on or before March 23, 2026 (not later than 365 days after the date of the Decision of the Discipline Committee on this matter).

Successful completion of “REIC 2600 in Ethics in Business Practice”, course, and provide RECO with confirmation of successful completion not later than 90 days 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.

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, Sudershan Dulat (“Dulat”) was registered as a salesperson] under the *Real Estate and Business Brokers Act, 2002* (“Act”), and is currently registered under the *Trust in Real Estate Services Act, 2002*.
2. At all relevant times, Dulat represented Individual A (*the “Complainant”*) in fifteen transactions related to the purchases and/or sales of eight properties between 2015 and 2019. These properties were:
 - a. 1-A Street, City A, Ontario
 - b. 2-B Street, City A, Ontario
 - c. 3-C Street, City B, Ontario
 - d. 4-D Street, City B, Ontario
 - e. 5-E Street, City B, Ontario
 - f. 6-F Street, City C, Ontario
 - g. 7-G Street, City D, Ontario
 - h. 8-H Street, City A, Ontario,
3. At all relevant times, Registrant A was Dulat’s spouse, a salesperson employed at Brokerage A and represented the Complainant jointly with Dulat in transactions related to five properties between 2015-2019.
4. At all relevant times, the Complainant’s sole income was long term disability government assistance payments stemming from automobile accidents in 2006 and 2007 that left her with cognitive and physical impairments and/or limitations, including short term memory loss. The Complainant received financial settlements from these accidents.
5. During the representation, Dulat requested and received a blank and/or incomplete, signed Agreement of Purchase Sale (“**Blank APS**”) from the Complainant. The Blank APS did not include the address of any property, the names of the buyer or sellers, the purchase price, or any other material information related to a trade, but was signed and initialed by the Complainant.
6. On or around April 15, 2015, the Complainant entered into an Agreement of Purchase and Sale to purchase 2-B Street, with Dulat acting as her representative.

7. On or around April 21, 2015, the Complainant entered into an agreement with Registrant A to receive a loan of \$5,000 for the deposit on the purchase of 2-B Street (*the “2-B Street Loan”*).
8. On or around April 25, 2015, the Complainant entered into an Agreement of Purchase and Sale to sell 1-A Street for \$473,000, with Dulat acting in multiple representation as both her, and the buyer’s representative.
9. On or about May 29, 2015, the transaction for 1-A Street completed and thereafter, Dulat received \$8,487.00 in commission.
10. On or about May 29, 2015, after completion of the transaction, the Complainant attended a Bank A branch location accompanied by Dulat. During the visit, the Complainant had two bank drafts drawn. The first was for \$18,000, made out to an Individual B, requested by Dulat (*the “Individual B Draft”*); and the second was to Registrant A for \$5,000 in repayment of the 2-B Street Loan.
11. At all relevant times, Individual B was a family friend of the Dulat’s and unknown to the Complainant.
12. On or about May 29, 2015, the Complainant signed a handwritten agreement to receive a loan of \$18,000 from Individual B for renovations to a basement with repayment due upon completion of the 1-A Street transaction.
13. On or about June 25, 2015, the transaction for 2-B Street completed and thereafter, Dulat received \$10,733.75 in commission.
14. On or about January 31, 2016, the Complainant entered into an Agreement of Purchase and Sale to purchase 3-C Street for \$392,000, with Dulat acting as her representative.
15. On or around March 29, 2016, the transaction for 3-C Street completed and thereafter, Dulat received \$6,910.00 in commission.
16. On or about November 8, 2016, the Complainant entered into an Agreement of Purchase and Sale to purchase 4-D Street for \$421,000 with Dulat acting as her representative.
17. On or about November 9, 2016, the Complainant entered into an agreement with Registrant A to receive a loan of \$10,000 for the deposit of the purchase of 4-D Street (*the “4-D Street Loan”*).
18. On or around November 12, 2016, the Complainant entered into an Agreement of Purchase and Sale to sell 3-C Street for \$495,000, with Dulat acting as her representative.

19. On or around December 7, 2016, the transaction to purchase 4-D Street completed and thereafter, Dulat received \$7,499.00 in commission.
20. On or around January 16, 2017. The 3-C Street transaction completed and thereafter, Dulat received \$6,553.75 in commission and the Complainant repaid the 4-D Street Loan to Registrant A.
21. On or around April 10, 2017, the Complainant entered into an Agreement of Purchase and Sale to purchase 5-E Street for \$489,000, with Dulat acting as her representative.
22. At or around this time, the Complainant entered into an agreement with Registrant A to receive a loan of \$10,500 for the deposit on the purchase of 5-E Street (*the "5-E Street Loan"*).
23. On or around April 11, 2017, the Complainant, through Brokerage A, listed 4-D Street for sale with Dulat acting as her representative.
24. On or around May 7, 2017, the Complainant entered into an Agreement of Purchase and Sale to sell 4-D Street Wayne for \$499,000.
25. On or about June 20, 2017, the transactions for both 4-D Street and 5-E Street completed. Thereafter, Dulat received \$4,740.50 in commission for the 4-D Street transaction, \$9,291.00 for the 5-E Street transaction and the Complainant repaid the 5-E Street Loan to Registrant A.
26. On or about October 6, 2017, the Complainant, through Brokerage A, listed 5-E Street for sale with Dulat acting as her representative
27. On or about December 8, 2017, the Complainant entered into an Agreement of Purchase and Sale to sell 5-E Street for \$470,000 with a completion date of February 16, 2018, later amended to March 19, 2018. The sold price for 5-E Street was \$19,000 lower than the purchase price the Complainant had paid roughly eight months earlier.
28. On or about December 31, 2017, the Complainant entered into an Agreement of Purchase and Sale to purchase 6-F Street for \$449,990, a completion date of March 19, 2018, and with Dulat acting as her representative.
29. On or around March 19, 2018, the Complainant was short \$30,000 of the closing funds required to complete the 6-F Street transaction.
30. On or around March 19, 2018, Dulat attended a Bank B branch location with the Complainant where she attained a \$25,000 line of credit and a \$5,000 cash advance on her credit card to complete the 6-F Street transaction.

31. On or about March 19, 2018, the transactions for both 5-E Street and 6-F Street completed. Thereafter, Dulat received \$3,965.00 in commission for the 5-E Street transaction and \$8,549.81 for the 6-F Street transaction.
32. On or about May 7, 2018, less than two months later, the Complainant entered into a Listing Agreement with Brokerage B to list 6-F Street for \$549,000, with Dulat acting as her representative (*the “6-F Street Listing Agreement”*).
33. On or around July 4, 2018, the 6-F Street Listing Agreement was cancelled, and a new Listing Agreement was signed with a list price of \$499,000.
34. On or around July 14, 2018, the Complainant entered into an agreement to receive a loan of \$3,000 from Registrant A.
35. On or around August 17, 2018, the Complainant entered into an Agreement of Purchase and Sale to purchase 7-G Street for \$445,000, with Dulat acting as her representative.
36. On or around August 20, 2018, the Complainant entered into an agreement to receive a loan from Registrant A of \$10,000 for the deposit on her purchase of 7-G Street (*the “7-G Street Loan 1”*). The 7-G Street Loan was later amended to \$5,000 when the Agreement of Purchase and Sale for 7-G Street was amended to lower the deposit to \$5,000.
37. In or around this time, the Complainant advised Dulat that she would not be able to attain the necessary financing to complete the purchase of 7-G Street.
38. On or around August 24, 2018, the 7-G Street Agreement of Purchase and Sale was amended to change the purchaser to the Complainant’s son, with the Complainant remaining liable under the Agreement and Dulat remaining as the buyer representative.
39. On or around September 14, 2018, the transactions for both 6-F Street and 7-G Street completed. Thereafter, Dulat received commissions of \$4,664.50 for the 6-F Street transaction and \$10,568.75 for the 7-G Street transaction. The Complainant also repaid the 7-G Street Loan to Registrant A.
40. On or around February 24, 2019, the Complainant sent a text message to Dulat, addressed to Registrant A:

“Hi Registrant A, I understand that you are willing to lend me money to make ends meet for me. I would need \$3,000. Three thousand to cover me with most of my bills accumulated since 7

months. I would really appreciate it. I am having financial hardship right now. Thank you kindly, Individual A”

41. On or around March 6, 2019, the Complainant’s son entered into a Listing Agreement with Brokerage A to list 7-G Street for \$529,000, with Dulat.
42. On or around March 6, 2019, the Complainant entered into an agreement with Registrant A to receive a loan of \$2,000 (*the “7-G Street 2nd Loan”*).
43. On or about April 17, 2019, the Complainant sent a text message to Dulat requesting to receive a loan of \$455 for a matter relating to her son’s driver’s license. Dulat paid \$435 directly to ServiceOntario to assist the Complainant and her son.
44. On or around May 2, 2019, the Complainant entered into a Buyer Representation Agreement with Brokerage A that indicated Dulat was the representative.
45. On or about May 14, 2019, Dulat affixed the Complainant’s signature and initials on an Agreement of Purchase and Sale (*the “8-H Street APS”*) for the purchase of 8-H Street.
46. At no time prior to affixing the Complainant’s initials or signature on the Clarridge APS, did Dulat receive a written direction from the Complainant authorizing him to do so.
47. On or about May 15, 2019, the Complainant entered into an Agreement of Purchase and Sale to buy 8-H Street for a purchase price of \$641,000.
48. On or about May 16, 2019, the Complainant entered into a loan agreement to borrow \$10,000 from Registrant A for 8-H Street’s deposit (*the “8-H Street Loan 1”*).
49. On or around May 24, 2019, the Complainant’s son entered into an Agreement of Purchase and Sale to sell 7-G Street for \$486,000.
50. On or around May 30, 2019, Dulat sent \$500 to the Complainant via e-transfer.
51. On or around July 24, 2019, the Complainant and the sellers of 8-H Street executed an Amendment to Agreement of Purchase and Sale to extend the transaction completion date to August 2, 2019, which the Complainant required to match the completion date of 7-G Street. The amendment was conditional on a further deposit of \$10,000 being provided by the Complainant.
52. On or around July 25, 2019, the Complainant entered into a second agreement with Registrant A to receive a loan of \$10,000 for the further deposit for 8-H Street (*the “8-H Street Loan 2”*).

53. On or around August 2, 2019, the 8-H Street and 7-G Street transactions successfully completed. Thereafter, Dulat received \$15,223.75 in commission for the 8-H Street transaction, \$4,117.00 for the 7-G Street transaction and a payment from the Complainant's son to Registrant A of \$15,000 towards 8-H Street Loan 1 and 2.
54. On or around September 3, 2019, approximately one month after completion of the 8-H Street transaction, the Complainant, unable to pay the mortgage payments, listed 8-H Street for sale with another brokerage and representative. 8-H Street was sold for \$645,000 and the transaction completed on or around December 10, 2019.
55. During the relevant period, Dulat received approximately \$101,303.81 in commissions while acting as a representative of the Complainant.

SUMMARY OF AGREEMENTS

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

- A. Dulat requested their client pre-sign and initial an agreement of purchase and sale that did not contain any material information necessary for a specific trade in real estate, contrary to sections 3, 4 and 39 of the Code of Ethics.
- B. Dulat affixed the initials and signatures of their client on an Agreement of Purchase and Sale without prior written authorization or direction, contrary to sections 3, 4, 38 and 39 of the Code of Ethics.
- C. Dulat facilitated a transfer of funds of \$18,000 between their client and a personal contact, and did not provide and/or advise the client to receive any written terms prior to receiving and/or providing funds, contrary to sections 3, 4 and 39 of the Code of Ethics.
- D. Dulat failed to act in the best interests of their client when they continued to act as their representative in the purchase and sale of multiple properties when they knew or ought to have known the purchases were outside the means of the client, contrary to sections 3, 4, 5, and 39 of the Code of Ethics.

It is agreed that DULAT failed to comply with the following sections of the Code of Ethics (O. 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.

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.

Error, misrepresentation, fraud, etc.

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:

To pay a fine of **\$20,000.00** not later than **365** days after the date of the Decision of the Discipline Committee on this matter.

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

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.

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

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 Parties duly signed the Agreed Statement.]

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. SUDERSHAN DULAT is Ordered a Fine of \$20,000.00 payable to RECO not later than **365** days after the date of the Decision of the Discipline Committee on this matter.
2. SUDERSHAN DULAT is Ordered to successfully complete “RECO’s REIC 2600 Ethics in Business Practice”, course, not later than **90** days 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: March 21, 2025]